

Annual Corporate Governance Report 2025



Contents

This Annual Corporate Governance Report is part of the Company's Management Report for the year ended 31 December 2025. It has been prepared in accordance with Circular 3/2021, of 28 September, of the Spanish Comisión Nacional del Mercado de Valores (CNMV), that established the templates for the Annual Corporate Governance Report for listed companies.

In accordance with Circular 3/2021, of 28 September, of the Spanish CNMV, the Company has also prepared a statistical annex which has been published together with the annual corporate governance report, and which form part of the Management Report.

This Annual Corporate Governance Report contains the following sections:

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In relation to the template for the Annual Corporate Governance Report established in Annex I, Appendix II, of the CNMV Circular 3/2021, the Company advises that it has not included in this report information on sections A.4, A.6, A.13, C.1.8, C.1.20, C.1.22 and C.1.37 as these matters are not applicable to the Company in its current circumstances



Javier Ferrán
Chairman

“Our robust and efficient governance framework underpins our ability to live our values and deliver on our strategy.”

I am pleased to present IAG's Corporate Governance report for the year ended 31 December 2025. The report describes IAG's corporate governance framework and procedures and summarises the work of the Board and its Committees to illustrate how we have fulfilled our duties during the year.

The Board is responsible for the effective leadership of the Group and promoting its long-term sustainable success. During 2025, the Board supported management to build on the strong results achieved in 2024 to deliver record financial performance for the Group in 2025. The strong financial position has enabled us to continue to deliver significant shareholder returns while balancing the interests of our wider stakeholders.

Chairman's introduction to Corporate Governance *continued*

We have continued to focus on the implementation of our strategy and held a productive Board strategy session with members of the IAG and operating company management teams in October 2025. We remain focused on delivering on our transformation and innovation agenda through the development of initiatives that benefit both our shareholders and other stakeholder groups alike.

Board succession

Peggy Bruzelius and Emilio Saracho both stepped down from the Board at the 2025 Annual Shareholders' Meeting held in June. I thank them both for their commitment and contribution during their years of service as directors of the Company.

I am pleased to have welcomed two new non-executive directors to the Board and its Committees. Simone Menne and Päivi Rekonen were appointed at the Company's Annual Shareholders' Meeting on 19 June 2025. Simone Menne brings significant financial and accounting experience from the airline and transportation industry gained through several non-executive and executive roles. Päivi Rekonen brings expertise in strategy, digital and technology transformation also gained across a plethora of different industries in both executive and non-executive positions.

Simone Menne was also appointed to the Audit and Compliance and the Remuneration committees while Päivi Rekonen joined the Nominations and the Environmental and Corporate Responsibility (ECR) committees with effect from 19 June 2025.

People and Culture

Culture and our people remained high on the Board agenda in 2025, building on the investment and development already made to support people transformation and development at all levels of the organisation. We were regularly updated on people initiatives within each operating company and were glad to see the progress being made across the organisation. The Board continues to support management in building a healthy organisational culture that aligns to our core values of ambition, teamwork, innovation, pragmatism, efficiency and responsibility and supports our Group strategy.

In January 2026, we announced that Nicholas Cadbury would be stepping down from his role in June 2026. José Antonio Barrionuevo has been appointed as his successor and he brings a strong track record in financial leadership and transformation in the aviation sector. He currently serves as Chief Financial and Transformation Officer at British Airways.

On behalf of the Board, I would like to thank Nicholas for his contribution during these years. Under his leadership, IAG has built back its balance sheet and profitability and improved shareholder returns, positioning the Group for long-term growth.

As in previous years, we continued our programme of workforce engagement, which enables members of the Board to play an active role in embedding our culture by engaging and interacting with the core functions across the Group. The outcomes of the engagement are presented to the Board each year in December and provides the opportunity for the Board and management to discuss the feedback; this ultimately aids the refinement of our people and culture strategies over the year to come.

The Board recognises the importance of diversity in the broadest sense, which enriches perspectives and supports effective decision-making contributing to the Company's long-term success for the benefit of all stakeholders.

At IAG, our purpose is to connect people, businesses and countries. By opening up the world, we enable individuals to experience different cultures, broaden their horizons and bring communities together. This commitment to connection reflects our belief in diversity and inclusion as fundamental to our success. We remain focused on attracting the best talent across the Group and ensuring that our leadership pipeline reflects a broad range of skills, experiences and perspectives. Succession planning for senior leaders is a key priority, and we are mindful of the benefits that diverse characteristics bring to decision-making and governance. By fostering an inclusive environment, we aim to strengthen our ability to innovate, respond to challenges and deliver sustainable growth for all stakeholders.

Governance updates

As reported in the 2024 Annual Report and Accounts, the Board approved an update to its Regulations and those of its advisory committees in February 2025, which was driven by the publication of the revised CNMV Technical Guide on Audit Committees and the 2024 refresh of the UK Corporate Governance Code.

This review also involved redefining the Group's safety governance. Responsibility for overseeing the functioning of the Group's airlines' safety risk supervision and management systems was allocated to the Audit and Compliance Committee. As before, this is general oversight, assuming that each Group airline is directly responsible for the safety of their operations as holders of their respective operating licences.

In addition, a Group Safety Coordination Committee has been set up to facilitate coordination between the Group's airlines and to provide a forum for discussing common challenges and sharing best practices. This committee also serves to support the general oversight role of the IAG Audit and Compliance Committee.

Assigning overall responsibility for supervising the entire risk management and internal control system to the Audit and Compliance Committee also aligns well with the new requirements of provision 29 of the UK Corporate Governance Code, which will come into force in 2026. The Board has been regularly updated on the Group's preparations and roadmap for reporting against this new provision 29 and have overseen a number of policy and process updates.

Board performance review

As required under the UK and Spanish Corporate Governance Codes, we conducted an external Board and Committee performance review this year. The process was led by Dr Tracy Long of Boardroom Review Limited to ensure an objective review with actionable recommendations. The findings were discussed at the November Board meeting and an action plan was agreed for the year ahead. The outcomes of this review and further details on the process are provided later in this report

Looking ahead

The Board's priorities for 2026 remain consistent with prior years, focusing on the implementation of the Group strategy, transformation and sustainable value creation for both our shareholders and wider stakeholders – underpinned by strong and effective corporate governance practices, which help to maintain our values and strong corporate culture.

I want to thank all employees for their continued dedication, efforts and hard work in delivering our 2025 performance. I would also like to extend my thanks to my fellow Board members for their commitment and support during 2025.

Javier Ferrán
Chairman

Our Board of Directors



1. Javier Ferrán

Chairman



2. Luis Gallego

Chief Executive Officer



3. Heather Ann McSharry

Senior Independent Director



4. Eva Castillo

Non-Executive Director



5. Margaret Ewing

Non-Executive Director



6. Maurice Lam

Non-Executive Director



7. Bruno Matheu

Proprietary Director



8. Simone Menne

Non-Executive Director



9. Robin Phillips

Proprietary Director



10. Päivi Rekonen

Non-Executive Director



11. Nicola Shaw

Non-Executive Director

1. Javier Ferrán N

Key areas of experience:

Consumer, finance, sales/marketing, governance.

Current external appointments:

Chairman, Casa Optima SPA. Managing partner, Terlos LLP.

Previous relevant experience:

Chairman, Diageo Plc 2017–2025. Non-executive director, Coca-Cola European Partners Plc 2016–2020. Chairman of Supervisory Board, Picard Surgelés 2010–2020. Member, International Advisory Board ESADE 2005–2019. Non-executive director, Associated British Foods Plc 2005–2018. Non-executive director, Desigual SA. 2014–2017. Non-executive director, SABMiller Plc 2015–2016. Vice chairman, William Grants & Sons Limited 2005–2014. Non-executive director, Louis Dreyfus Holdings BV 2013–2014. Non-executive director, Abbott Group 2005–2008. Non-executive director, Chupa Chups SA 2000–2003. Partner, Lion Capital LLC 2005–2018. President EMEA, President and CEO, Bacardi Group 1992–2004.

2. Luis Gallego

Key areas of experience:

Airline industry, general management.

Current external appointments:

Member of the Board of Governors and chair of IATA Board.

Previous relevant experience:

Chairman and CEO, Iberia 2013–2020. CEO, Iberia Express 2012–2013. Chief Operating Officer, Vueling 2009–2012. Founder of Clickair 2006–2009.

3. Heather Ann McSharry R N

Key areas of experience:

General management, pharmaceuticals/healthcare, financial services, consumer products, food and construction industry sectors, governance.

Current external appointments:

Non-executive director, chair of Nominations and Governance Committee, Jazz Pharmaceuticals Plc.

Previous relevant experience:

Non-executive director, CRH Plc 2012–2021. Non-executive director, Greencore Plc 2013–2021. Non-executive director, Unipharm Plc 2019–2020. Non-executive director, Bank of Ireland Plc 2007–2011. Chairman, Bank of Ireland Pension Fund Trustee Board 2011–2017. Managing Director, Reckitt Benckiser Ireland 2004–2009. Managing Director, Boots Healthcare Ireland 1998–2004.

4. Eva Castillo A R

Key areas of experience:

Financial sector, telecoms sector.

Current external appointments:

Trustee of the Council for Economy of the Holy See (Vatican). Trustee of the Board of the Comillas ICAI Foundation. Member of Entreculturas Foundation. Member of Advantere School of Management. Member of the advisory board of NTT Data Spain S.L.U.

Previous relevant experience:

Non-executive director, Caixabank 2012–2025. Non-executive director, Zardoya Otis 2019–2022. Non-executive director, Bankia 2012–2021. Chair, Telefónica Deutschland AG 2012–2018. Non-executive director, Telefónica, S.A. 2008–2018. Non-executive director, Visa Europe Plc 2014–2017. President and CEO, Telefónica Europe 2012–2014. Non-executive director, Old Mutual Plc 2011–2013. President and CEO, Merrill Lynch Capital Markets, Spain 1999–2006. President and CEO, Merrill Lynch, Wealth Management EMEA 2006–2009.

5. Margaret Ewing A N

Key areas of experience:

Professional services, financial accounting, corporate finance, strategic and capital planning, corporate governance, risk management.

Current external appointments:

Senior independent director and chair of the Audit and Risk Committee, ConvaTec Group Plc. Non-executive director and chair of the Audit and Risk Committee, ITV Plc.

Previous relevant experience:

Trustee and chair of the Finance and Audit Committee, Great Ormond Street Hospital Children's Charity 2015–2020. Non-executive director, Standard Chartered Plc 2012–2014. Independent external member of the Audit and Risk Committee, John Lewis Partnership Plc 2012–2014. Non-executive director, Whitbread Plc 2005–2007. Vice chairman, managing partner, Public Policy, Quality and Risk and London Practice senior partner, Deloitte LLP 2007–2012. Director of finance, BAA Ltd 2006 and chief financial officer, BAA Plc 2002–2006. Group finance director, Trinity Mirror Plc 2000–2002. Partner, Corporate Finance, Deloitte & Touche LLP 1987–1999.

6. Maurice Lam A E

Key areas of experience:

Professional services, financial accounting, audit and compliance in the banking industry.

Current external appointments:

Independent director, chairman of the Audit Committee and member of the Board Risk Committee, Bank of China (Europe) S.A. Independent director and chairman of the Audit and Compliance Committee of Banque Internationale à Luxembourg S.A.

Previous relevant experience:

Independent director, chairman of the Audit Committee and member of the Board Risk Committee of Quintet Private Bank (Europe) S.A. 2015–2020. Member of the board of directors of LuxConnect S.A., a Luxembourg state-owned company, acting as a business enabler in the ICT market 2013–2016. Independent director, Generali Fund Management S.A. 2013. Deloitte Luxembourg, Managing partner and CEO, 2000–2010, Head of audit 1993–2000, Audit Partner, Financial Services 1988–1993; Deloitte & Touche UK 1979–1985.

●	Committee Chair
A	Audit and Compliance Committee
N	Nominations Committee
R	Remuneration Committee
E	Environment and Corporate Responsibility Committee

7. Bruno Matheu

Key areas of experience:

Airline industry and transportation, marketing.

Current external appointments:

Founder and president, BLM Consulting. Senior Advisor Boston Consulting Group. Director, Transat A.T. Inc.

Previous relevant experience:

CEO, Airline Equity Partners – Etihad Aviation Group, 2014–2017. Member of the boards of Virgin Australia and Air Seychelles, 2014–2017. Chief officer Long-Haul Business Unit, Air France, 2013–2014. EVP Marketing, Revenue Management and Network, Air France–KLM, 2004–2012. Member of the Group Executive Committees Air France–KLM, 2004–2012. Chairman, Commercial Committee Air France–KLM, 2004–2012. Co-chairman, Joint Ventures with Delta Airlines, China Eastern and China Southern, 2004–2012. Non-executive director, Air France, Alitalia, CityJet, Amadeus, Ecole Centrale, 2004–2012.

8. Simone Menne

Key areas of experience:

Airline industry, transportation, financial accounting, corporate finance, risk management and internal audit, technology, corporate governance, consumer goods and human resources.

Current external appointments:

Non-executive director, Siemens Energy. Non-executive director and Audit Committee chair, Henkel. Non-executive director, Russel Reynolds Associates.

Previous relevant experience:

Non-executive director, Johnson Controls International, 2019–2025. Non-executive Director, Deutsche Post 2014–2024. Non-executive director, BMW 2015–2021. Non-executive director, Springer Nature 2018–2020. Member of management, Boehringer Ingelheim GmbH 2016–2017. Member of the Management Board and executive vice president Finance and Aviation Services, Deutsche Lufthansa AG 2012–2016. Chief financial officer, British Midland Ltd 2010–2012. Head of finance and controlling, Lufthansa Technik AG 2004–2010. Head of finance and human resources Europe, Deutsche Lufthansa AG 2001–2004. Head of finance and human resources Southwestern Europe, Deutsche Lufthansa AG 1999–2001. Managing director, Lufthansa Revenue Services GmbH 1989–1999. Various functions, Deutsche Lufthansa AG, including head of EDP and user services, head of accounting West Africa, Auditing 1987–1997.

9. Robin Phillips

Key areas of experience:

Finance, airline industry and transportation.

Current external appointments:

Chairman, Development Funding Board, Pancreatic Cancer UK. Senior advisor, Circadence Corporation (US). Board member, IR Scientific (Canada).

Previous relevant experience:

Global head/co-head of Corporate and Investment Banking, head of Global Banking and Markets (Hong Kong), group head Climate Committee, head of Global Industries Group, head of Transport, Services and Infrastructure, HSBC 2003–2019. Global co-head of Transport and Infrastructure Group, Citigroup 1999–2003. Executive director, Transportation and Aviation Investment Banking, UBS Warburg 1992–1999. Assistant director, Capital Markets, Kleinwort Benson 1985–1991.

10. Päivi Rekonen

Key areas of experience:

Technology innovation, digital transformation, strategic planning, governance, international market expansion.

Current external appointments:

Non-executive director, Wipro Limited. Chair of the Board of Directors, Amina Bank AG. Non-executive director, Konecranes Plc. Member of the Supervisory Board and member of the Foundation, IMD Business School.

Previous relevant experience:

Non-executive director, WithSecure Plc 2017–2024. Non-executive director, Efecte 2018–2023. Non-executive director, Alma Media Plc 2018–2021. Managing director, UBS 2014–2018. Senior vice president and global head of Group Strategy and Digital Marketing, Adecco Group 2011–2012. Managing director and global head, Corporate IT Services Solutions, Credit Suisse Group, 2007–2009. General manager and head, Strategy, Internet Business Solutions Group, and previously other senior positions, Cisco Systems 1998–2007. Head, Competence & Human Resources Development, Greater China and previously other senior positions. Nokia 1990–1998.

11. Nicola Shaw

Key areas of experience:

Transport sector, public policy and regulatory affairs, consumer, safety and environment, operational management.

Current external appointments:

Chief executive, Yorkshire Water.

Previous relevant experience:

Executive director, National Grid Plc 2016–2021. Non-executive director Ellevio AB 2015–2017. CEO, HS1 Ltd 2011–2016. Non-executive director, Aer Lingus Plc 2010–2015. Director and previously other senior positions FirstGroup Plc 2005–2010. Director of Operations and other management positions Strategic Rail Authority 2002–2005. Deputy director and deputy chief economist, Office of the Rail Regulator 1999–2002.

	Committee Chair
	Audit and Compliance Committee
	Nominations Committee
	Remuneration Committee
	Environment and Corporate Responsibility Committee

Corporate Governance

Statement of compliance with applicable corporate governance codes

IAG is incorporated and listed in Spain and is subject to Spanish legislation and corporate governance requirements, including the requirement to report on its compliance with the Spanish Good Governance Code of Listed Companies, last updated and published by the Spanish *Comisión Nacional del Mercado de Valores* (CNMV) in June 2020 and available on its website (www.cnmv.es).

IAG is also listed on the London Stock Exchange and is subject to the UK Listing Rules, including the requirement to explain whether it complies with the UK Corporate Governance Code published by the UK Financial Reporting Council (FRC). A copy of the version of the UK Corporate Governance Code applicable to this reporting period (updated and published in January 2024) is available on the FRC's website (www.frc.org.uk).

IAG has prepared a consolidated Corporate Governance report responding to both Spanish and UK reporting requirements, which is available separately on the Company's website (www.iairgroup.com) and on the CNMV website (www.cnmv.es). Pursuant to the CNMV regulations, this report has been filed with the CNMV and accompanied by a statistical annex covering some legally required data. At the same time, this Corporate Governance report forms part of the IAG Management report for the year 2025.

In addition, and as required by the UK Listing Rules, this report includes an explanation regarding the Company's application of the principles of the UK Corporate Governance Code and how it has complied with the Code's supporting provisions during the year. Details of where key information can be found are provided below.

During 2025, IAG fully complied with all applicable recommendations of the Spanish Corporate Governance Code; even though the Company acknowledges that, due to legal and regulatory requirements applicable to the aviation sector, the Company's Bylaws contain certain share ownership restrictions that are contrary to the provisions of the first recommendation of the Spanish Code.

The Company confirms that it applied the principles and complied with all the provisions of the UK Corporate Governance Code in the reporting period, noting that the new provision 29 will be effective from reporting periods beginning on or after 1 January 2026.

Applying the principles of the UK Corporate Governance Code

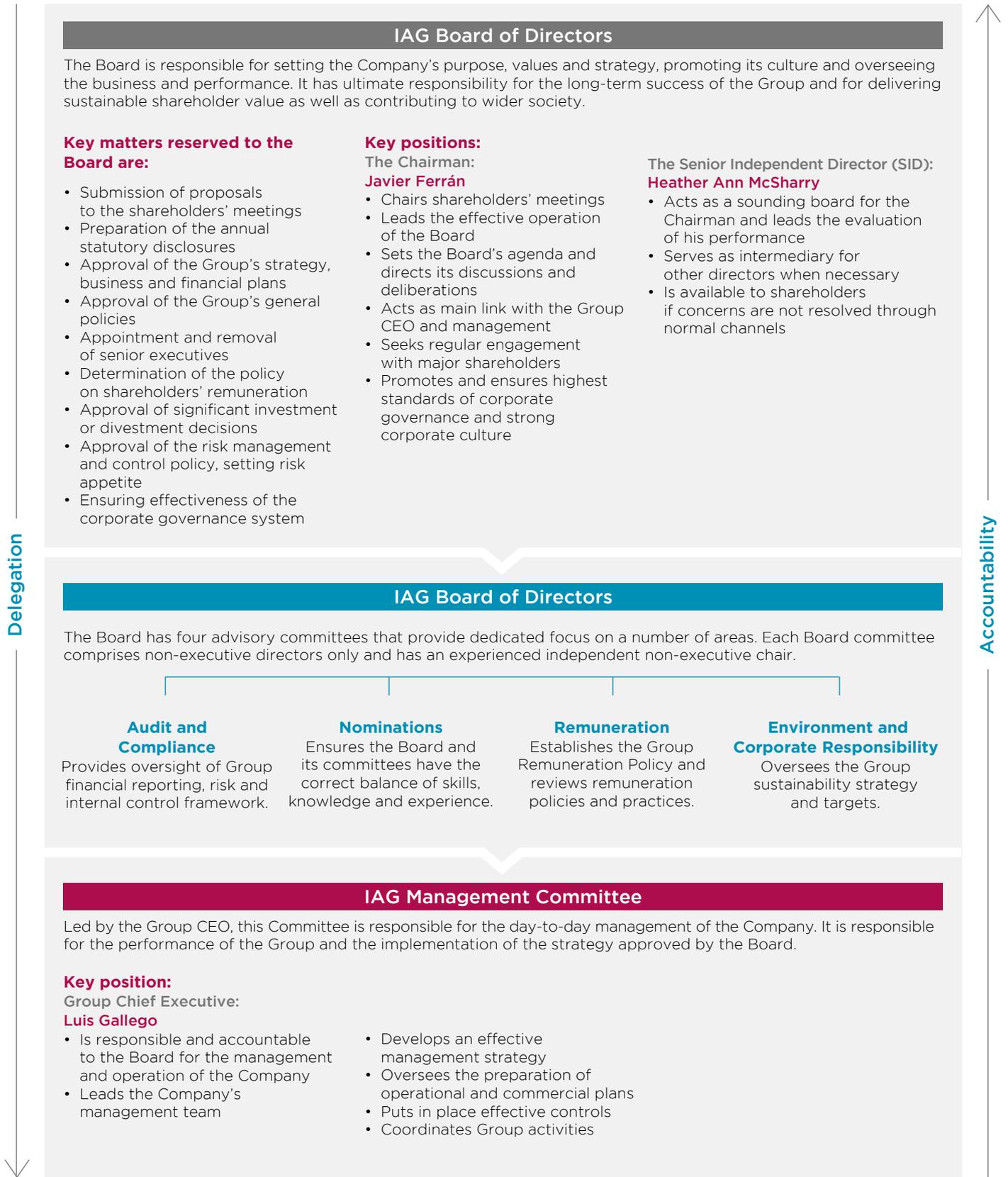
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IAG governance framework and division of responsibilities



The corporate governance framework was last approved by the Board on 27 February 2025.

Group structure

As the Group's parent company, IAG is responsible for the strategic direction, setting Group-wide performance metrics, capital allocation and maintaining overall oversight of material operational and compliance issues at operating company level.

Each operating company is fully accountable for its own performance and executing on its strategy. Each company is commercially and operationally independent and has its own customer value proposition and culture. It is empowered through its own board of directors and management committee to maintain its own relationship, people and stakeholder management processes unless there is value in cohesion centrally at Group level.

Cross-collaboration across the Group's various operating companies is facilitated by the parent company to share best practice, expertise and synergies, which in turn helps to facilitate the Group's overall strategic, innovation and sustainability agendas.

Further details on the Group structure can be found in the Business model section within the Strategic Report.

Board of Directors: division of responsibilities

As stated in the Board Regulations, which are available on the Company's corporate website (www.iairgroup.com), the Board endeavours to reconcile the corporate interests with the legitimate interests of employees, suppliers, customers and other affected stakeholders, while also taking into consideration the impact of its activities on the community as a whole and on the environment. Examples of this long-term focus and consideration of stakeholders' interests are discussed further in this report and in the Stakeholder engagement section.

Consistent with its governance role, the Board of Directors retains a schedule of matters reserved for its decision, as detailed in article 3.4 of the Board Regulations.

The different Board positions and their respective responsibilities are detailed in the Board Regulations. The Board has separate regulations for each Board committee. The schedule of reserved matters and each of the Board committee regulations were reviewed in February 2025 (the Nomination Committee regulations were refreshed in January 2026) and are available on the corporate website. The roles, membership and activities of these committees in 2025 are described in the individual reports within this Corporate Governance report.

There is a clear separation of the roles of the Chairman and the Group Chief Executive; their main responsibilities are established in articles 5 and 6 of the Board Regulations. The Chairman is responsible for the operation of the Board and its overall effectiveness in directing the Company. The Group Chief Executive and his management team are responsible for the day-to-day management and performance of the Group and the implementation of the strategy approved by the Board.

All the powers of the Board have been permanently delegated to the Group CEO save for those that cannot be delegated pursuant to applicable legislation, the Company Bylaws or the Board Regulations.

Decision-making, reserved matters and delegation

The IAG Board has delegated the day-to-day management of the Group to the Group CEO and the Group's Management Committee, but it has reserved authority for itself on several matters, including three key areas as set out below:

- Approval of the Group strategy and the supervision of its implementation, which entails the approval of the business plan, annual management objectives and financial plan, as well as monitoring of the risk management and internal controls framework and processes including the review of the effectiveness of all material controls;
- Approval and compliance oversight of the Group's general policies including but not limited to: investment and financing policies; enterprise risk management policy; and any corporate responsibility or sustainability policies;
- According to certain quantitative thresholds, the approval of contractual commitments, asset acquisitions or disposals, capital expenditures, borrowings and equity investments.

The Group's decision-making process is regulated by the internal policy on decision-making and delegation, which was last approved by the Board in November 2025. The policy sets out the matters to be covered by the IAG Board, IAG Management Committee and Principal Subsidiaries. In addition, another policy regulates the Group's investment process. This authority framework and the support provided by the Board advisory committees underpin the effective operation of the governance system.

As indicated above, there are occasions where the Board may have to make decisions balancing the competing priorities of stakeholders. The principles set out in article 3.6 of our Board Regulations, which align with those reflected in section 172 of the UK Companies Act, are embedded throughout the Group's decision-making processes.

Board composition

The IAG Board comprises eight independent non-executive directors, one of whom is the Chairman; two proprietary non-executive directors (as described below); and one executive director, IAG's Group CEO. The biographies of all members of the Board are set out in the Board of Directors section.

Peggy Bruzelius and Emilio Saracho did not stand for re-election at the 2025 Annual Shareholders' Meeting, having first been appointed as non-executive directors in 2020 and 2016, respectively. To fill these vacancies, Simone Menne and Päivi Rekonen were appointed as non-executive directors at the Annual Shareholders' Meeting held on 19 June 2025.

As set out in the Company's Bylaws, the Board shall comprise a minimum of nine and a maximum of 14 members. As at 31 December 2025, the Board composition was:

Name of Board member	Position/category	First appointed
Javier Ferrán	Chairman	20 June 2019
Luis Gallego	Group CEO	8 September 2020
Heather Ann McSharry	Senior Independent Director	31 December 2020
Eva Castillo	Director (independent)	31 December 2020
Margaret Ewing	Director (independent)	20 June 2019
Maurice Lam	Director (independent)	17 June 2021
Bruno Matheu	Director (proprietary)	26 June 2024
Simone Menne	Director (independent)	19 June 2025
Robin Phillips	Director (proprietary)	8 September 2020
Päivi Rekonen	Director (independent)	19 June 2025
Nicola Shaw	Director (independent)	1 January 2018

The Board Secretary is Álvaro López-Jorrín, partner in the Spanish law firm J&A Garrigues, S.L.P., and the Deputy Secretary is Lucila Rodríguez. The Group Chief Financial and Sustainability Officer, Nicholas Cadbury, and the Group General Counsel, Sarah Clements, also attend Board meetings.

Directors' independence

The Board, as supported by the Nominations Committee, reviewed directors' independence at its meeting held on 29 January 2026 and is satisfied that those directors classified as independent are free from any business or other relationship that could materially interfere with exercising an independent view, both as a question of character and judgement. Further details on conflicts of interest and the independence of directors can be found later in this report and in the Nominations Committee report.

The Chairman was considered independent on appointment and neither he nor any of the non-executive directors has exceeded the maximum nine-year recommended term of service set out in the UK Corporate Governance Code.

More information on Board changes and succession planning can be found in the Nominations Committee report.

Appointment, re-election, resignation and removal of directors

IAG directors are appointed for a period of one year, as set out in the Company's Bylaws. At the end of their mandate, directors may be re-elected one or more times for periods of equal duration to that established in the Bylaws. In this way, the Company complies with the UK Corporate Governance Code recommendation that directors should be subject to annual re-election.

Re-election proposals are subject to a formal process, based on a Nominations Committee proposal in the case of independent directors or its recommendation for all other categories of directors. This proposal or recommendation is prepared having due regard to the performance, commitment, capacity, ability and availability of the director to continue to contribute to the Board with the knowledge, skills and experience required on the Board at such time.

Directors cease to hold office when the term of office for which they were appointed expires.

The selection and appointment process is described in the Nominations Committee report.

Notwithstanding this, a director must resign under article 17.2 of the Board Regulations, if among other matters, the director ceases to have the good standing, suitability, reliability, competence, availability or commitment to office necessary to be a director of the Company or when his or her remaining on the Board might affect the Company's credibility or reputation or otherwise jeopardise its interests.

According to article 24.2 of the Board Regulations, directors have several disclosure obligations, including the duty to inform the Company of any situation in which they are involved that may seriously affect the reputation of the Company, in particular if they are involved in any investigation related to a criminal proceeding. In such circumstances, the Board would consider the case as soon as practicable and adopt the decisions it deems fit, following a report by the Nominations Committee and taking into account the corporate interest.

Corporate Governance *continued*

The Board may only propose the removal of a non-executive director before the end of a term if, after receiving a report from the Nominations Committee, it considers there is just cause. For these purposes, just cause is deemed to exist when the director takes up new positions or enters into new obligations that prevent the director from dedicating the necessary time to the performance of their duties as a director, otherwise breaches their duties as a director or unexpectedly becomes subject to any of the circumstances set out in article 17.2 of the Board Regulations.

Removal may also be proposed as a result of a takeover bid, merger or other similar corporate transaction that results in a material change of control.

The rules on the actions and communication required from a director who stands down before the end of their term in office are set out in the Board Regulations.

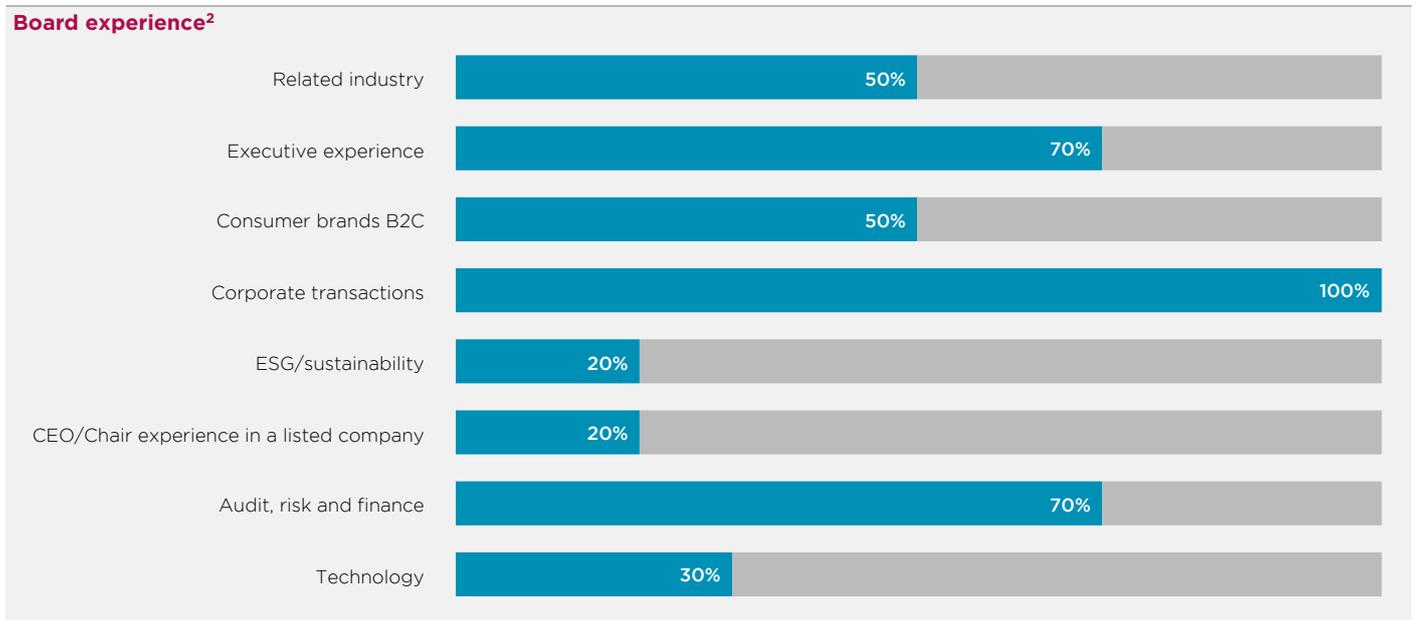
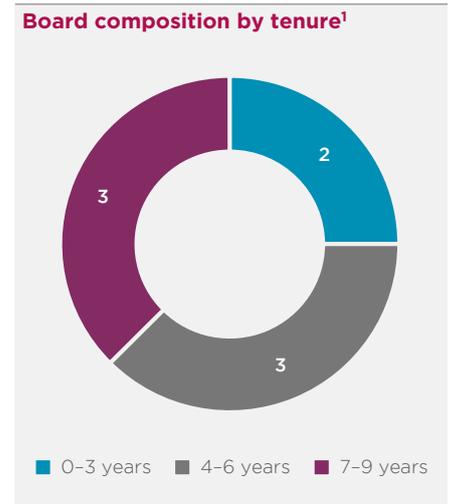
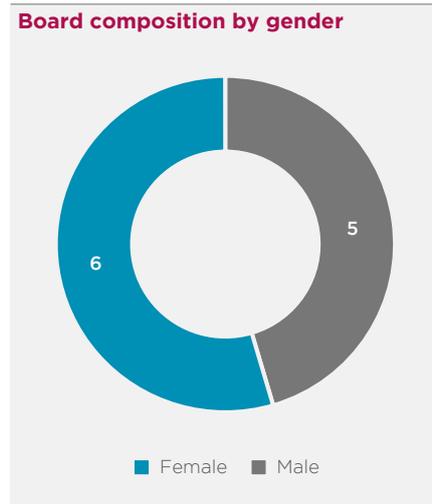
Diversity

The Board has a balance of members with more than 50% being women; including a woman as the Senior Independent Director and three women

chairing Board advisory committees. At least one member of the Board is from an ethnic minority background.

The Board supports diversity in a broader context, considering several factors to optimise Board composition. In addition to taking into account skills, gender and experience, the Board ensures compliance with regulatory requirements including the need to have more than half the Board being independent EU nationals.

Further details on the Group's Diversity and Inclusion policy can be found in the Nominations Committee report.



1 Tenure, which is as at the 2026 Annual Shareholders' Meeting, comprises solely independent non-executive directors, including the Chairman (eight directors). Of the three remaining directors' tenure is over five years for two of them and two years for the other.

2 Non-executive directors only

Board leadership and company purpose

IAG's purpose is to connect people, businesses and countries – opening up the world for people to experience different cultures, broaden their horizons and bring communities together.

Under the leadership of the Board, our purpose, culture and values, together with our strategy, define how we work and how we run our business to drive the Group's long-term sustainable success. This is supported by our robust corporate governance framework and illustrated by our business model (set out in the Business model section), which explains how we create sustainable value for our shareholders while contributing to all our key stakeholders and society at large. Further details of IAG's purpose and values can be found throughout this Annual Report, including in the People section.

The Board, supported by its committees, is responsible for setting and overseeing the implementation of the Group's strategy, ensuring the implementation of an appropriate risk management framework and monitoring sustainable financial and business performance as described in the Risk section.

Investment in the workforce

The IAG model empowers each operating company to deliver for its customers and people, with each being responsible for managing recruitment, pay and conditions for their colleagues, as well as careers and development. Group companies invest in their employees through training and development programmes, as well as through healthcare and wellbeing initiatives.

Across the Group, we look to ensure that all rewards and benefits are simple, clear, competitive and fair. Around 84% of the workforce is covered by collective bargaining agreements. We work closely with employee representatives to consult on reward matters. For those employees outside collective agreements, we benchmark roles and rewards against local markets to ensure they remain attractive and competitive.

→ **Further information on workforce remuneration can be found in the Directors Remuneration report and Sustainability statement.**

Embedding our corporate culture

The Board has overall responsibility for defining and setting the Group's corporate culture and reinforcing the culture through decision-making, strategy and conduct.

Our culture is a key component in continuing to make progress with our strategic and transformation plans and therefore the Board has continued to focus on and support the development of a healthy and inclusive Group culture aligned with our core values and purpose.

In addition to the Group's shared values, each operating company has its own unique culture, which enables them to deliver their own brand commitment and an exclusive customer experience.

The Board uses a variety of tools to monitor and assess how effectively culture is embedded across the Group. The Board also gains insights from employees to evolve IAG's culture and maintain the focus on creating an inclusive and supportive working environment.

Each year a specific session on People and Culture is held at the Board strategy meeting which, in 2025, included specific updates on leadership, talent, culture, diversity and inclusion, reward and AI enablement.



Action	How the Board monitors, assesses and embeds culture
<p>Board performance review</p>	<p>The Board undertakes an annual review of its performance and effectiveness to ensure that it continues to operate effectively. In 2025, Dr Tracy Long of Boardroom Review Limited was appointed to provide an externally facilitated review of the Board and noted in the Board performance report the importance of culture in managing transformational change.</p> <p>→ For further information, see the Nominations Committee report</p>
<p>‘Speak Up’</p>	<p>The Audit and Compliance Committee has responsibility for reviewing the Group’s ‘Speak Up’ arrangements, its effectiveness and any reports arising from its operation. The programme provides employees the opportunity to confidentially raise matters of concern and encourages openness and transparency. Further information is provided in the Audit and Compliance Committee report.</p> <p>→ For further information, see pages 56 and 178-179</p>
<p>Leadership Connect</p>	<p>IAG has developed the ‘Leadership Connect’ programme, which gives the Group’s senior leadership team the opportunity to collaborate and realign on the Group’s values and strategic priorities and drive direct collaboration across the operating companies by encouraging knowledge sharing and best practice. The Board is regularly updated on the outputs of such meetings.</p>
<p>Remuneration</p>	<p>The Remuneration Committee is responsible for setting the Remuneration Policy and practices and ensuring that workforce remuneration remains aligned with the corporate culture and strategy of the Group.</p>
<p>Employee Surveys</p>	<p>IAG undertakes regular employee surveys, which provide an overview of employee satisfaction and feedback across the Group and helps to foster a culture of accountability and transparency. The surveys provide the Board with valuable insights which are supplemented by regular updates on employee initiatives throughout the year.</p>
<p>Workforce Engagement Programme</p>	<p>During 2025, the designated workforce engagement directors visited a number of operating companies across IAG to meet a variety of employees and leaders in their work context, with the goal of understanding first-hand the challenges and opportunities of the different businesses, employee issues, levels of engagement and general sentiment. These visits continue to be valuable in understanding what matters to colleagues across the business, from ground and flight operations to our customer support and corporate teams, and involving a mix of new recruits and colleagues with long tenure reflecting the changing composition of the Group’s workforce.</p> <p>Eva Castillo remains the director responsible for coordinating the workforce engagement. She was supported during 2025 by Heather Ann McSharry and Maurice Lam who conducted four engagement visits, meeting colleagues across operating companies in London, Madrid and Barcelona.</p> <p>Board members noted the continued progress made on transformation across all areas of the business and the increasing investment in the people agenda, particularly in the areas of career development, training, and structured pathways such as apprenticeships. In addition, the Board was pleased to see the continued collaboration across operating companies which has helped to strengthen and drive operational improvements and efficiencies.</p> <p>While each visit highlighted some specific local challenges, several key themes emerged. These included transformation, recruitment and retention, operational integrations, management and organisational health, and competitive pay. Each visit included a debrief with senior teams on emerging issues to ensure appropriate actions are taken forward.</p> <p>Each year, the Board reviews and considers the results of the annual workforce engagement programme at its December meeting ensuring that it remains effective and relevant feedback is used to influence people, cultural and organisational strategy and transformation across the Group. In addition to its direct engagement with employees, the Board has been regularly informed about initiatives at each operating company with respect to its workforce. Each year a specific session on People and Culture is held at the Board strategy meeting which, in 2025, included specific updates on leadership, talent, culture, diversity and inclusion, reward and AI enablement</p> <p>For further detail on the outcomes of broader employee engagement activities including on workforce remuneration, refer to the Stakeholder engagement and Remuneration Committee sections of this annual report.</p>

Decision-making and stakeholder interests

Section 172 statement

(and compliance with article 3.6 of IAG's Board of Directors' Regulations)

Section 172 of the UK Companies Act 2006 requires directors of a company to act in a way they would consider, in good faith, would most likely promote the success of a company for the benefit of its shareholders. In making decisions, the directors should also have due regard to other factors such as the interests of other stakeholders and how specific actions may affect the communities and environment they operate in. This is in line with Recommendation 12 of the Spanish Corporate Governance Code, which is reflected in article 3.6 of our Board of Directors' Regulations.

Stakeholder engagement is central to the execution and development of our strategy and is a key priority of the Board and IAG as a whole. The following section seeks to outline how the directors have fulfilled their legal duties and considered the views and interests of stakeholders in their decision-making to create and promote the long-term success of the Company while maintaining high business conduct and balancing those competing interests.

The Board is regularly updated on stakeholder feedback received through the operating companies and those views are incorporated into business cases presented to the Board for consideration.

Further details on how the provisions of Section 172 were considered can also be found throughout the Strategic and Corporate Governance reports.

Board decisions, corporate interests and stakeholders

The table below outlines where the relevant information in relation to section 172(1) of the UK Companies Act and article 3.6 of the IAG Board of Directors Regulations can be found in the Annual Report and Accounts.

Section 172(1) provision	Relevant disclosures in the Annual Report and on the Company's website
a Decisions for the long term	<ul style="list-style-type: none"> • Business model • Strategic priorities • Sustainability • Board activities during the year
b Employee interests	<ul style="list-style-type: none"> • Stakeholder engagement • Corporate Governance report (workforce engagement) • Sustainability statement • Nominations Committee report • Remuneration Committee report • Audit and Compliance Committee report
c Business relationships with suppliers, customers and others	<ul style="list-style-type: none"> • Business model • Stakeholder engagement • Sustainability statement • ECR Committee report • Audit and Compliance Committee report
d Community and environment impact	<ul style="list-style-type: none"> • Business model • Strategic Report • Sustainability report • ECR Committee report
e Reputation for high standards of business conduct	<ul style="list-style-type: none"> • Stakeholder engagement • Sustainability report • Audit and Compliance Committee report • ECR Committee report
f Fairness between shareholders	<ul style="list-style-type: none"> • Business model • Stakeholder engagement • Corporate Governance report (directors' duties, conflicts of interest and related-party transactions) • Audit and Compliance Committee report

Examples of principal decisions taken during the year

In each instance, the Board was provided with a detailed analysis of the proposal, including potential alternatives, feasibility and risk assessments, as well as synergies across the Group, as relevant.

Aircraft purchase

On 8 May 2025, the Board approved the acquisition of 21 Airbus A330-900neo family aircraft and 32 Boeing 787-10 family aircraft, and this was subsequently approved at the Annual Shareholders' Meeting on 19 June 2025. The order facilitates the replacement of aircraft, earnings growth and the strengthening of core profit pools and helps maintain the Group's access to aircraft and its competitive position.

Section 172(1) provisions

(a), (b), (c), (d), (e)

Stakeholder groups impacted



Considerations and outcomes

- Replacement of end-of-life long-haul aircraft ensures that customers continue to receive a high level of service and quality of aircraft fit for servicing the Group into the future
- The aircraft will provide more fuel-efficient solutions, maintenance cost savings and improved reliability
- Provides the Group with the flexibility to grow over the coming years and strengthen its position in the market in its core profit pools. The investment will subsequently create further returns for shareholders
- The estimated carbon emissions for the A330neo aircraft would contribute to a significant reduction in the Group's carbon-intensity measure compared to the older fleet, which was a key environmental consideration for the Board when approving the acquisition

Starlink short-haul connectivity

On 6 November 2025, the Board approved the implementation of Starlink connectivity on short-haul aircraft across the Group, which will provide next generation high speed, reliable connectivity to be installed on Group aircraft from late 2026.

Section 172(1) provisions

(a), (c), (d), (e)

Stakeholder groups impacted



Considerations and outcomes

- The further implementation of Wi-Fi on short-haul as well as the replacement of existing short-haul connectivity will increase capacity, provide faster speeds, global coverage and be a step change in customer experience
- The feedback gained from customers transferring across hubs was a key consideration in the Board's decision-making process, which will ultimately allow customers to obtain a similar coverage across Group services
- IAG competitors are adopting new technology or upgrading existing technology in this area; thus, the Board considers it critical for the Group to maintain similar momentum to its peers by building further key business relationships, receiving key data insights and maintaining high levels of customer standards
- An extensive market review was undertaken across the Group with a number of key internal and external stakeholders and potential suppliers to identify Starlink as the most suitable partner for IAG
- The Board also considered the potential operational efficiencies that would be afforded by the implementation of new technology, which will ultimately benefit shareholders and other wider stakeholder groups

Stakeholder key	
	Customers
	Employees
	Suppliers
	Shareholders, lenders and other financial stakeholders
	Environment
	Public administration (government and regulators)
	Society

Stakeholders' interests

Day-to-day stewardship of stakeholder relationships is delegated to management, with the Board having a supervisory role based on the information provided and discussions held with management teams. In addition to this, the Board has direct engagement with the Company's shareholders and with the workforce as recommended by the UK Corporate Governance Code.

Information on the Board's engagement with the workforce is provided in the Workforce engagement section of this Corporate Governance report.

More information on our stakeholders and our engagement with them can be found in the Stakeholder engagement section of this Annual Report.

Shareholders and investors

The Board is committed to maintaining strong communication with our shareholders, and their interests are key to Board considerations.

The Board maintains a direct and active dialogue with shareholders and investors, mainly through the Group CEO and the

Chief Financial and Sustainability Officer, who meet with shareholders and investors on a regular basis, as well as through the Chairman, the SID or the Committee Chairs as appropriate.

In 2025, the Chairman met with significant shareholders to discuss governance matters, as well as the performance of the Group and its strategy. In addition, the Chair of the Remuneration Committee and Chairman launched an engagement process with a number of key investors and proxy agencies to discuss remuneration matters, and in particular, the approach to the review of the Directors Remuneration Policy. Further details are included in the Remuneration Committee report. All directors had the opportunity to meet individual shareholders at the Annual Shareholders' Meeting held in June 2025.

The Board is regularly apprised of shareholders' feedback and the main issues discussed with shareholders and investors. Annually, the Company's corporate brokers are also invited to attend and provide an update on the market and investor perceptions.

Following investor days in November 2023 and November 2024 that focused on IAG and British Airways, respectively, Iberia held an investor day in June 2025. The Iberia senior management team hosted most of our sell-side equity analysts as well as a number of top shareholders. Key messages included explaining the historical transformation of Iberia and the long-term opportunity in the Latin America market, as well as setting a medium-term target for operating profit of €1.4 billion and an operating margin at the upper end of the Group's 12-15% range.

Directors and senior managers, along with the Investor Relations team, held over 477 meetings with existing and prospective investors during 2025, including at the Iberia investor day, road shows (in London, Madrid, Edinburgh, the US and Canada, Dublin, Stockholm and Milan), investor conferences, dinners as well as an on-site visit to British Airways at Heathrow.

Additional information can be found in the Stakeholder engagement section of this Annual Report.

Board and committee meetings

The Board met eight times during the year, including its annual two-day strategy meeting held in October 2025. Details of attendance at Board and committee meetings are shown below.

The Board Secretariat together with the Group General Counsel maintain an annual agenda schedule for Board meetings that sets out strategic, standard and operational matters to be considered. The Chairman sets a carefully structured agenda for each meeting in consultation with the Group CEO, with support from the Group General Counsel and the Board Secretariat. The key activities of the Board in 2025 are detailed in the Board activities table further on in this report.

At each Board meeting, the Chairs of the Board's committees report on meetings held since the previous Board meeting. The reports focus on the key discussions and decisions considered by the respective committees, providing an opportunity for directors to comment or ask questions on the matters dealt with by each committee and to ensure that all Board members remain apprised of committee activities. In addition, the Group CEO and the Chief Financial and Sustainability Officer report to the Board on key matters in the Group.

All scheduled Board meetings include a private session for non-executive directors to meet with the Chairman to discuss any matters arising. At least once a year, there is a private meeting

with the Chairman that includes independent non-executive directors only. The SID also met with the non-executive directors, without the Chairman, as part of the Chairman's annual performance review.

As stated in the Board Regulations, directors must make their best efforts to attend Board meetings. If this is not possible, they may grant a proxy to another non-executive director specifically for that meeting. No director may hold more than three proxies, except for the Chairman, although he cannot represent more than half of the Board members. As far as possible, proxies should be granted including voting instructions.

Board and committee attendance during 2025

Board member	Board	Audit and Compliance Committee	Nominations Committee	Remuneration Committee	Environment and Corporate Responsibility Committee
Javier Ferrán	8/8		4/4		
Luis Gallego	8/8				
Peggy Bruzelius ¹	4/4	2/2	2/2		
Eva Castillo	8/8	5/5		5/5	
Margaret Ewing	8/8	5/5	3/4		
Maurice Lam	7/8	5/5			3/3
Bruno Matheu	7/8				2/3
Simone Menne ²	5/5	3/3		1/1	
Heather Ann McSharry	8/8		4/4	5/5	
Robin Phillips	7/8				3/3
Emilio Saracho ¹	4/4			4/4	2/2
Päivi Rekonen ³	5/5		2/2		1/1
Nicola Shaw	8/8			4/5	3/3

¹ Stepped down from the Board and Committees on 19 June 2025

² Joined the Board and the Audit and Compliance and Remuneration committees on 19 June 2025

³ Joined the Board and the Nominations and Environment and Corporate Responsibility committees on 19 June 2025

Board activities

Directors participate in the design of the Board plan of activities for the year, setting the priorities for the Board and including any topics requested by directors.

The key Board activities during 2025 are outlined below.

Strategy and planning

Joint Board/Management Committee two-day strategy session in October, including:

- Transformation
- Customer strategy
- Sustainability
- People and culture
- Strategic partnerships
- Sustainable value creation
- Business plan and financial update

Performance and monitoring

- Regular reporting from operating companies, including transformation updates
- Quarterly and full-year financial reporting
- Monthly financial report (reviewed at the relevant meeting or distributed to all Board members)
- Review of various joint business arrangements

Significant transactions, investments and expenditures

- Financing arrangements
- Capital expenditure items
- Treasury shares buyback programmes
- SAF provision agreements
- IT/HR projects

Risk management and internal controls

- Review of risk map and risk appetite performance and statements
- Assessment of viability and going concern
- Effectiveness review of the internal control and risk management systems
- External auditor's yearly report
- IT updates, including cyber and AI

Shareholders, stakeholders and governance

- Shareholders returns including share buybacks and dividends
- Transactions with related parties
- Sustainability updates
- Shareholders' and investors' updates
- Board and management succession
- Remuneration matters
- Shareholders' meetings call notices and proposed resolutions
- Board and committees' evaluation and improvement priorities
- Update on the Directors' and Officers' insurance programme
- Updates on corporate governance
- People and culture update
- Policy reviews
- Regular reporting from matters discussed by the Audit and Compliance Committee, the Nominations Committee, the Remuneration Committee and the ECR Committee

Board information and training

In general, all Board and committee meeting documents are available to all directors ahead of meetings, including the minutes of each meeting, through an online platform that facilitates efficient and secure access to all materials. All directors have access to the advice of the Board Secretary and the Group General Counsel. Directors may take independent legal, accounting, technical, financial, commercial or other expert advice at the Company's expense when it is judged necessary in order to discharge their responsibilities effectively. No such independent advice was sought in the 2025 financial year.

Directors are offered the possibility to update and refresh their knowledge of the business and any technical related matter on an ongoing basis to enable them to continue fulfilling their responsibilities effectively. Directors are consulted about their training and development needs and given the opportunity to discuss these as part of the Board annual performance evaluation.

In 2025, the training needs of the Board were met through a combination of internal presentations and updates as part of Board and committee meetings, and specific sessions or 'deep dives' into to specific topics, which in 2025, included deep dives into Vueling and LEVEL operations. Additionally, a specific training session on cyber and ransomware was facilitated by Deloitte in December 2025.

Training planned for 2026 includes a Sustainable Aviation Fuel session and a deep dive into Aer Lingus's business.

Induction of directors

According to the induction guidelines approved by the Nominations Committee, on joining the Board every newly appointed director has a thorough and appropriate induction. Each programme is based on the individual director's needs and includes meetings with other directors, senior management and key external advisers as appropriate. The induction is designed to provide a wide overview of the industry and the sector, including particulars of each of the markets in which the Group operates, as well as an understanding of the Group's business model and its different businesses. The programme is also a useful tool to introduce the new director to the IAG Management Committee as well as to the different operating companies' teams.

During 2025, an induction programme was launched for both Simone Menne and Päivi Rekonen following their appointments in June 2025. The basic content of the programme included:

- Origin of the Group's, business basics and current strategy
- Business model, competitive landscape, strategy and current position of each of the operating companies
- IAG capital structure, principal shareholders and analyst coverage
- Sustainability programme
- IAG finance particulars and financial targets (including fleet acquisition, hedging policy and risk map)
- Group governance structure
- Spanish corporate legal framework, and UK and Spanish corporate governance requirements
- IAG compliance programme and litigation status
- Aviation regulation
- M&A briefing and strategy
- IAG brands portfolio

In relation to each committee, newly appointed members are also provided with introductory sessions specific to each committee and designed in accordance with each director's interests and needs.

Further details are provided in the Nominations Committee report.

Board and committee performance review

The effectiveness of the Board and its committees is reviewed annually, with an independent, externally facilitated review being conducted every three years.

As the last external review was conducted in 2022, the Board engaged Dr Tracy Long of Boardroom Review Limited to conduct the external Board and Committee performance review in 2025. The Board followed the Chartered Institute's Principles of Good Practice for Listed Companies when appointing Dr Long. Boardroom Review Limited which has no connection with the Company or any individual director.

Dr Long developed a tailored methodology specifically for IAG, which encouraged candid reflections from the Board in order to identify the current strengths and prepare for any future challenges. A comprehensive brief was developed by the Chairman and Board Secretariat in order to determine the key themes and priorities for the review.

Dr Long was provided with key corporate information prior to meeting with Board members and key representatives from the IAG Management team in order to gather insights and findings. In addition, Dr Long observed the July 2025 Board and Nominations and Audit and Compliance committee meetings and was given access to the full suite of papers for these meetings. The findings from the review were presented at the October 2025 Board meeting and an action plan to address matters raised was agreed.

In relation to the agreed actions for 2025, the Board considers that good progress has been made during the year. In particular, the appointment of Päivi Rekonen and Simone Menne in June 2025 has further enriched the Board's overall skill set and diversity of perspective. Succession will be a continued area of focus for 2026.

In addition, as highlighted in the 2024 performance review, the Board agenda, as well as specific training sessions, continued to include topical areas of interest requested by the Directors.

The Board performance review highlighted the strong and complementary relationship between the Board and management, which had created a culture of trust, respect and confidence in the Board and allowed sufficient debate and discussion of key topics such as transformation, strategy and culture.

Actions agreed for 2026 include:

- Receiving biannual updates on competitive intelligence;
- Continuing to monitor culture and escalation through surveys, 'Speak Up' channels and the non-executive directors' engagement programme;

- Developing the new safety reporting framework; and
- Continuing to focus on succession planning and talent development.

Other statutory information

Directors' disclosure duties, conflicts of interest and related-party transactions

Directors must inform the Company of any participation or interest they may hold or acquire in any company that is a competitor of the Group, or any activities that could place them in conflict with the corporate interest.

According to article 21 of the Board Regulations, directors have an obligation to adopt all measures necessary to avoid conflict-of-interest situations. These include any situation where the interest of the director, either directly or through third parties, may conflict with the corporate interest or with their duties to the Company. In the event of a conflict, the affected director must inform the Company and abstain from participating in the discussion of any transaction referred to by the conflict. For purposes of calculating the quorum and voting majorities, the director in question would be excluded from the number of members present.

The 2025 Annual Shareholders' Meeting held on 19 June 2025 approved the re-election of Robin Phillips and Bruno Matheu, as non-executive proprietary directors as proposed by IAG's significant shareholder Qatar Airways Group (Q.C.S.C.) ('Qatar Airways'). Qatar Airways, a Middle East air carrier headquartered in Doha, has been the single largest shareholder of IAG since 2016, owning, as notified to the Spanish National Securities Market Commission (CNMV), 24.995% of the share capital of the Company. Throughout this period there has been a long-standing business and commercial relationship between Qatar Airways and the Group airlines. This close relationship of commercial cooperation, which has always been undertaken on an arm's-length basis and on market terms, significantly reduces the potential existence of permanent conflicts of interest between Qatar Airways and the Group's airlines.

As far as the relationship of the proprietary directors with the significant shareholder who proposed their appointments is concerned, it should be noted that Robin Phillips and Bruno Matheu have no relevant connection with Qatar Airways.

Any potential conflict of interest that might affect such proprietary directors is managed by applying the duty of abstention in accordance with the procedure for managing conflicts of interest described below. In addition, the Spanish and the UK regimes on related-party transactions are also applicable as detailed below.

In accordance with article 3.4 of the Board Regulations, the Board of Directors has the exclusive authority to approve transactions with directors or shareholders that have a significant holding or that are represented on the Board, or with any persons related to them, on the terms established in the law and the Board Regulations and this will require a prior report from the Audit and Compliance Committee.

The execution of these types of transaction needs to be reported to the Audit and Compliance Committee to ensure that they are carried out at arm's length and with due observance of the principle of equal treatment of shareholders. IAG's internal regulations on related-party transactions establish that the Audit and Compliance Committee needs to issue a report to the Board assessing whether the transaction is fair and reasonable from the standpoint of the Company and, where applicable, of shareholders other than the related party, and report on this assessment, including the assumptions and methods used. Where appropriate, the directors involved in the transaction shall not participate in the preparation of such a report.

Depending on the amount or value of the proposed related-party transaction, varying corporate governance and disclosure requirements may apply under both the Spanish and UK legal frameworks.

In accordance with IAG procedures on related-party transactions, prior to the Audit and Compliance Committee's consideration, shareholder related-party transactions are also reviewed by the IAG Management Committee and are reported to the Group Audit Director.

Share issues, buybacks, treasury shares and dealings in IAG-listed securities

The Annual Shareholders' Meeting held on 19 June 2025 provided authority for the Board, with the express power of substitution, for a term ending at the 2026 Annual Shareholders' Meeting (or if earlier, 15 months from 19 June 2025), to:

- Increase the share capital pursuant to Article 297.1.b) of the Spanish Companies Law, by up to 50% of the aggregate nominal amount of the Company's issued share capital as at 19 June 2025 (such amount to be reduced by the maximum amount that the share capital may be increased by on the conversion or exchange of any securities issued as authorised below), through the issue and placement of new shares (with or without a premium) for cash consideration;
- Issue securities (including warrants) convertible into and/or exchangeable for shares of the Company, up to a maximum limit of €1,500,000,000 or the equivalent thereof in another currency, provided that the aggregate share capital that may be increased

on the conversion or exchange of all such securities may not be higher than 50% of the aggregate nominal amount of the Company's issued share capital as at 19 June 2025 (such amount to be reduced by the amount that the share capital has been increased under the relevant authorisation);

- Exclude pre-emptive rights in connection with the capital increases and the issuance of convertible or exchangeable securities that the Board may approve, under the previous authorities, for the purposes of allotting shares or convertible or exchangeable securities, in connection with a rights issue or in any other circumstances, subject to an aggregate maximum nominal amount of the shares so allotted or that may be allotted on conversion or exchange of such securities of:
 - 10% of the aggregate nominal amount of the Company's issued share capital (excluding any shares held in treasury) to be issued on an unrestricted basis; and
 - an additional 10% of the aggregate nominal amount of the Company's share capital (excluding any shares held in treasury) to be used for either an acquisition or a specified capital investment;
- Carry out the acquisition of its own shares directly or indirectly through its subsidiaries, subject to the following conditions:

- the maximum aggregate number of ordinary shares authorised to be purchased shall be the lower of the maximum amount permitted by the law and represents 10% of the aggregate nominal amount of the Company's issued share capital on 19 June 2025;
 - the minimum price per share that may be paid is zero;
 - the maximum price per share that may be paid is the higher of:
 - an amount equal to 5% above the average of the middle market quotations for the shares taken from the relevant stock exchange for the five business days immediately preceding the day of purchase; or
 - the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the transaction is carried out at the relevant time;
- in each case, exclusive of expenses.

The shares acquired pursuant to this authorisation may be delivered directly to the employees or directors of the Company or its subsidiaries or as a result of the exercise of option rights held thereby. For further details see note 31 to the consolidated financial statements.

The IAG Securities Code of Conduct regulates the Company's dealings in its treasury shares. This can be accessed via the Company's website.

Capital structure and shareholder rights

As at 31 December 2025, the share capital of the Company amounted to €472,720,114.70 (2024: €497,147,601.00), divided into 4,727,201,147 shares (2024: 4,971,476,010 shares) of the same class and series and with a nominal value of €0.10 each (2024: €0.10 each), fully subscribed and paid for.

As at 31 December 2025, the Company owned 162,175,275 shares as treasury shares (2024: 117,622,004 treasury shares).

Each share in the Company confers on its legitimate holder the status of shareholder and the rights recognised by applicable law and the Company's Bylaws, which can be accessed on the Company's website.

The Company has a Sponsored Level 1 American Depositary Receipt (ADR) facility that trades on the over-the-counter market in the US. Each ADR is equivalent to two ordinary shares and each ADR holder is entitled to the financial rights attaching to such shares, although the ADR depository, Deutsche Bank, is the registered holder. As at 31 December 2025, the equivalent of 25,340,228 shares were held in ADR form (2024: 31,884,274 shares).

Company's share capital

During the year, the issued share capital of the Company was reduced from 4,971,476,010 shares to 4,727,201,147 shares following the cancellation of treasury shares repurchased through the Company's share buyback programme.

The significant shareholders of the Company who have notified the Spanish National Securities Market Commission (CNMV), as at 31 December 2025, calculated according to the Company's share capital as at the date of this report and including positions in financial instruments, were:

Name of shareholder	Number of direct shares	Number of indirect shares	Name of direct holder	% of voting rights attached to shares	Number of voting rights through financial instruments	% voting rights through financial instruments	Total voting rights	Percentage of capital
Qatar Airways (Q.C.S.C.)	1,242,630,613	-		24.995%			1,242,630,613	24.995 %
Capital Research and Management Company ¹		250,267,054	Collective investment institutions managed by Capital Research and Management Company	5.034%			250,267,054	5.034 %
EuroPacific Growth Fund ²	150,923,760			3.036%			150,923,760	3.036 %
BlackRock Inc. ³		136,233,248		2.882%	26,642,075	0.564%	162,875,323	3.446 %

¹ On 11 February 2026 Capital Research and Management Company notified the Spanish CNMV of a 5.041% interest in the Company.

² EuroPacific Growth Fund is the legal owner of shares in the Company. However, it has delegated its proxy voting authority to Capital Research and Management Company. Therefore, the position disclosed by Capital Research and Management Company as at 7 January 2026 includes the voting rights associated with EuroPacific Growth Fund's holdings.

³ On 23 January 2026 BlackRock Inc notified the Spanish CNMV of a 3.392% interest in the Company.

Annual Shareholders' Meeting

The quorum required for the constitution of the Annual Shareholders' Meeting, the system of adopting corporate resolutions, the procedure for amending the Bylaws and the applicable rules for protecting shareholders' rights when changing the Bylaws are governed by the provisions established in the Spanish Companies Law.

The Annual Shareholders' Meeting was held on 19 June 2025 in Madrid and was held in person with the option for shareholders to attend and participate in the meeting remotely.

The Annual Shareholders' Meeting Regulations, which establish the operating rules of the Annual Shareholders' Meeting, are available in the Corporate Governance section of the Company's website.

Disclosure obligations

The Company's Bylaws establish a series of special obligations concerning disclosure of share ownership, as well as certain limits on shareholdings, taking into account the ownership and control restrictions provided for in applicable legislation and bilateral air transport treaties signed by Spain and the UK.

In accordance with article 7.2 b) of the Bylaws, shareholders must notify the Company of any acquisition or disposal of shares or of any interest in the shares of the Company that directly or indirectly entails the acquisition or disposal of a stake of over 0.25% of the Company's share capital, or of the voting rights corresponding thereto, expressly indicating the nationality of the transferor and/or the transferee, obliged to notify, as well as the creation of any charges on shares (or interests in shares) or other encumbrances whatsoever, for the purposes of the exercise of the rights conferred by them.

In addition, pursuant to article 10 of the Bylaws, the Company may require any shareholder or any other person with a confirmed or apparent interest in shares

of the Company to disclose to the Company in writing such information as the Company shall require relating to the beneficial ownership of or any interest in the shares in question, as lies within the knowledge of such shareholder or other person, including any information that the Company deems necessary or desirable in order to determine the nationality of the holders of the said shares or any other person with an interest in the Company's shares or whether it is necessary to take steps in order to protect the operating rights of the Company or its subsidiaries.

In the event of a breach of these obligations by a shareholder or any other person with a confirmed or apparent interest in the Company's shares, the Board may suspend the voting or other political rights of the relevant person. If the shares associated with the breach represent at least 0.25% of the Company's share capital in nominal value, the Board may also direct that the transfer of any such shares is not registered.

Limitations on ownership of shares

In the event that the Board deems it necessary or appropriate to adopt measures to protect an operating right of the Company or of its subsidiaries, in light of the nationality of its shareholders or any persons with an interest in the Company's shares, it may adopt any of the measures in article 11 of the Bylaws, including the determination of a maximum number of shares that may be held by non-qualifying shareholders, provided that such maximum may not be lower than 40% of the Company's share capital. If such a determination is made and notified to the stock market, no further acquisitions of shares by non-qualifying persons can be made.

In such circumstances, if non-qualifying persons acquire shares in breach of such restriction, the Board may also (i) agree on the suspension of voting and other political rights of the holder of the relevant shares, and (ii) request that

the holders dispose of the corresponding shares so that no non-qualifying person may directly or indirectly own such shares or have an interest in the same. If no such transfer is performed on the terms provided for in the Bylaws, the Company may acquire the corresponding shares (for their subsequent redemption) pursuant to applicable legislation. This acquisition must be performed at the lower of the following prices: (a) the book value of the corresponding shares according to the latest published audited balance sheet of the Company; and (b) the middle market quotation for an ordinary share of the Company as derived from the London Stock Exchange's Daily Official List for the business day on which they were acquired by the relevant non-qualifying person.

Impact of change of control

The following significant agreements contain provisions entitling the counterparties to exercise termination in the event of a change of control of the Company:

- Certain significant IAG financing arrangements allow for prepayment, redemption or early termination in certain circumstances if there is a change of control of the Company.

In addition, the Company's share plans contain provisions as a result of which options and awards may vest and become exercisable on a change of control of the Company, in accordance with the rules of the plans.

Directors' and officers' liability insurance

The Company has purchased insurance against directors' and officers' liability for the benefit of the directors and officers of the Company and its subsidiaries. The Board receives an annual update on the Group's Directors' and officers' liability insurance.

Disclosure of information required under UKLR 6.6

In accordance with UKLR 6.6.1(R), the table below sets out the location of the information required to be disclosed, where applicable.

UK Listing Rule	Information to be included	Reference in report
6.6.1(1)	Interest capitalised by the Group	Refer to note 9a of the consolidated financial statements.
6.6.1(11)	Shareholder waiver of dividends	IAG waived dividends on all shares held in treasury during 2025.

Fair, balanced and understandable statement

The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Report of the Nominations Committee



Javier Ferrán
Nominations Committee Chair

Committee members

	Date appointed
Javier Ferrán (Chair)	8 September 2020
Margaret Ewing	28 January 2021
Heather Ann McSharry	31 December 2020
Päivi Rekonen	19 June 2025

Dear shareholder

On behalf of the Nominations Committee, I am delighted to present the Nominations Committee Report for the year ended 31 December 2025.

The report provides an overview of the key areas of responsibility and focus of the Nominations Committee. It highlights the key role the Committee plays in ensuring the Board and senior management team have the right combination of skills, capabilities, knowledge, experience and diversity to provide the Company with strong leadership and ensure that we can deliver on our strategy.

We have overseen a number of changes to the Board during the year. As noted in my introductory letter to this report, Peggy Bruzelius and Emilio Saracho both retired from the Board following the 2025 Annual General Meeting in June. I would like to thank both directors for their valuable contributions and dedication to their roles.

Following a rigorous search and selection process, which focused on agreed criteria and experience that would complement the current composition of the Board, we welcomed two new non-executive directors to the Board and committees, Päivi Rekonen and Simone Menne. Both Päivi and Simone bring a wealth of knowledge and expertise to the Board gained through both executive and non-executive roles. To read more about their experience please refer to the Board Biographies section.

Following the aforementioned rotations off the Board, the Committee reviewed the composition of each Board advisory committee and recommended the appointment to the Board of Simone Menne to the Audit and Compliance and Remuneration committees, and Päivi Rekonen to the ECR and Nominations committees, following Peggy Bruzelius's and Emilio Saracho's retirement.

In order to facilitate the orderly succession of the Board, the Committee reviewed the Board's skills matrix and tenure in October 2025 to identify potential gaps in relation to non-executive director rotation in line with the Group's strategic priorities. As a result of the review, the Committee has planned relevant searches and required succession on the Board and its committees over the coming years.

The Committee continued to focus on succession plans for the Group's leadership teams and operating companies and oversaw a number of changes to Group company boards during the year. Additionally we reviewed progress in the management of talent pipelines and Group initiatives aimed at supporting diversity in the broadest sense.

As announced in early January 2026, Nicholas Cadbury will be leaving the business in June 2026 and will be succeeded by José Antonio Barrionuevo, the incumbent British Airways Chief Financial and Transformation Officer. The Nominations Committee was pleased to see this leadership role filled from within the Group, which evidences the work done on succession and development within the Group. José Antonio brings a strong track record in financial leadership and transformation, joining the Group in 2013 as Director of Strategy and Transformation at Iberia and working in a variety of roles, including seven years as Chief Financial Officer of Iberia.

We remain committed to fostering an environment that promotes diversity and inclusion opportunities at all levels of the organisation, ensuring that decisions are always based on merit, capability and performance. The Board has met the diversity and inclusion requirements of the UK and Spanish Listing Rules, as set out in our Board of Directors selection and diversity policy which we refreshed in January 2026.

This year, the Board and Committee performance review was externally facilitated by Dr Tracy Long of Boardroom Review Limited. The outcomes of the review were very positive and confirmed that the Committee continues to operate effectively while supporting the Board in delivering the highest standards of leadership and oversight for the Group's strategy.

Javier Ferrán
Nominations Committee Chair

The Nominations Committee

The composition, competencies and operating rules of the Nominations Committee are regulated by article 31 of the Board Regulations and by the Nominations Committee Regulations, which were updated in January 2026 to mirror changes introduced in the refreshed directors selection policy and in the Group diversity and inclusion policy. A copy of the Board and the Nominations Committee regulations can be found on the Company's website.

The Nominations Committee has overall responsibility for leading the process for appointments to the Board and for ensuring these appointments bring the necessary skills, experience and competencies to the Board, aligning its composition to the business's strategy and needs. The Committee also reports to the Board on the proposed appointment of senior executives to the Company and appointments to Group company boards. It oversees Board and senior management succession planning and, more generally, the development of a diverse pipeline for succession.

The Nominations Committee must comprise no less than three non-executive directors appointed by the Board, who have the dedication, capacity and experience necessary to carry out its functions. A majority of the members must be independent directors who are EU nationals.

The only changes to the composition of the Nominations Committee in 2025 were the departure of Peggy Bruzelius, who did not stand for re-election, and the appointment of Päivi Rekonen, both effective from the 2025 Annual Shareholders' Meeting.

The Committee's responsibilities

The responsibilities of the Nominations Committee under the Regulations in force in 2025 and the refreshed 2026 version can be summarised as follows:

- Evaluating the mix of competencies, knowledge and experience necessary in the Board's membership and reviewing the criteria for the Board's composition and the selection of candidates;
- Submitting recommendations for the appointment of directors to the Board for approval and reporting on the proposed designations of the members of the Board committees and their Chairs;
- Succession planning for Board members including making proposals to the Board that ensure that such succession occurs in a planned and orderly manner;
- Ensuring that non-executive directors receive appropriate induction programmes;
- Overseeing the development of a diverse pipeline for both the Board and senior management population;
- Reporting to the Board on the appointment and removal of senior executives (which includes all of the IAG Management Committee);
- Ensuring that plans are in place for orderly succession of senior management positions; and
- Coordinating the annual performance review of the Board and its Committees.

The Committee's activities in 2025

The Committee met four times during 2025, with three scheduled meetings and one special meeting called to discuss appointments to the Group company boards. Directors' attendance at these meetings can be found on page 16 of the Corporate Governance section. The Group CEO was invited to attend the Committee's meetings when necessary.

The Committee focused on the following activities during the year:

- Review of the composition of the Board;
- Review of committees' membership;
- Board succession planning;
- Review of directors' independence;
- Review of compliance with the directors selection and diversity policy;
- Review of diversity and inclusion initiatives;
- Management succession plans;
- Nominations Committee performance review;
- Changes to Group company boards; and
- Review of investor feedback from the Annual Shareholders' Meeting.

Board succession

The Committee regularly reviews the formal succession plan for the Board, including analysis of non-executive directors' length of tenure, skills and experience, and plans for succession relating to any areas that could require strengthening from a skills and succession perspective including outcomes from the Board performance review.

The Committee engaged Egon Zehnder to assist with the search for two new non-executive directors given the pending rotations at the Annual Shareholders' Meeting in June 2025. The search process resulted in the appointment Päivi Rekonen and Simone Menne in June 2025. Egon Zehnder has no other connection to the Company and has no connection to any individual director.

In October 2025, the Committee specifically considered Board succession planning, including the Board refreshment timetable, the Board skills matrix and the consideration and identification of skills and attributes relevant to future appointments.

The Committee has planned a number of search processes in order to adequately plan for the Board's succession schedule over the coming years.

Directors' independence, performance and re-election

The Nominations Committee, having considered the matter carefully, is of the opinion that all the current non-executive directors, with the exception of the two proprietary directors, are independent, both in line with the definitions set out by the Spanish Companies Act and the UK Corporate Governance Code, and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement.

In May 2025, the Nominations Committee considered the proposal for the re-election of directors ahead of the Annual Shareholders' Meeting, except with regard to Peggy Bruzelius and Emilio Saracho who did not stand for re-election.

In accordance with the Board Regulations, all proposals for the appointment or re-election of directors presented were accompanied by an explanatory report issued by the Board of Directors with the support of the Nominations Committee assessing the competence, experience and merits of each candidate. As part of its assessment, the Committee also reviews the time commitment and availability of each non-executive director.

Following this review, the Committee was of the opinion that each non-executive director submitting themselves for re-election continued to demonstrate commitment to the role as a member of the Board and its committees and that each was making a valuable contribution to the leadership of the Company.

Each director is required to advise the Committee and seek its authorisation before accepting any external directorship or other significant appointment that might affect the time they are able to devote to the role as a director of the Company.

Management appointments and succession planning

During 2025, there were no changes to the IAG Management Committee; however, the Committee was kept updated on succession plans over the short, medium and long term. As announced in January 2026, the Board approved the appointment of José Antonio Barrionuevo as Chief Financial Officer, who will succeed Nicholas Cadbury with effect from June 2026.

Board Appointments

The procedure for the appointment of Directors and Committee members follows the principles established in the directors selection policy, which has as its objective the recognition of the importance of Board, Committee and Senior Management diversity in a broader sense. As recommended by the Spanish Good Governance Code, the Nominations Committee reviews compliance with this policy on an annual basis. The review for the 2025 reporting period was completed in January 2026. The Committee also refreshed the policy in January 2026 to align with the update to the Group diversity and inclusion policy, which was approved by the Board in December 2025.

When considering director appointments, the Committee follows a formal, rigorous and transparent procedure, designed to capture the value of diversity in its broadest sense in line with the directors selection, while ensuring that any appointment is made on merit, capability and performance as well as the needs of the Board at that time. Diversity considerations also include ensuring that more than half of the Board are independent EU nationals to meet regulatory obligations.

Gender diversity principles are followed throughout the director appointment process in line with Corporate Governance requirements, while ensuring all appointments are merit-based as established in the policy. The Board's policy is to consider candidates with different skills, experiences and professional and industry backgrounds as well as any other characteristics referred to in applicable legislation or corporate governance recommendations or provisions: When conducting a search, the Company will only engage search firms that have signed up to the latest UK Voluntary Code of Conduct for Executive Search Firms (or its international equivalent).

As at 31 December 2025, we have met the diversity and inclusion requirements of the UK Listing Rules, the FTSE Women Leaders and Parker initiatives, as set out in our directors' selection and diversity policy in effect at such time.

Female directors currently represent 55% of the Board and 60% of the non-executive directors (including the chairman) and the SID is a woman. In addition to this, three of the four Board advisory committees are chaired by women: the Audit and Compliance, the Remuneration and the ECR committees.

From an ethnic minority perspective, the IAG Board has met the requirement to have one director from a minority ethnic background in line with the UK Listing Requirements.

Report of the Nominations Committee *continued*

Our gender identity and ethnicity data reported in accordance with Listing Rule 6.6.6(9) and 6.6.6 (10) is set out below. Disclosure is based on self-identification through an information-gathering process where individuals were provided with the requirements and categories for confirmation of classification. The information is reported as at 31 December 2025 and remains unchanged at the date of this report.

Gender identity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹ (CEO, CFO, SID and Chair)	Number in executive management ²	Percentage of executive management
Men	5	45%	2	7	70%
Women	6	55%	1	3	30%
Not specified/prefer not to say	-	-	-	-	-

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹ (CEO, CFO, SID and Chair)	Number in executive management ²	Percentage of executive management
White British or other White (including minority-white groups)	10	91%	3	10	100%
Mixed/Multiple ethnic groups	-	-	-	-	-
Asian/Asian British	1	9%	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

¹ The IAG Chief Financial and Sustainability Officer, Nicholas Cadbury, does not hold a position on the Board although he attends all Board meetings.

² Excluding IAG's CEO who is reported as a Board member

The Committee embraces the importance of diversity and inclusivity on the Board and within senior management. The Committee monitors management's efforts to promote diversity in IAG's senior management as well as initiatives aimed at fostering a healthy and inclusive environment that provides equal access to opportunities for all, and ensures that decisions are made based on merit, capability and performance. IAG's aim is for both senior leaders and our businesses to reflect the diverse communities we work in and to create an environment where individuals feel their unique differences are respected, recognised and valued. Beyond gender and ethnicity, the Management Committee is composed of individuals of multiple nationalities (including Spanish, British, American, dual Brazilian/Argentinian, Irish and Italian). In addition, most of the executives have multi-jurisdictional backgrounds and/or careers, which serve to enhance the value that they bring to the Group, its customers and employees. Further information on the Board composition is included on pages 9 to 10 of the Corporate Governance section.

In line with the Group's diversity and inclusion framework and strategy, the Group's operating companies and platform businesses have implemented a range of initiatives to support diversity and inclusion at all levels of the business, while ensuring that all appointments are merit-based and that the candidate is suitable for the role, without any kind of discrimination taking place. The Board supports and monitors management initiatives in improving the diversity of IAG's senior leaders. At the end of 2025, 35% of senior leadership roles were held by women in and 10% of our UK senior leaders group self-disclosed as ethnically diverse.

Further details and explanations of the steps that IAG is taking to promote diversity and inclusion across the Group are set out in the Sustainability report.

Committee performance review

The Committee's performance and effectiveness is reviewed annually by the Committee and as set out on page 18 of the Corporate Governance report. In 2025, the review was externally facilitated, and it was determined that the Nominations Committee had operated effectively throughout the year.

During 2026, the Committee will continue to focus on longer-term succession planning for senior leadership and developing the pipeline around the key competencies of performance, leadership, teamwork and collaboration. In addition, the Committee plans to prepare and plan for the succession of Board roles over the medium to long term.

Report of the Environment and Corporate Responsibility Committee



Nicola Shaw
Environment and Corporate Responsibility Committee Chair

Committee members

	Date appointed
Nicola Shaw (Chair)	25 February 2021
Maurice Lam	17 June 2021
Bruno Matheu	26 June 2024
Robin Phillips	25 February 2021
Päivi Rekonen	19 June 2025

Dear shareholder

I am delighted to introduce the Environment and Corporate Responsibility Committee report for the year ended 31 December 2025. This report highlights some of the work and activities carried out by this Committee during the year.

During 2025, we were pleased to welcome Päivi Rekonen to the Committee, replacing Emilio Saracho, who retired from the Board at the Annual Shareholders' Meeting in June.

I would like to thank Emilio Saracho for his contribution as a member of this Committee.

Following the approval of the Committee regulations on 27 February 2025, the Committee's remit was refocused solely on environmental and corporate responsibility matters, with oversight of the functioning of the Group airlines' safety risk supervision and management systems allocated to the Audit and Compliance Committee.

The Committee continued to oversee and guide IAG's sustainability strategy and initiatives in support of the Board of Directors, ensuring that they are effective and in line with prevailing regulations and good practice.

We continued to make good progress on our sustainability targets in 2025 and achieved a carbon intensity of 77.5gCO₂/pkm, bettering our 2025 target of 80.0gCO₂/pkm and delivering a 0.7% improvement on the prior year. We were also pleased to see an increase in usage of SAF by Group airlines to more than 291,000 tonnes, which was delivered as part of meeting our share of the EU and UK SAF mandates that became applicable to fuel suppliers in 2025. This represents a 79% increase on 2024 and has resulted in IAG's net emissions being reduced by over 796,900 tonnes of CO₂. The ongoing work to deliver operational efficiency and new fleet have further supported the reduction of carbon emissions across the Group.

The Committee has been kept abreast of regulatory initiatives affecting IAG's environmental and workforce reporting including the new Modern Slavery Guidance which is due to be published in 2026. The Committee also received a number of updates including on the delayed transposition of The Corporate Sustainability Reporting Directive (CSRD) in Spain and the EU Omnibus I package. The Committee also reviewed the material impacts, risks and opportunities (IRO) identified by IAG in its double materiality assessment in 2025. As a result of this exercise, definitions of some IROs were clarified, but there were no changes to our material topics for the scope of the Sustainability statement as outlined in this Annual Report and Accounts.

The Committee reviewed the results of the 2025 sustainability benchmarking study which had been conducted with the support of ICF, an international sustainability and technology consultancy firm, and demonstrated IAG's performance across all 10 environmental metrics. The review noted that IAG had met all social and governance metrics with a strong board-level ESG integration and executive pay linked to climate goals.

In May 2025, we also reviewed and submitted for approval by the Board the proposal to invest in the **oneworld SAF** fund managed by Breakthrough Energy Ventures, which aims to accelerate innovation and secure access to emerging SAF technologies through a dedicated fund. The fund supports the need for long-term aviation fuel solutions that will help the aviation industry to reach net zero.

Additionally in May, the Committee was updated on the ongoing work on the Group Modern Slavery Statement. The Committee was pleased to see a number of enhancements in 2025 including an increase in the audits reviewed and increased training on modern slavery as well as further engagement with ESG leads for high-risk suppliers leading to continued improvement in our compliance in this area and IAG maintaining its Tier 2 status (Evolving Good Practice) under the CCLA Modern Slavery Benchmark.

The Committee was pleased to see IAG's 2050 Scope 1 emissions net zero target was independently assessed by the Transition Pathway Initiative (TPI) in November 2025 as 1.5°C-aligned, and our medium-term target to achieve 20% reduction in Scope 1 emissions by 2030 has been assessed as well-below 2°C aligned.

Finally, in December 2025 the Committee reviewed the progress of IAG's sustainability programme against its KPI's, including third-party ESG ratings the Group participates in. The Committee was pleased to see IAG recognised as a leading airline group, and in the top 100 global companies, by Sustainalytics for its low-carbon transition rating in its updated assessment in September 2025. The Committee also welcomed news that IAG had retained its status as the leading airline group under the Transition Pathway Initiatives' carbon management quality indicator assessment, as of December 2025.

The Committee discussed updates to the Group's carbon roadmap to net zero emissions by 2050 as detailed on the Sustainability section, plans to review its environmental sustainability policy, and the requirements for further policy support to maintain competitiveness of European airlines in the delivery of the industry's climate goals.

The Committee has a full agenda for the year ahead and as regulations in this area continue to evolve affecting each of our operating companies, we look forward to the reviews we will have with the Executive team as they navigate this complex picture.

Nicola Shaw

Environment and Corporate Responsibility Committee Chair

The Environment and Corporate Responsibility Committee

The Committee's composition, responsibilities and operating rules are set out in article 33 of the Board Regulations as well as by the Regulations of this Committee, which were last reviewed on 27 February 2025 and are available on the Company's website. At the Board meeting held on 27 February 2025, the responsibilities and operating rules of the Board committees were reviewed, and it was agreed that the Committee would continue as the Environmental and Corporate Responsibility (ECR) Committee (formerly the Safety, Environmental and Corporate Responsibility Committee) concentrating its work in these two areas.

The Committee shall be made up of no less than three directors appointed by the Board, with the necessary dedication, capacity and experience. All the members of the Committee are non-executive directors with the majority being independent directors.

In addition to the Board Secretary and Deputy Secretary, regular attendees at Committee meetings included the Chairman, the Group Chief Executive and Group Senior managers in charge of different sustainability areas were invited to attend specific agenda items as required and when relevant.

The Committee's role and responsibilities

The Committee's role is to assist and advise the Board of Directors on matters relating to environment and corporate responsibility.

This Committee provides a governance forum for the non-executive directors to exercise specific oversight, challenge and support senior management in the development of the Group's sustainability strategy, policies and targets.

Under the Regulations in force in 2025, the Committee's remit included:

- To review the Group's social and environmental strategy and policies;
- To periodically evaluate the effectiveness of IAG's environment and social policies;
- To review the content, integrity and completeness of sustainability reporting;
- To review IAG's sustainability performance, as well as its position in recognised international indexes and metrics;
- To monitor and evaluate IAG's interaction with its stakeholder groups; and
- Advise other Board committees on sustainability matters as relevant.

The Committee's activities during the year

During 2025, the Committee held three meetings. Directors' attendance at these meetings is detailed in the Corporate Governance report.

The Committee's activities during the year included:

- Reviewing the 2024 non-financial information statement and other sustainability reporting;
- Reviewing the carbon intensity measure under the annual incentive plan;
- Reviewing IAG's sustainability strategy and targets;
- Review of compliance with environmental and social practices and policies;
- Sustainability trends update, benchmark and indices;
- Overview of SAF projects;
- Regulatory update focusing on SAF policy;
- Stakeholder engagement review; and
- 2025 update to the Modern slavery and human trafficking statement.

Market trends and EU and national ESG consultations

In 2025, the Committee was regularly informed of any forthcoming ESG policy initiatives, updates and consultations at international, EU or national level, including the Group's position and intended actions in relation to each.

Benchmarking

At its meeting in May, the Committee considered an update on a benchmarking study of all ESG factors carried out by an international sustainability and technology consultancy. The report provided an overview of IAG's position relative to the industry across a range of sustainability factors and provided a good roadmap for future management and Committee focus.

Stakeholder engagement review

The Committee reviewed the annual report on stakeholder engagement on sustainability issues, which included industry associations, government and regulators, customers, investors, employees and suppliers, and considered the main objectives of this dialogue and its impact. Further details can be found in the Stakeholder engagement section.

Modern slavery review

The Committee reviewed the update to the Group's Modern slavery and human trafficking statement before submission to the Board of Directors. IAG has maintained its Tier 2 status (Evolving Good Practice) under the CCLA Modern Slavery Benchmark and has identified a number of suggestions to further enhance our performance in this area in 2026 to ensure compliance against the updated UK Modern Slavery Guidance published in 2025. The Committee was pleased to see an increase in the number of audits reviewed and issues identified as well as the continued engagement with ESG leads across the Group particularly in relation to key areas of risk. IAG also played a key role as member of the ICAO Ad Hoc Group on Combatting Trafficking in Supply Chains, an international, joint industry-regulatory group composed of experts from states, air operators, and international organisations in order to develop industry wide guidance material published in 2025.

CSRD

As in 2024, IAG continues to voluntarily comply with the EU Corporate Sustainability Reporting Directive (CSRD) (Directive 2022/2464/EU) presented in IAG's 2025 Sustainability statement. As mentioned, the CSRD has not been transposed into Spanish law and thus IAG must continue to comply with Spanish Law 11/2018. The Committee was updated on the joint letter received from the CNMV and ICAC on sustainability reporting pending the transposition of the Directive in Spain. The Committee noted that a quick fix delegated regulation developed during the review of CSRD in its Omnibus package had been extended to Spanish companies who must also remain in compliance with Law 11/2018. Details of reliefs IAG is taking towards its reporting obligations are provided in the Sustainability statement.

IAG performed a review of its double materiality and regulatory alignment with the support of Transcendent (a Spanish sustainability consultancy). The assessment confirmed that IAG's double materiality assessment continues to align with the requirements of the CSRD and EU taxonomy.

The Committee was updated on the outcome of this review, and the approval of material IROs for 2025, which was conducted by the Audit and Compliance Committee in November. This confirmed no changes would be made to the reporting scope.

Review of compliance and progress against key metrics

The Committee completed its annual review of compliance with environmental and social practices and policies and progress against key indicators.

Sustainability (ESG) ratings review

As in previous years, the Committee was also informed of the Group's positioning in relation to the main sustainability rating index with IAG being recognised as the leading airline group, and in the top 100 global companies, by Sustainalytics for its low-carbon transition rating in September 2025.

Committee annual performance review and priorities for 2026

The annual performance review of the Committee in 2025 was externally facilitated, in line with the UK Corporate Governance Code, by Dr Tracy Long of Boardroom Review Limited. It was noted that the delegated Committees were being used effectively for detailed analysis and debate of key subject areas. The Committee will continue to focus on the delivery of the Group's sustainability programme in 2026, including compliance with climate policies and reporting obligations.

Report of the Audit and Compliance Committee



Eva Castillo
Audit and Compliance Committee Chair

Committee members	Date appointed
Eva Castillo (Chair since 1 August 2024)	31 December 2020
Margaret Ewing	20 June 2019
Maurice Lam	17 June 2021
Simone Menne	19 June 2025

Dear shareholder

I am pleased to present my report as Chair of the Audit and Compliance Committee for 2025. I would like to thank Peggy Bruzelius for her dedicated service as a Committee member and extend a warm welcome to Simone Menne, who joined the Committee this year following Peggy's decision to step down from the Board.

The Audit and Compliance Committee continues to play a pivotal role in IAG's governance, overseeing risk management, internal controls, financial and non-financial reporting, compliance, and both internal and external audit. In 2025, the Committee's remit was further expanded to include oversight of the safety and security frameworks in place and under the responsibility of the Group's airlines.

The Committee held five planned meetings during 2025 and the key items discussed by the Committee in discharging its oversight and responsibilities and its areas of focus are set out in further detail in this report.

This report highlights the key matters considered in 2025 and details how the Committee fulfilled its responsibilities to ensure the integrity and compliance of the Annual Report and Accounts.

Throughout the year, I engaged with all Committee members, management and our internal and external auditors. The Committee's Regulations were updated to align with the latest Technical Guidance on Audit Committees issued by the CNMV, and the Board reaffirmed the Committee's overall oversight of the Group's risk management and internal control frameworks, including safety and security risk management and enterprise risk management.

In preparation for 2026 the Committee also considered the implementation of the requirements of Provision 29 of the revised UK Corporate Governance Code. Provision 29 introduces a new Board declaration on the effectiveness of material controls and enhances some existing reporting requirements on the Company's risk management and internal control framework. In line with this, the Committee has been monitoring management's preparations to ensure compliance with Provision 29, including reviewing IAG's definition of material controls.

The Committee worked diligently to ensure reliable financial and non-financial reporting and compliance with laws and regulations, through oversight of the Group's internal control framework, including Internal Control over Financial Reporting (ICFR) and risk management frameworks. We closely monitored management's approach to the implementation of the new requirements of Provision 29 and the implementation of the requirements of UK Economic Crime and Corporate Transparency Act 2023, which became enforceable in September 2025. In addition, the Committee continued to maintain its focus on IT and cybersecurity, with regular updates on the Group's IT operating model and transformation programmes.

An external evaluation of the Committee's effectiveness was completed in 2025, following an internal evaluation in 2024. The findings, shared with the Board, confirmed that the Committee operated effectively during the year. In accordance with the report's recommendations, the Committee's priority areas for 2026 will be the overall supervision of the Group's risk management and internal control framework, as well as its new oversight responsibility relating to the overall airline safety framework.

I hope you find this report informative and that it provides assurance regarding the Committee's activities during 2025 and our plans for 2026.

Eva Castillo
Audit and Compliance Committee Chair

The Audit and Compliance Committee

The composition, competencies and operating remit of the Audit and Compliance Committee are regulated by article 29 of the Board Regulations as well as the Regulations of the Audit and Compliance Committee. A copy of these Regulations can be found on IAG's website.

The Committee's composition, competencies and attendance

Detailed biographies of all Committee members are included in this Annual Report. The Board is satisfied that the Committee has maintained competence relevant to its overall responsibilities, including possessing a wide range of financial, audit, risk management and relevant sector and business experience among its members, providing the right mix of skills and experience to provide constructive challenge and support to management. The Board has determined that all Committee members have recent and relevant financial experience. The Board, through the Nominations Committee, will continue to review the Committee's membership to ensure the skills and experience of its members align with the business as it develops.

In addition to the Secretary, the Deputy Secretary and the Group Audit Director (who functionally reports to the Committee Chair), the Chairman, the Group CEO, the Chief Financial and Sustainability Officer, the Group General Counsel, the Group Financial Controller and representatives of the external auditors regularly attended the Committee meetings.

In relation to the recommendation of the CNMV Technical Guide to limit the presence of non-members at committee meetings, the following measures are followed:

- Draft agendas are reviewed to ensure the participation of appropriate stakeholders for each agenda item.
- A private session of the Committee is held at the end of each meeting.
- Regular private sessions are held with the internal and external auditors, the Chief Financial and Sustainability Officer and the Group General Counsel.
- Where appropriate, management or the auditors are asked to leave the meeting if a topic is to be discussed that may conflict with or involve them.

The Committee's responsibilities and activities

The Committee's principal responsibilities are to oversee and provide assurance to the Board on the integrity and quality of all external reporting, effectiveness of audit arrangements and robustness and effective operation of internal controls, compliance and risk management frameworks. The Committee meeting agendas are tailored to ensure emerging topics are included and to allow for ad hoc discussion and reviews. A summary of the Committee's activities during 2025 and until the date of this report follows.

Audit and Compliance Committee activities

Area of Committee focus	Activities
Financial reporting	<ul style="list-style-type: none"> • Reviewing, challenging and considering the external auditor’s views on significant accounting estimates, judgements and accounting policies applied in the financial statements of the Group and related reporting and disclosures. • Reviewing the financial statements and announcements of the Group to ensure integrity. • Consideration of the process for confirming and recommending to the Board that the 2025 Annual Report and Accounts is fair, balanced and understandable.
External auditor	<ul style="list-style-type: none"> • Oversight of the external auditor, focusing on audit quality, effectiveness, independence and objectivity to ensure the rigour and challenge of the audit process is maintained. Specific activities undertaken by the Committee to oversee the relationship with KPMG and the audit process are included in this report.
Internal auditor	<ul style="list-style-type: none"> • Oversight of the internal auditor, focusing on the appropriateness of internal audit skills and resourcing, approving the audit plan, reviewing audit results, monitoring implementation of audit recommendations and ensuring the independence of the Internal Audit team. Specific activities undertaken by the Committee with regard to internal audit are included in this report.
Internal Control over Financial Reporting	<ul style="list-style-type: none"> • Consideration of and challenge to management’s analysis of risks in financial reporting, identification of key financial controls and documentation of accounting processes. • Monitoring the internal controls procedures adopted by the Company to oversee compliance with them. • Reviewing the results of the internal audits of ICFR, consideration of the external auditor’s findings and conclusions on this matter and tracking the progress of implementation of internal and external ICFR audit recommendations.
Enterprise risk management	<ul style="list-style-type: none"> • Reviewing the principal and emerging risks facing the Group, including gaining assurance as to the effectiveness of the internal control system, mitigations and risk management process. • Reviewing the principal risks and the combination of risks that possess the potential to significantly impact the Group’s strategic objectives, in order to simplify and further refine the Group’s risk disclosures. • Reviewing the process whereby the Board reviewed and determined risk appetite. • Reviewing the performance of the Group against its existing risk appetite and confirming management’s assessment that the Group has applied appropriate mitigations or other effective controls to ensure that the Group has operated within (or agreed) risk appetite throughout the period. • Reviewing annual compliance with the ERM risk policy. • Reviewing the Group’s fraud risk assessment and design of the internal control framework to prevent and detect fraud, including consideration of the key controls and assurance activities provided across the Group in relation to financial and non-financial fraud risk. • Overseeing treasury risk management, including reviewing the Group’s fuel and foreign exchange hedging policies, positions and financial counterparty exposure, compliance with the Group’s treasury and financial risk management policies and consideration of the implications of the approved fuel hedging profile, and ensuring its continued appropriateness in managing these risks. • Overseeing tax risk management, in an environment of increased challenge, investigation and audit by tax authorities globally and considering the tax strategy before recommending it to the Board for approval and publishing it on the IAG website.
Legal and compliance	<ul style="list-style-type: none"> • Reviewing the Group’s anti-bribery, sanctions, competition, privacy and Spanish Criminal Code compliance programmes including the latest related risk heatmaps, regulatory developments, issues identified during the year or still live from previous years and key programme activities during 2025 and priorities for 2026. Key programme activities include reviewing progress in implementation, awareness, training and other initiatives in respect of the updated Code of Conduct and Ethics. • Reviewing the Group’s implementation of the requirements of UK Economic Crime and Corporate Transparency Act 2023 during 2025, which became enforceable in September 2025. • Reviewing, on behalf of the Board, the Group’s independent third-party-facilitated whistleblowing procedures and the annual report from the Group’s Head of Ethics and Compliance on: communication and awareness (plus trust in) the Group’s whistleblowing facilities; incidents reported via the external whistleblowing and relevant internal channels, by category and nature; any emerging themes or trends; timeliness and responsibility for follow-up; and investigations and actions taken to address substantiated reports. • Consideration of Disclosure Committee and litigation reports from the General Counsel including the status of remaining and potential civil litigation actions (see note 28 to the consolidated financial statements).

Area of Committee focus	Activities
IT, cybercrime and GDPR	<ul style="list-style-type: none"> Reviewing and monitoring key cybersecurity and data privacy management improvement projects including lessons learned from recent industry-wide ransomware attacks, visibility of trend analysis and benchmarking external data to better understand the Group's progress in implementing its improvement plans.
Safety Management Framework	<ul style="list-style-type: none"> Reviewing and monitoring the Group airline's safety risk management frameworks including governance and oversight structure of each Group airline, audit and oversight, reporting culture and cross-airline coordination activities. Key updates also include safety outcome metrics and key group safety indicators.
Non-financial information	<ul style="list-style-type: none"> Reviewing management's compliance with the CSRD (directive 2022/2464/EU) as well as the integrity of information provided in the Group's Consolidated Sustainability statement in compliance with Law 11/2018, including information on environmental, social, employee and human rights-related matters. In addition, the Committee received the external auditor's limited assurance report and conclusions on the Sustainability statement. Reviewing the integrity of the reporting and data in respect of the Group's longer-term sustainability and climate-related risks and opportunities, including the Group's alignment with the provisions of the TCFD process and the appropriate reflection of the implications of climate change in the Group's strategy, financial statements and financial and cash flow forecasts.
Insurance	<ul style="list-style-type: none"> Reviewing the Group's insurance position, including general insurance arrangements and directors' and officers' liability insurance. Reviewing the adequacy and appropriateness of the cover with regards to the Group's relevant principal and emerging risks (recognising that not all risks are of an insurable nature). Consideration of the insurance policies across the Group to ensure they are adequate and appropriate for the risks faced by the Group and new areas of risk and insurance.
Governance and other matters	<ul style="list-style-type: none"> Reviewing compliance with applicable corporate governance provisions and recommendations. Reviewing and recommending to the Board the adoption of amendments to relevant policies. Considering and planning for the implications of any changes in European, Spanish or UK corporate governance requirements within the remit of the Committee.

Report of the Audit and Compliance Committee *continued*

Significant financial reporting matters considered by the Audit and Compliance Committee

The Committee takes account of significant issues and risks, including strategic, business, operating, financial, compliance and regulatory, that may materially impact the integrity and accuracy of the quarterly financial results announcements or the 2025 Annual Report and Accounts.

In doing so, the Committee considers the three often overlapping areas of significant financial reporting matters that arise from management's judgements, estimates and accounting treatments, the significant audit issues reported to the Committee by the external auditor, as well as the key audit matters, which are the matters of most significance to the audit included in the external auditors report.

In support of the Directors' statement and responsibilities, the Committee has also sought to ensure that the Group's reporting is aligned with the latest guidance and requirements from regulators, that it is fair, balanced and understandable and that all matters disclosed and reported upon meet the rapidly evolving needs of the Group's stakeholders.

The significant accounting judgements, estimates, accounting policies and issues considered by the Committee in relation

to the Annual Report and Accounts for the year to 31 December 2025 (including those considered as significant audit issues by the external auditor and described in the Independent Auditor's Report) are set out in the table below. In addition to this, the Committee also considered the assumptions and judgement underlying the valuation of pension assets and liabilities in the financial statements as summarised in note 34 to the consolidated financial statements. After robust further consideration, challenge and debate, there are no topics where the conclusion resulted in significant disagreement between management, the external auditor and the Committee, and there were no unresolved issues that needed to be referred to the Board.

Matter	Action taken by the Committee and outcome/future actions
VAT assessment on the issuance of Avios	<p>The Committee received multiple updates throughout 2023, 2024 and 2025 on the progress of HMRC's substantive review into whether VAT should have been and should be payable on the issuance of Avios.</p> <p>Based on the facts presented, the Committee agrees with management's assertion, confirmed by external counsel and tax advisers, that it is more likely than not that an adverse ruling will not eventuate.</p> <p>The Committee also focused on the recoverability of the payment made to HMRC, without admission of liability, in order to appeal the case to the First-tier Tribunal (Tax). As a result, the Committee also agrees with management's approach to record a receivable asset of €507 million in the 2025 consolidated financial statements, which will be recoverable should the Group receive a favourable outcome from the First-tier Tribunal (Tax).</p> <p>The Committee is satisfied that the disclosure made in the 2025 Annual Report and Accounts enables users to sufficiently understand the status of this matter. The Committee also considered the conclusions of the external auditor, who continued to identify the VAT matter in IAG Loyalty as a key audit matter.</p>
Maintenance accounting	<p>The Committee reviewed management's Maintenance, Repair and Overhaul (MRO) accounting estimates and assumptions relating to the Group's aircraft engine and other maintenance events performed by both Iberia and third-party providers to each of the airlines in the Group.</p> <p>The Committee challenged management on the appropriateness of the intercompany accounting treatment applied by airlines within the Group including, but not limited to, the impact on the componentisation of owned aircraft and revisions to provisions for leased aircraft. The Committee further challenged KPMG on the accounting applied by management and the range of alternatives presented by management.</p> <p>Following discussion with management and the external auditor, the Committee agreed with the accounting applied for both owned and leased engines.</p>
Voucher revenue recognition	<p>The Committee continued to focus on management's revenue recognition assumptions in respect of unredeemed vouchers issued in relating to both COVID-19 pandemic flight cancellations (referred to as 'disrupted flights') and non-disrupted flights.</p> <p>The Committee is satisfied that the breakage assumptions applied throughout 2025 in relation to the revenue recognition of vouchers are appropriately supported by reasonable management assumptions, which themselves are supported by historical redemption and expiry data.</p>

Other significant matters considered

Highlights of other key matters that the Committee considered are explained below.

Matter	Action taken by the Committee and outcome/future actions
Viability and going concern assessments	<p>Throughout the year and while finalising the 2025 Annual Report and Accounts, the Committee reviewed and evaluated management's going concern review and viability assessment, including the supporting analysis.</p> <p>The Committee found assurance in management's 2025 assessment. This assurance was gained by reviewing and challenging critical estimation assumptions and judgements applied to cash flow forecasts over the short, medium and long term, including the implications of climate change within the reference period. Many assumptions and judgements are based on external factors such as the political and economic environment and its impact on the aviation sector, ongoing conflicts and geopolitical tensions, which drive market uncertainty and heightened cyber attack risk and impacts of supply chain disruption, particularly inflation effects and delays in airframe and engine availability.</p> <p>The Viability Statement section of this Annual Report provides details of the base case and downside case used in assessing the appropriateness of the Board's Viability Statement and the going concern basis of accounting. The Committee critically reviewed the assumptions applied in management's base case and downside case projections, ensuring the downside case included appropriately severe but plausible assumptions. The Committee also examined the external auditor's findings and conclusions on this matter. Alternative negative scenarios were considered by the Committee, but the downside case presented the most severe yet plausible scenario.</p> <p>The Committee recommended the going concern statement and related disclosures to the Board for inclusion in the 2025 half year interim results announcement and the 2025 Annual Report and Accounts, as well as the Viability Statement for inclusion in the 2025 Annual Report and Accounts.</p>
Fraud procedures	<p>The Committee examined management's annual report covering the Group's fraud prevention framework, which included the annual fraud risk assessment, the key controls and the lines of defence established to prevent and detect fraud. The Committee observed the addition of the fraud prevention activities as a result of the UK Economic Crime and Corporate Transparency Act 2023 requirements which came into force from September 2025. Overall, the Committee gained confidence that there continues to be strong alignment between the risk assessment and the assurance map, including lines of defence, and was satisfied that the approved internal audit plan addressed the key financial reporting anti-fraud controls as well as audits targeted at specific fraud risks across the Group during this period.</p> <p>On behalf of the Board, the Committee will continue to monitor fraud and internal controls, including consideration of feedback from the external auditor, the outcomes of the annual ICFR audits and the results of a series of focused anti-fraud control internal audits.</p>
Safety Management Framework	<p>In February 2025, the Board restructured the role of its advisory committees and established that the Audit and Compliance Committee would be responsible for providing overall oversight of the Group airline's safety risk management frameworks.</p> <p>In November 2025, the Committee received the first six-monthly update from management covering key safety risk management framework metrics including governance and oversight structure of each Group airline, audit and oversight, reporting culture and cross-airline coordination activities. The update also included safety outcome metrics and key group safety indicators to provide confidence that the framework is operating effectively throughout the year.</p> <p>The Committee will receive the next update in May 2026.</p>
Corporate governance	<p>Throughout 2025, the Committee closely monitored developments in and emerging guidance in respect of the UK Economic Crime and Corporate Transparency Act 2023. In November, the Committee received an update on management's implementation of a number of initiatives to ensure reasonable fraud prevention procedures are in place across the Group and is reassured with the activities and the framework in place.</p>

Report of the Audit and Compliance Committee *continued*

Matter	Action taken by the Committee and outcome/future actions
UK Corporate Governance Code – Provision 29 (Material Controls)	<p>In December 2025, the Committee, on behalf of the Board, considered the plan for management’s preparation for the implementation of the new UK Corporate Governance Code requirements in relation to provision 29 and material controls.</p> <p>Management has sought to build on established frameworks already embedded across the Group, including ICFR, safety and risk management systems and relevant compliance frameworks. As previously agreed with the Committee, management adopted an integrated approach leveraging existing policies, processes and assurance activities to avoid duplication and ensure consistency across control environments.</p> <p>The material controls framework developed by management draws directly on the Group’s ICFR framework, including established methodologies for control identification, ownership, testing and remediation. The Committee challenged aspects of this framework, however, agreed with management that this provides a strong foundation for assessing the design and effectiveness of financial controls and informed the extension to operational, reporting and compliance controls. In parallel, management incorporated relevant elements of the Group’s mature safety framework, particularly in relation to aspects that demonstrate the framework is operating effectively in each of the Group’s airlines, recognising safety as a key operational control area.</p> <p>The Committee agreed with the approach, which included a definition of material controls for the Group, identification of material controls and definition of the effectiveness criteria for the controls. The Committee also agreed that reliance on existing frameworks was appropriate, robust and well-evidenced and supports an efficient and sustainable approach to the Board’s future declaration on the effectiveness of material controls as at 31 December 2026. In mid 2026, a dry run of the approach and disclosure will be presented to the Board for final approval.</p>
Ethics and compliance	<p>The Committee recognises the critical role of ethics and compliance in upholding the highest ethical standards across the Group. Throughout 2025, the Committee closely monitored management’s implementation of the Group’s three-year ethics and compliance plan, including regular updates on progress and monitoring of the Group’s Speak-up channels.</p> <p>The Committee also reviewed a number of policies during 2025 and recommended their approval by the Board, including the revised versions of the anti-fraud, anti-bribery and competition law policies.</p> <p>The Committee is pleased with the progress made, and compliance will remain a key area of focus for the Committee during 2026.</p>

The Committee will continue to receive regular updates on all the above matters in 2026.

Internal Control over Financial Reporting

The Board of Directors is ultimately responsible for the supervision of the existence and effectiveness of ICFR. The Board has delegated responsibility for the development of effective controls to the Group CEO and supervision of the effectiveness of these controls to the Audit and Compliance Committee.

The Group's ICFR monitoring and auditing is mature and well embedded across the Group, covering processes applied by the Company, Aer Lingus, British Airways, IAG GBS, IAG Loyalty, IAG Transform, Iberia, LEVEL and Vueling, and processes performed by IAG GBS and IAG Cargo on behalf of the operating companies. This enables the Committee to evaluate and oversee IAG's management of financial reporting risk and to validate the Group's approach to complying with the CNMV's ICFR recommendations.

During 2025 and in February 2026, the Committee reviewed the results of the internal audits and external audit of ICFR (which included IT general controls). No unremediated material weaknesses that would impact the integrity of the financial statements were identified, and management continued to improve the control environment across the Group. The Committee also tracked the progress of internal audit recommendations to address any weaknesses identified.

Internal audit

The Committee's activities during 2025 in relation to the Internal Audit function included:

- Reviewing and agreeing the internal audit 2025 plan and 2026 first six months' plan (including resourcing and budget to appoint appropriate external specialist resource to provide the required level of assurance over the principal risks, processes and controls throughout the Group). This included ensuring the 2025 plan continued to focus on fraud risk while also ensuring coverage of 'other' specific risks, including cybersecurity, IT transformation programmes, non-financial information and satisfying ICFR and Spanish Criminal Code requirements;
- Reviewing key audit conclusions, discussing the quality and timeliness of management's responses, monitoring the resolution of issues raised and requesting additional audit review of certain weaknesses or concerns identified by internal audit, post-management action to remediate. Where an internal audit finding was rated seriously deficient, relevant responsible management were requested to, in person, present their plans and progress in addressing the audit recommendations and required actions, reflecting the importance the Committee attributes to the internal audits and their conclusions;

- Holding regular meetings during the year between the Committee, the Group Audit Director and the external audit partners, as well as ensuring the Group Audit Director feels able to raise any concerns informally and directly with the Chair of the Committee;
- Monitoring and protecting Internal Audit's independence and standing within the Group, ensuring it is able to influence and engage at the most senior levels across IAG, operating companies and functions, and is closely involved in the Group's discussions on risk; and
- Performing an effectiveness review with key internal stakeholders in December 2025.

The Committee is satisfied that delivery of the approved internal audit strategy and plan is providing timely and appropriate assurance on the effectiveness of controls in place to successfully and effectively manage aspects of the Group's relevant principal risks (i.e. those that are capable of being subject to an audit review).

Report of the Audit and Compliance Committee *continued*

External audit

External auditor key information	
Last tender	2019-January 2020
Transition year	2020
AGM approval of current auditor (for one year to 31 December)	June 2024
First audited Annual Report	Year to 31 December 2021
Next audit tender required by regulations	For appointment effective for year to 31 December 2031

The Committee engaged throughout the year with KPMG, with the engagement partners attending all Committee meetings.

The Committee Chair met frequently with the Group and lead audit partners throughout the year to review Group developments, audit progress, planned reporting and audit findings. The Committee's key activities in relation to its interaction with KPMG included:

- Review and approval of the 2025 external audit plan and strategy including consideration of scope, approach and methodology, emerging industry and Group-specific audit risks and materiality;
- Monitoring the audit plan's implementation, including receiving regular reports from KPMG, progress against plan in light of key judgements, audit matters and any significant weaknesses detected in the internal control environment;
- Discussion, prior to recommendation of the financial statements to the Board for approval, of the audit findings, including audit variances, and observations on internal controls, operations and resources. This included challenging the auditors on their conclusions regarding management's disclosure of the ongoing VAT assessment and accounting for aircraft maintenance discussed in the significant financial reporting matters section above;
- Performing an assessment of the effectiveness and independence of KPMG, including the quality of the 2025 audit (throughout the year) and reviewing and approving KPMG's fees and terms of reference; and
- Reviewing and approving 2025 non-audit services expenditure against policy and previously determined limit guidance. Reviewing and approving non-audit services limit guidance and expectations for 2026.

External audit scope, materiality and execution

In July, the Committee discussed and agreed the scope of the audit with KPMG, including the interim review plan (comprising audit testing, risk assurance procedures, process walkthroughs, controls testing and data and analysis routines) and ensured that the audit strategy was robust and informed by the auditor's assessment of the Group's key risks, particularly those that are significant to the audit. KPMG outlined to the Committee the key tests that it intended performing on the identified higher-risk audit areas that could lead to material misstatement of the financial statements and significantly influenced the audit plan. The auditor and the Committee confirmed a shared understanding of these risks and key audit matters, including accounting for VAT, customer loyalty valuation and accounting for aircraft maintenance, restoration and hand-back costs, and how these were to be considered in the audit approach.

The auditor confirmed, as part of its audit strategy, that 90% of the Group's prior year actual revenue and 89% of the Group's prior year total assets would be subject to a full scope audit based on account level scoping in accordance with the revised ISA 600 standard. The Committee agreed that the approach was appropriate and should provide the Board with a high level of assurance regarding the integrity of the financial statements and subsequently approved the audit plan, recognising that the plan would evolve as the year progressed to reflect any changes in circumstances or outlook.

External auditor quality and effectiveness

The Committee is dedicated to ensuring audit quality and effectiveness, which is continuously reviewed to uphold the rigour and challenge of the external audit process. Updates were received from KPMG at five Committee meetings, enabling the Committee to assess the quality of the audit by regularly monitoring the auditor's communications with management and the Committee, including: discussion and challenge during Committee meetings; compliance with relevant regulatory, ethical and professional guidance; and an assessment of the audit team's qualifications, expertise, resources and partner performance.

In addition to its own independent assessment, management conducted a survey on the Committee's behalf as well as engaging in detailed discussion with key executives and finance staff, which demonstrated that the 2025 external audit was deemed to be effective, robust and of good quality.

The Committee's independent evaluation considered the overall quality of the audit, including whether the auditor exhibited an appropriate level of challenge and scepticism in its work and dealings with management, and the independence of KPMG.

The Committee also assessed the depth of review and level of challenge provided by the external auditor over the significant accounting policies, judgements and estimates made by management. The Committee felt that KPMG challenged management robustly on key judgements and estimates, accounting treatments and disclosures; for example, in relation to loyalty programme revenue recognition, where KPMG's challenge included an evaluation of the effectiveness of management's expertise and modelling. The observations and conclusion of the Committee in respect of this matter are noted in this report above.

External audit tender and partner rotation

2021	2024	2025	2030
KPMG first year of audit following the appointment approved by shareholders in 2020 for the 2021, 2022 and 2023 financial years	KPMG reappointment considered and approved by shareholders for the year to 31 December 2024 and annually thereafter	Mandatory rotation of external (KPMG) audit Spanish lead partner to sign off on the 2026 financial year	To comply with the Spanish Act 22/2015, the UK Corporate Code 2024 and the Audit Committees and the External Audit: Minimum Standard, a competitive tender will be required for auditor appointment effective for the year to 31 December 2031 unless carried out earlier

To comply with the Spanish Act 22/2015, the Committee conducted an audit tender process that concluded in January 2020. Following KPMG's appointment (by shareholders) as the external auditor of the Company in 2020 for the years 2021, 2022 and 2023, the Committee reviewed and monitored the implementation of KPMG's audit plans as well as the execution of these plans throughout 2025. The Committee considered and recommended to the Board the reappointment of KPMG for 2026. In accordance with the partner rotation requirements highlighted in the table above, a new Spanish lead partner has been identified by KPMG for 2026.

External auditor non-audit services and independence

Non-audit service spend in 2025 is within the total target maximum and was €2,318,000. The Committee concluded that KPMG is independent, taking into account the level and nature of non-audit services provided.

IAG non-audit services policy: key features

Pre-approval All non-audit services require pre-approval in accordance with the table below to ensure services approved are consistent with the IAG non-audit services policy for permitted services. This process ensures all services fall within the scope of services permitted and pre-approved by the Committee and does not represent a delegation of authority for pre-approval.

Value	Pre-approver
More than €100,000	Audit and Compliance Committee Chair and Chief Financial and Sustainability Officer
Between €50,000 and €100,000	Chief Financial Officer and Sustainability Officer and Group Audit Director
Less than €50,000	Group Audit Director

Fee cap The guideline amount is set to ensure the total fee payable for non-audit services should not exceed 70% of the annual audit fee. The overall value of fees for work is addressed by a target annual maximum for 2025 of €3.0 million with an additional allowance of up to €1.7 million for large projects where the external auditor is uniquely placed to carry out the work. The Committee reviews the nature and volume of the non-audit services undertaken by the external auditor on a quarterly basis.

Prohibitions IAG's policy includes a list of permitted non-audit services in line with the list of permitted services in the FRC's Revised Ethical Standard 2024 (originally introduced in 2019). Any service not on this list is prohibited. All non-audit services over €500,000 are put to competitive tender with other providers, in line with the Group's procurement policy, unless the skills and experience of the external auditor make it the only suitable supplier.

Details of the fees paid to the external auditor during the year can be found in note 7 to the consolidated financial statements.

Report of the Remuneration Committee



Heather Ann McSharry
Remuneration Committee Chair

Committee members

Date appointed

Heather Ann McSharry (Chair)	31 December 2020
Eva Castillo	31 December 2020
Simone Menne	19 June 2025
Nicola Shaw	1 January 2018

Dear shareholder

On behalf of the Board, I am pleased to present our 2025 Directors' Remuneration report, where we set out the remuneration decisions we have made during 2025, and our intended approach for 2026.

In 2025, we were pleased to welcome Simone Menne to the Committee following the retirement of Emilio Saracho from the Board at the Annual Shareholders' Meeting in June. We would like to thank Emilio for his contributions during his time on the Committee.

Business performance

This has been another very strong year for IAG, as we continue to execute our strategy and deliver our financial ambitions. We have announced a set of strong financial results, delivering another year of growth in revenues, earnings and margin. We have continued to deliver significant shareholder value through strong share price performance, an increased interim dividend payment, and the completion of the €1 billion

share buyback programme announced in February 2025. Looking ahead, we remain focused on long-term value creation for our shareholders, driven by a disciplined approach to capital allocation, ongoing investment in improving customer experience and operational efficiencies.

Highlights include:

- Operating profit before exceptional items of €5,024 million;
- Increase in operating margin by 1.3 percentage points to 15.1%;
- Overall capacity increased by 2.4% for the year to 31 December 2025, reflecting growth in the Group's fleet of aircraft;
- Continued strengthening of our balance sheet, driven by strong free cash flow generation and disciplined capital allocation, with net leverage at 0.8x at 31 December 2025;
- Interim dividend announced at €0.048 per share, with the Group having completed the €1 billion share buyback programme;

- Continued to deliver our sustainability programme, increasing our sustainable aviation fuel use to 3.3% of total fuel and achieving our 2025 carbon intensity target.

Directors' remuneration policy review in 2025

Our new policy was approved by shareholders at the 2025 AGM, and we were pleased to receive 83.86% of votes in favour.

The key change was the introduction of a new long-term incentive framework for the CEO, which aligns with the model for IAG's senior leaders. To drive our ambitious strategic growth plans, a new Stretch Performance Incentive Plan (SPIP) was introduced in 2025, which incentivises the delivery of stretching operating margin performance above IAG's medium-term ambition through to the end of 2027. A single SPIP grant of 300% of salary was made to the CEO, with no further grants to be made under the current policy. The RSP, which has been in operation since 2021 and helps to provide stability in our volatile and cyclical industry, continues to be granted on an annual basis. We consider this combination of long-term incentives to be the most effective at fostering the high-performance culture that is critical to delivering our transformation ambition, while encouraging management to be agile and responsive to external challenges, and it has proven to incentivise, engage and retain our senior team.

We engaged extensively with our largest shareholders and the major proxy agencies before seeking shareholder approval. We welcomed the thoughtful and insightful feedback we received, which helped us shape our disclosure and proposal. I would like to thank our shareholders for their contribution to the policy review and for their support at the 2025 AGM, and look forward to further engagement as we continue to implement the policy going forward.

In our highly volatile sector, we will continue to review the structure of long-term incentives to ensure they remain effective in motivating and engaging senior management to deliver long term sustainable value for shareholders. As always, any material changes to our remuneration structure would be developed in close consultation with our shareholders.

2025 Annual Incentive Plan outcome

Our annual incentive framework is based on a combination of financial and non-financial measures. The 2025 scorecard was unchanged from 2024, reflecting the Group's continued key focus on

delivering robust financial performance, an excellent customer experience and strong progress towards our sustainability and other strategic goals. For the Group CEO, annual incentive weightings were based 60% on operating profit before exceptional items, 20% on customer NPS, 10% on carbon efficiency and 10% on strategic and role-specific objectives.

The Annual Incentive Plan operated in line with our Remuneration Policy and reflects our strong performance in the year. Under the formulaic outcome, actual performance achieved was 93.2% of the maximum opportunity, largely driven by financial performance against our stretching operating profit targets. Despite slightly lower passenger load due to fleet modernisation and sustainable aviation fuel (SAF) we continue to deliver against our carbon targets, with stretch performance achieved again in 2025. Performance against the customer measures was at maximum (with a +7.0pts improvement versus 2024), demonstrating the impact of our investment in aircraft, IT and property. This contributed to excellent operational performance. Our investments in customer service, lounges, on-board food and digital products have all also contributed to the increase.

The Committee determined that the incentive outcomes are fair and appropriate in this context, and therefore no discretion was applied to the formulaic outcome.

Full details of achievement against targets are provided in the variable pay outcomes section of this report.

Vesting of the 2023 Restricted Share Plan (RSP)

The restricted share award granted to IAG's executive director in 2023 is due to vest in March 2026. The award is subject to a performance underpin, which takes into consideration IAG's overall financial and non-financial performance over the relevant three-year period.

In line with our established framework for assessing the satisfaction of the underpin, the Committee reviewed details of IAG's financial performance (including revenue, profitability, operating margin, cash generation, return on capital, as well as performance relative to sector peers) and key non-financial and operational performance measures (including progress towards IAG's sustainability ambitions and its broader social agenda). Further details are set out in the Restricted Share Plan section later in this report.

The Committee agreed that, based on its assessment, the conditions set out in the underpin had been satisfied. As a result, the 2023 RSP award for the IAG CEO will vest in full in March 2026. The estimated value of the award is included in the single total figure of remuneration in this year's report and reflects the increase

in IAG's share price over the plan period. The award is subject to a two-year holding period.

Implementation of the policy for 2026

The CEO's salary is reviewed annually, to ensure it remains competitive in IAG's dynamic talent environment. Any increases are considered in the context of internal and external relativities and the experiences of shareholders and other stakeholders. Following a detailed review, the Committee approved a salary increase of 3% for the IAG CEO for 2026, which is in line with the wider workforce.

The maximum annual incentive opportunity will remain at 200% salary for the IAG CEO, consistent with the policy. There will be no changes to the performance measures for 2026, which the Committee still considers best reflect the most important priorities of the Group for the year ahead.

There are no changes to the operation of the RSP for 2026. The IAG CEO's opportunity is 150% of salary. His award will vest after three years, subject to the satisfaction of the performance underpin, and subject to a further two-year holding period.

Workforce experience

The Committee regularly reviews management's remuneration in relation to the broader workforce. In line with IAG's business model, our operating companies manage their own reward frameworks, ensuring employee remuneration accurately reflects performance, aligns with local market conditions, and remains competitive to attract the right talent.

The Committee receives regular updates on workforce initiatives, such as investments in areas like flexible benefits, designed to maintain IAG's attractiveness as an employer and to support employee wellbeing. Around 84% of our employees are covered by collective bargaining agreements, which aim to secure fair, competitive, and sustainable pay, offering stability for both the business and its people.

Members of the Committee participate in the Board workforce engagement programme, allowing direct interaction with employees on remuneration. These insights are then used to ensure executive remuneration decisions appropriately consider the wider workforce experience and meet stakeholder expectations.

The hard work, commitment and dedication of our employees across the Group is a key driver of our success, and on behalf of the Committee, I would like to thank our colleagues for their valued contribution in 2025.

Conclusion

Over the past year, the Remuneration Committee has carefully reviewed the evolution of the company's performance

against its annual and longer-term targets, and the alignment of this performance with the experience of employees, shareholders, customers, and other key stakeholders. In this situation, the Committee took a balanced and considered approach to executive remuneration. We are satisfied that the Directors' Remuneration policy operated as intended throughout 2025, and the remuneration outcomes detailed in this report are appropriate in the context of our very strong results and our trajectory.

We hope that our Directors' Remuneration report will receive your support at our 2026 Shareholders' Meeting, and we welcome any questions you may have in advance.

Approved by the Board and signed on its behalf by

Heather Ann McSharry
Remuneration Committee Chair

Remuneration at a glance

IGAG Chief Executive Officer

Purpose and link to strategy features	Outcomes for 2025	Implementation in 2026
Fixed remuneration		
Base salary		
To attract and retain talent to help achieve our strategic objectives.	From 1 January 2025: £913,519 (€1,076,126) (an increase of 3% from 2024).	Following a review, an increase of 3% has been awarded. From 1 January 2026: £940,925 (€1,102,294).
Takes account of factors such as role, skills and contribution.	No more than the average increase for the wider workforce.	Which is in line with the average increase for the wider workforce.
Taxable benefits and pension-related benefits		
Provides basic retirement and benefits, which reflect local market practice.	Pension at 12.5% of salary, comparable to the rate applicable to the majority of the UK workforce. Benefits provided as per policy.	Benefits to be provided as per policy and pension will remain unchanged.
Variable remuneration		
Annual Incentive Plan		
Incentivises annual corporate financial and non-financial performance and the delivery of role-specific objectives.	For our 2025 bonus, the scorecard was weighted as follows: 60% operating profit (before exceptional items), 20% customer NPS, 10% carbon efficiency and 10% strategic and role-specific objectives.	Maximum opportunity unchanged at 200% of base salary.
The deferred-shares element aligns the interest of executives and shareholders and provides a retention tool.	Under those scorecard measures, the bonus outcome was 93.2% of maximum, and thus the 2025 bonus amount was £1,703,000. As the IAG CEO has met the 400% shareholding guideline, 80% of the award will be paid out in cash with 20% deferred into shares for three years (otherwise 50% deferred into shares for three years).	No change to the scorecard measures and weightings for 2026. The targets for 2026 are commercially sensitive and will be disclosed in the 2026 Remuneration report.
Long-term incentive		
Incentivises long-term shareholder value creation and retention.	The third Restricted Share Plan (RSP) award was made to the IAG CEO in March 2023 and is due to vest in March 2026. Based on the Committee's assessment of the performance underpin the RSP award will vest in full. The award will be subject to a two-year holding period post vesting. More detail on the Committee's assessment can be found later in this report.	In line with IAG's Remuneration Policy, a Restricted Share Award of 150% of salary will be granted to the IAG CEO in 2026. Under the policy awards vest after three years subject to satisfaction of the discretionary performance underpin and are subject to a holding period of two years post vesting.
Shareholding requirement		
Provides long-term alignment with shareholders.	The CEO of IAG is required to build up and maintain a shareholding of 400% of base salary.	As at 31 December 2025, the IAG CEO had a shareholding of 798% of base salary.
Malus and clawback provisions apply to annual incentive and long-term incentive awards and the Committee has discretion to adjust formulaic outcomes to reflect corporate performance and broader stakeholder experience.		

The Committee considers that the Directors' Remuneration policy operated as intended during 2025.

2025 performance and pay outcomes summary

Business performance

Key strategic highlights

- Record financial performance.
- Strengthened our balance sheet and reduced gross debt via bond repurchasing.
- Through our strong margin and balance sheet, we have been able to accelerate the return of capital to our shareholders.
- Our transformation programme is delivering better customer experiences and operational efficiencies.
- Continued to build a sustainable business (as we continue to renew our fleet and to invest in SAF).

Key statistics

How we performed in 2025:

- Operating profit before exceptional items €5,024 million (+€581 million vly)
- Net debt €5,948 million and total liquidity €10,948 million (-€1,569 million and -€2,414 million vly)
- Leverage 0.8x (-0.3 vly)
- NPS¹ 28.0 (+7.0 vly)
- Carbon intensity 77.5 gCO₂/pkm (-0.7% vly)
- SAF use (tonnes CO₂ saved) exceeded 796,900 tonnes

Performance outcomes

Annual incentive plan

	Threshold	Target	Stretch
Financial (60%)			
Customer (20%)			
Carbon (10%)			
Strategic and role-specific (10%)			
93.2% Formulaic outcome (% of maximum)	- Committee judgement - no adjustments	93.2% Final outcome (% of maximum)	

Long-term incentive plan

The Committee reviewed the Company's overall performance – including financial and non-financial measures, as well as any material risk or regulatory issues – to assess the performance underpin attached to the 2023 restricted share award. Following this assessment, the Committee concluded that the conditions of the underpin had been met, and the award will therefore vest in full in March 2026.

The Committee reviewed a framework to assess whether the underpin had been satisfied, taking into account the overall performance for the financial years 2023, 2024 and 2025.

IAG Chief Executive Officer remuneration history (£'000)



2020: The current IAG CEO was appointed effective September 2020

2024: The value shown for long-term incentive has been restated this year using the share price at vesting in March 2025, which was £3.24. The vesting of the 2022 RSP award was provided in last year's report based on an estimated share price of £2.43, based on a three-month average share price from 1 October 2024 to 31 December 2024.

2025: The value shown for long-term incentive represents the estimated value of the total 2023 RSP award granted in March 2023, which will vest in full in March 2026. The estimate is based on a three-month average share price from 1 October 2025 to 31 December 2025 of £3.99.

1 For the purpose of the annual incentive award, the weighting of each airline towards the overall NPS score reflects the Group's areas of focus for 2025.

Remuneration report

Introduction

The Remuneration Committee is responsible for the preparation of this report, which was then approved by the Board of Directors.

The Company's current policy on directors' remuneration was approved by shareholders at the Annual Shareholders' Meeting held on 19 June 2025. The proposal was presented following consultation with largest shareholders and major proxy agencies.

As a Spanish incorporated company, IAG is subject to Spanish corporate law. The Spanish legal regime regarding directors' remuneration is substantially parallel to that of the UK as far as directors' remuneration disclosure and approval requirements are concerned.

The Company welcomes the flexibility granted by the Spanish CNMV in allowing companies to prepare reports in a free format. Therefore, IAG is presenting a consolidated report responding to both Spanish and UK disclosure requirements. This report will be accompanied by a duly completed form, which is required by the CNMV covering certain relevant data. This is prepared in accordance with the applicable requirements in Spain and is available on the Company's and the CNMV's respective websites.

It is the Company's intention once again to comply voluntarily with all reporting aspects of the UK legislation of 2018, The Companies (Miscellaneous Reporting) Regulations (SI 2018/860) and The Companies (Directors' Remuneration Policy and Directors' Remuneration report) Regulations 2019, and to follow UK standards of best practice.

In addition to the Remuneration Committee Chair's statement, this Directors' Remuneration report contains the Annual Report on Remuneration, which covers the information on directors' remuneration paid in the year under review.

Directors' Remuneration Policy

Executive directors: key elements of pay

The Company's remuneration approach is to provide total remuneration outcomes that reflect the delivery of the business strategy, are competitive, and take into account each individual's performance. The Committee receives regular updates on the pay and conditions of the Group's employees and takes these into account when considering executive directors' remuneration.

The current directors' Remuneration Policy

The current directors' Remuneration Policy is available on the company website IAG – Directors' Remuneration Policy (iairgroup.com).

Service contracts and exit payments policy

Executive directors

The following is a description of the key terms within the service contracts of executive directors.

The service contracts are available for inspection, on request, at the Company's registered office.

The contracts of executive directors are for an indefinite period.

There are no express provisions in executives' service contracts with the Company for compensation payable upon termination of those contracts, other than for payments in lieu of notice.

Executive director	Date of contract	Notice period
Luis Gallego	8 September 2020	6 months – from / 12 months – given

The period of notice required from the executive is six months; the period of notice required from the Company is 12 months. Where the Company makes a payment in lieu of notice, a payment becomes payable only if, in the Company's opinion, the executive has taken reasonable steps to find alternative paid work, and then only in monthly instalments. The payments will comprise base salary only. The Company may reduce the sum payable in respect of any month by any amount earned by the executive (including salary and benefits) referable to work done in that month (for example, as a result of alternative paid work referred to above).

In the event of an executive's redundancy, compensation, whether in respect of a statutory redundancy payment or a payment in lieu of notice or damages for loss of office, is capped at an amount equal to 12 months' base salary. The Company will honour the contractual entitlements of a terminated director; however, the Company may terminate an executive's service contract with immediate effect and without compensation on a number of grounds, including where the executive is incapacitated for 130 days in any 12-month period, becomes bankrupt, fails to perform his or her duties to a reasonable standard, acts dishonestly,

is guilty of misconduct or persistent breach of his or her duties, brings the Company into disrepute, is convicted of a criminal offence, is disqualified as a director, refuses to agree to the transfer of his or her service contract where there is a transfer of the business in which he or she is working; or ceases to be eligible to work in Spain or the UK (as applicable).

The Committee reserves the right to make any other payments (including, for example, appropriate legal or outplacement fees) in connection with an executive director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of an executive director's office or employment.

Under any of the Company's share plans, save in respect of bonus deferral awards (which will normally vest in full following cessation for any reason), if a director leaves, the Board, after considering the recommendation of the Remuneration Committee, may exercise its discretion (within the rules of the schemes) to grant good-leaver status. This can be granted in certain circumstances including, for example (list not exhaustive), the director leaving for reasons of ill-health, injury or disability, redundancy, retirement or death. Executive directors leaving with good-leaver status will normally receive a pro rata amount of their Stretch Performance Incentive Plan (SPIP) shares subject to the performance condition(s) being met, and a pro rata amount of their RSP shares, subject to the underpin being met, in accordance with the plan rules. The proration is normally calculated according to what proportion of the vesting period the executive director spent in company service. Normal vesting dates, holding periods and post-cessation shareholding guidelines will normally continue to apply, other than in a limited number of exceptional circumstances in accordance with plan rules and/or at the discretion of the Board. If good-leaver status is not granted to an executive director, all outstanding awards made to them will normally lapse.

Executive directors leaving with good-leaver status are eligible to receive a pro rata annual incentive payment for the period of the year actually worked, subject to the regular performance assessment and normally paid in the normal manner following the year end.

In the event of an executive director's termination from the Company, they must not be employed by, or provide services to, a restricted business (i.e. an airline or travel business that competes with the Company) for a period of 12 months.

Non-executive directors

Non-executive directors (including the Chair) do not have service contracts. Their appointment is subject to the Board Regulations and the Company's Bylaws. They do not have the right to any compensation in the event of termination as directors. Board members shall hold office for a period of one year. The non-executive directors' letters of appointment are available for inspection, on request, at the Company's registered office.

Malus and clawback provisions

Malus and clawback provisions	Circumstances	<p>The Board, following the advice of the Committee, has authority to reduce or cancel awards before they are satisfied (and/or impose additional conditions on awards), and to recover payments, if special circumstances exist. These special circumstances include (but are not limited to):</p> <ul style="list-style-type: none"> • Fraud; • Material breach of any law, regulation or code of practice; • An error or a material misstatement of results leading to overpayment or over-allocation; • Misconduct; • Failure of risk management; • The occurrence of an exceptional event affecting the Company's value or reputation; • Payments based on results that are subsequently found to be materially financially inaccurate or misleading; • Serious reputational damage as a result of a participant's behaviour; • Corporate failure; and • Any other circumstances in which the Board considers it to be in the interests of shareholders for the award to lapse or be adjusted.
	Period	<ul style="list-style-type: none"> • For the cash element of the Annual Incentive Plan, clawback provisions apply for three years from the date of payment. • For the bonus deferral awards, there will be three years from the date of award in which shares can be withheld, i.e. the entire period from the date of the award until vesting. • For RSP and SPIP awards, clawback provisions apply for two years post vesting. • The clawback period for the cash element of the Annual Incentive Plan was chosen as it aligns with the vesting period for the deferred bonus awards. The clawback period for the RSP was chosen as it aligns with the post-vesting holding period. These periods are considered to allow an appropriate amount of time for any of the above circumstances to become known. • The proportion of an award to be withheld or recovered will be at the discretion of the Board, upon consideration of the Committee, taking into account all relevant matters.

Malus and clawback provisions were not invoked during 2025.

Report of the Remuneration Committee *continued*

Annual remuneration report

The Annual remuneration report sets out how the directors' remuneration policy (as approved by shareholders at the Annual Shareholders' Meeting on 19 June 2025) was put into practice in 2025 and how it will be implemented in 2026.

The Remuneration Committee

The Remuneration Committee is regulated by article 32 of the IAG Board Regulations and by its own Regulations last approved on 27 February 2025. A copy of these Regulations is available on the Company's website.

Beyond executive directors, the Committee reviews the remuneration arrangements for members of the IAG Management Committee (and considers remuneration matters related to other senior executives and the wider workforce across the Group).

Article 32 of the Board Regulations ensures that the Remuneration Committee is composed of not less than three independent non-executive directors, who have the dedication, capacity and experience necessary to carry out their function.

Heather Ann McSharry chairs the Committee and is also IAG's SID. None of the Committee members has any personal financial interest, other than as a shareholder, in the matters to be decided.

In accordance with the 2024 UK Corporate Governance Code, the Remuneration Committee also has responsibility for reviewing workforce remuneration and related policies and the alignment of incentives and rewards with our corporate culture.

Statement of voting

The table below shows the consultative vote on the 2024 annual directors' remuneration report and the directors' remuneration policy approval at the 2025 Annual Shareholders' Meeting:

	Number of votes cast	For	Against	Abstentions
2024 Annual directors' remuneration report	2,580,379,867 (100)%	2,409,349,942 (93.37)%	32,352,047 (1.25)%	138,677,878 (5.37)%
2025 Directors' remuneration policy	2,580,379,867 (100)%	2,163,892,699 (83.86)%	283,139,974 (10.97)%	133,347,194 (5.17)%

The Committee's activities during the year

In 2025, the Committee met five times (four scheduled meetings and one extraordinary meeting held in April) and discussed, among other things, the following matters:

Meeting	Key agenda items
January	<ul style="list-style-type: none"> Review of IAG executive directors' Remuneration Policy Management Committee pay benchmarking review and 2025 base salary review IAG CEO 2025 base salary review 2025 Restricted Share Plan grants Stretch Performance Incentive Plan (SPIP) framework Review of draft 2024 directors' remuneration report and remuneration topics on the Non-Financial Information Statement
February	<ul style="list-style-type: none"> Review of the 2024 Annual Incentive Plan out-turn Assessment of the vesting outcome of the 2022 RSP Assessment of the vesting outcome of the Full Potential Incentive Plan (FPIP) (applicable for senior leaders below the Board) 2025 Annual Incentive Plan 2025 Management Committee role-specific objectives SPIP awards for senior executives and update on the executive director long term incentive proposal 2024 directors' remuneration report Share ownership update: review of executive holdings, share awards authority and dilution limits All employee share plan – Spain
April	<ul style="list-style-type: none"> Market update on executive remuneration trends Update on the consultation process on the directors' remuneration policy Review of the directors' remuneration policy AGM proposal
May	<ul style="list-style-type: none"> 2025 directors' remuneration policy proposal Report of the Remuneration Committee on the proposed directors' remuneration policy proposal
November	<ul style="list-style-type: none"> Market trends update Workforce remuneration update Remuneration strategy for 2026 Update to the IAG executive shareholding policy Update on 2025 Annual Incentive Plan and SPIP potential out-turns All employee share plans – Ireland and UK

Advisers to the Committee

The Committee appointed Deloitte as its external adviser in September 2016. Deloitte reports directly to the Committee. The fees paid to Deloitte for advice provided to the Remuneration Committee during 2025 were £143,784 (€168,443), charged on a time and materials basis. Deloitte is a member of the Remuneration Consultants Group and a signatory to its voluntary UK Code of Conduct. As well as advising the Remuneration Committee, other Deloitte teams provided advisory services to other parts of the Group in 2025. The Committee has reviewed the remuneration advice provided by Deloitte during the year and is comfortable that it has been objective and independent.

In addition to Deloitte providing the Remuneration Committee with market updates on pay themes, the Committee also received market data and insights from other specialist consultants such as Aon, PwC and Willis Towers Watson in 2025.

Consideration of shareholder views

Before seeking shareholder approval, we engaged extensively with our largest shareholders and the major proxy agencies. This consultation included shareholders representing 43.4% of our share capital (including Qatar Airways) and 31% of our institutional shareholding.

We were pleased with the level of engagement and the quality of the discussions. Our shareholders recognised the role of management incentives in driving IAG's strong

performance and supported a new stretch plan linked to our ambitious performance targets. The main topics discussed during this consultation were disclosed in the explanatory document accompanying the policy proposal. At the 2025 Annual General Meeting, the 2025 directors' remuneration policy and the 2024 directors' remuneration report received a strong endorsement.

Each year, the Committee discusses the issues and outcomes from the Annual Shareholders' Meeting and determines any appropriate follow-up action required as a result. The Company will continue to engage with shareholders and proxy agencies whenever there are any significant changes to our remuneration framework.

Single total figure of remuneration for the executive director

The table below sets out a breakdown of the single total figure of remuneration breakdown for the IAG CEO, who was the only executive director during 2025. An explanation of how the figures are calculated follows the table.

	CEO: Luis Gallego			
	£'000 ¹		€'000 ¹	
	2025	2024	2025	2024
Base salary	914	887	1,071	1,045
Benefits	36	41	43	49
Pension	114	111	134	131
Total fixed remuneration	1,064	1,039	1,248	1,224
Annual incentive	1,703	1,520	1,995	1,791
Cash	1,362	1,216	1,596	1,433
Deferred into shares for three years	341	304	399	358
Long-term incentive ^{2,3}	3,343	2,828	3,916	3,331
Total variable remuneration	5,046	4,348	5,911	5,122
Single figure of total remuneration⁴	6,110	5,387	7,159	6,346

1 Remuneration is paid to the executive director in pounds sterling and expressed in euros for information purposes only.

2 2025 long-term incentive: The value shown in this table represents the estimated value of the 2023 RSP award granted in March 2023, which will vest in full in March 2026. The estimate is based on a three-month average share price from 1 October 2025 to 31 December 2025 of £3.99.

3 2024 long-term incentive: The value for the vesting of the 2022 RSP award was provided in last year's report based on an estimated share price of £2.43, based on a three-month average share price from 1 October 2024 to 31 December 2024. This has been restated this year using the share price at vesting in March 2025, which was £3.24.

4 Note that the value shown in this table differs from the value shown in the CNMV Statistical Annex accompanying this report, as the reporting criteria established by the CNMV differ from those used in this table.

Report of the Remuneration Committee *continued*

Additional explanations in respect of the single total figure table for 2025

Only the current IAG CEO, Luis Gallego, served as an executive director in 2025. As the sole executive director, the IAG CEO has confirmed in writing that he has not received any other forms of remuneration other than those already disclosed in the table above.

Base salary

The values shown represent the actual salary paid to the IAG CEO for each performance year.

For 2025, an increase of 3% was awarded. This was no more than the average increase for the wider workforce.

Taxable benefits

Taxable benefits include the provision of a company car, a fuel allowance, executive support services and private health insurance.

Pension-related benefits

This includes the employer's contribution to a pension scheme and/or cash in lieu of a pension contribution.

Annual Incentive Plan

For the CEO's bonus in 2025, our scorecard was weighted to the following measures: 60% operating profit (before exceptional items), 20% customer NPS, 10% carbon efficiency and 10% personal and strategic objectives.

Under these scorecard measures, the bonus outcome was 93.2% of maximum. The performance conditions and outcomes that determined the award are described in detail later in the report.

As the IAG CEO has met the 400% shareholding guideline, 80% of the award will be paid out in cash with 20% deferred into shares for three years (if the guideline had not been met, 50% would have been deferred into shares for three years).

For 2024, the bonus outcome was 85.70% of maximum. As the IAG CEO met the shareholding guideline, 20% of the annual incentive was deferred into shares for three years; these will vest in March 2028.

Long-term incentive vesting

In 2021, the then-existing Performance Share Plan was replaced with an RSP. The third Restricted Share Plan (RSP) award was made to the IAG CEO in March 2023 and is due to vest in March 2026.

The Committee undertook an assessment of the performance underpin attached to the restricted share award made in 2023 and agreed that, based on this assessment, the conditions set out in the underpin had been satisfied. As a result, the awards will vest in full in March 2026.

More detail on the Committee's assessment can be found later in this report.

Share price appreciation and depreciation

The share price at grant for the 2023 RSP was £1.53 and the estimated share price at vest is £3.99, representing a growth of £2.46 per share. The overall value of the vesting of the 2023 RSP awards that is attributable to share price growth is, therefore, £2,063,720.

In light of the strong performance of the business and the delivery of the strategy and transformation plans, the Committee has not exercised any discretion regarding the remuneration in the above table as a result of share price appreciation during the period.

Life insurance

The Company provides life insurance and accidental death cover for executive directors. For the year ended 31 December 2025, the Company paid life insurance premium contributions of €17,748 (2024: €17,847).

Exchange rate for 2025

For the year to 31 December 2025, the £:€ exchange rate applied is 1.1715 (2024: 1.1780).

Variable pay outcomes

The table below illustrates the variable components of pay and time period of each element of the policy for executive directors.

Elements	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Incentive (malus and clawback provisions apply)	50% in cash ¹	50% in shares ¹ – Three-year deferral period No further performance conditions			
1 Annual award up to 200% of salary. Where the IAG CEO has met the 400% shareholding guideline, then 80% of the award will be paid out in cash with 20% deferred into shares for three years.					
Restricted Share Plan (malus and clawback provisions apply)	Annual award up to 150% of salary Three-year vesting period			Two-year holding period No further performance conditions	
Stretch Performance Incentive Plan (malus and clawback provisions apply)	Single grant of 300% of salary made only in 2025 Three-year performance period			Two-year holding period No further performance conditions	
Shareholding requirements	Executive directors' minimum shareholding requirement (including post-cessation requirements)				

2025 Variable pay outcomes

2025 Annual Incentive Plan

The IAG Annual Incentive Plan supports the business strategy by incentivising the delivery of identified priorities within the reporting period. The measures selected reflect the most important priorities for the Group for the year to deliver long-term sustainable returns. For 2025, the Board at the beginning of the year, following a recommendation by the Committee, set the following measures:

Weighting	KPI	Description
60% financial	IAG operating profit (before exceptional items)	For 2025, it was considered that operating profit continued to be the most appropriate financial KPI in aligning shareholder interest with the Company
20% customer	Group NPS by relevance	NPS is used to gauge the loyalty and experience of the Group's customer relationships. It is calculated based on survey responses to the likelihood to recommend, by subtracting the percentage of customers who are "detractors" from the percentage of customers who are "promoters". The weighting of each airline in the overall NPS score reflects the Group's areas of focus for 2025
10% IAG-specific carbon efficiency measure	Group gCO ₂ /pkm	This measure reflects our progress towards our Flightpath Net Zero 2050 commitment; it measures the fuel efficiency of our flight operations, taking account of our network, aircraft mix and passenger load factors
10% strategic and role-specific	Operational performance	Drive the operational performance of the airlines against agreed customer, operational, and financial targets
	Competitiveness	Define and implement medium-term strategic plan that strengthens IAG's position in key markets
	Transform IAG	Define and implement key projects that transform cost, customer experience and culture
	Sustainability	Delivery of SAF plan to underpin net zero ambition
	People	Build culture and capability to underpin the Group's long term success. Continue to drive bench-strength and diversity of leadership including transition of new airline CEOs

Report of the Remuneration Committee *continued*

IAG CEO Annual Incentive Plan – performance against targets

Under the Directors' Remuneration Policy, the IAG CEO has a maximum annual incentive opportunity of 200% of contractual salary. The table below details the approved 2025 performance measures and the Board's assessment of both Company and individual IAG CEO performance:

Category	Measure type	Weighting	Threshold	Target	Stretch	Performance delivered	Payout % of maximum for each measure	Weighted payout %	CEO incentive outcome (£'000)
			At which payments begin (20% payout)	(50% payout)	Max payout (100%)				
Financial measures	Operating profit before exceptional items (€m)	60%	3,993	4,564	5,134	5,024	90.3%	54.2%	£990

Description of performance

In 2025, the Group saw robust demand across its core markets, resulting in passenger unit revenues retained at the same level as 2024, with higher passenger yields offsetting slightly reduced load factors. Capacity grew 2.4%, lower than originally planned, due mainly to shortages of engines for long-haul aircraft. Transformation continued to mitigate supplier cost increases and investment in products and operational resilience for customers. The Group also benefited from the positive foreign exchange impact of a weaker US dollar, together with lower average fuel prices. The result was a strong operating profit before exceptional items for the year of €5,024 million, versus a target of €4,564 million (and compares to €4,443 million in 2024).

Customer	2025	NPS ¹	20%	21.51	24.51	27.51	28.0	100.0%	20.0%	£365
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Description of performance

The outcome for 2025 was 28.0 (+7.0 pts higher than 2024) vs a target of 24.51. Our airlines have invested in aircraft, IT and property. This contributed to excellent operational performance. Group On Time Performance improved in 2025, not only does improved punctuality drive significant productivity and efficiency benefits, but it is also the biggest driver of customer satisfaction, showing through in improved NPS, which was up +7.0pts and exceeded our stretch target. Our investments in customer service, lounges, on-board food and digital products have all also contributed to the increase.

1 For the purpose of the annual incentive award, the weighting of each airline towards the overall NPS score reflects the Group's areas of focus for 2025.

Carbon	2025	gCO ₂ /pkm	10%	80.0	78.1	77.6	77.5	100.0%	10.0%	£183
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Description of performance

The outcome for 2025 was 77.5 vs a target of 78.1. IAG is targeting net zero emissions by 2050 across its Scope 1, 2, and 3 emissions. IAG's targets include an 11% improvement in fuel efficiency by 2025, a 20% reduction in net Scope 1 and 3 emissions by 2030, and 10% SAF use by 2030, all compared to a 2019 baseline. In 2025, IAG met its fuel efficiency target and delivered a 17% reduction in net Scope 1 emissions compared to 2019.

Key measures to reduce emissions are fleet modernisation, use of sustainable aviation fuels (SAF), participation in market-based measures including the UK and EU ETS and CORSIA, and carbon removals. The Group continues to carry out emission reduction initiatives working in collaboration with its key stakeholders, and advocates for supportive government policy to uphold the global competitiveness of all airlines.

Strategic and role-specific objectives	As described in the table on the previous page	10%	Low (0% to 40%)	Good to high (45% to 65%)	Exceptional (70% to 100%)	Exceptional	90.0%	9.0%	£164
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Description of performance

The Committee and the Board considered the CEO's performance against the KPIs set out on the previous page and assessed his performance against each of those indicators. The IAG CEO has played a critical role in delivering the strong performance for the Group in 2025, as set out in the Strategic Report, and in navigating the Group through industry headwinds, ongoing geopolitical changes and conflicts and an evolving political landscape and policy environment.

Total			100%					93.2%	£1,703
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For all measures, there is a straight-line sliding scale between the threshold level and the on-target level, and between the on-target level and the stretch-target level.

As at 31 December 2025, the CEO of IAG had a shareholding of 798% of basic salary, meeting the 400% shareholding guideline; therefore, 80% of the annual incentive award will be paid in cash with 20% deferred into shares for three years.

2025 CEO performance annual incentive award outcome

Formulaic scorecard outcome	Remuneration Committee judgement	Final scorecard outcome as % of maximum	93.2%
93.2%	–		X
% of maximum	No adjustment		
		Maximum bonus opportunity (% of base pay)	200%
			X
		Base pay (£'000)	£914
			=
		2025 Annual Incentive Award (£'000 shown in single figure table)	£1,703 €1,995

2023 Restricted Share Plan award vesting

The RSP was introduced from 2021 to increase the alignment of both interests and outcomes between the Group's senior management and shareholders through the build-up and maintenance of senior management shareholdings and to drive an increased focus on the long-term, sustainable performance of the Company.

A three-year vesting period and further two-year holding period apply to RSP awards for executive directors, with vesting being dependent upon a satisfactory review of the discretionary underpin by the Remuneration Committee.

Malus and clawback provisions apply to RSP awards, enabling the reduction of awards right down to nil value to further ensure that corporate or individual failure is not rewarded under the plan.

The third Restricted Share Plan award was made to the IAG CEO in March 2023 and will vest in March 2026. The Committee undertook an assessment of the performance underpin that applies to the restricted share award and considers IAG's overall financial and non-financial performance.

As part of this process, the Committee was presented with a framework to assess whether the underpin had been satisfied, taking into account the overall performance for the financial years 2023, 2024 and 2025. The different elements considered included:

- The overall financial results for the period. The Committee's assessment took into account overall profitability, operating margins (including against comparable airlines), revenue, cash generation, return on capital and the Company's investment in fleet, customer and transformation. The Committee was satisfied that the conditions of the underpin in this regard had been satisfied.

- The Group's performance against key non-financial and operational performance measures, including progress towards IAG's sustainability ambitions and its broader social agenda (including diversity and inclusion). The Committee was satisfied that the conditions of the underpin in this regard had been satisfied.
- IAG's risk context. The Group's overall performance has been fundamentally in line with its approved risk appetite and internal control framework and no material issues have been identified.
- The Group's wider stakeholder experience in the period. This does not give rise to any material concerns.

Report of the Remuneration Committee *continued*

The purpose of the framework was to ensure that the RSP outcome can be justified and to guard against payment for failure. The Committee agreed that, based on its assessment, the conditions set out in the underpin had been satisfied. As a result, the 2023 RSP award will vest in full in March 2026. The award is subject to a two-year holding period.

2023 RSP (number of shares awarded)	835,751
	X
Estimated share price¹	£3.99
	=
Award shown in the single figure table (£'000)²	£3,343 €3,916

1 Value shown represents the estimated value of the 2023 RSP award vesting in March 2026. The estimate is based on a three-month average share price from 1 October 2025 to 31 December 2025.

2 When reviewing the vesting outcome for the 2023 RSP, the Committee was mindful that the share price has increased 161% over the vesting period (estimated vesting share price versus share price at grant). The Committee gave careful consideration to the share price evolution, and to the delivery of the strategy and transformation. As such, no discretion was exercised in respect of share price appreciation.

Scheme interests awarded during the financial year 2025

The new Director's Remuneration Policy was approved at the 2025 Annual Shareholders' Meeting held on 19 June 2025. The key change was the introduction of a new long-term incentive framework for the CEO, which aligns with the model for IAG's senior leaders. This new Stretch Performance Incentive Plan (SPIP) is designed to drive our ambitious strategic growth plans and incentivise the delivery of stretching operating margin performance above IAG's medium-term ambition through to the end of 2027. A single SPIP grant of 300% of salary was made to the CEO in 2025, with no further grants to be made under the current Policy. The RSP, which has been in operation since 2021 and provides stability in our volatile and cyclical industry, continues to be granted on an annual basis.

Stretch Performance Incentive Plan awarded during the financial year 2025

Plan Features	Definitions
Description of the award	Awards made for IAG's senior leaders to continue to incentivise them to deliver market-leading performance for the next phase of our strategy
Executive director award face value	IAG CEO (Luis Gallego) – single award in 2025 of 300% of base salary
Grant date	June 2025 (following AGM approval)
Grant price	£3.04 ¹
Performance period	Three years: January 2025 to December 2027
Vesting date	February 2028
Holding period	Two years: February 2028 to February 2030
Performance measure and targets	<ul style="list-style-type: none"> Operating margin (before exceptional items) will be the sole measure for the SPIP. Measured over a three-year period, stretching targets apply, aligned to the Group's strategic ambition. The target range for the Group CEO's award is based on an aggregation of the three one-year targets set for participants below the Board. For these, the target range assumes a progressive improvement in operating margin over the three-year period, with the third year having the greater weighting and the most stretched target being over 16% for the Group. A performance underpin whereby Group operating profit (before exceptional items) must not fall below 2019 levels of €3,285 million – if this is not met, the Remuneration Committee may scale back awards, including to nil.

1 Grant price aligned to SPIP awards made to participants below the Board. Average closing share price between 6 March 2025 and 12 March 2025.

Operating margin targets	Threshold	Target	Maximum
	13.91%	14.64%	15.96%
			
Payout (as % of maximum) ¹	20%	50%	100%

¹ Straight-line vesting between points

Restricted Share Plan awarded during the financial year 2025

Plan Features	Definitions
Description of the award	Awards only made to consistently high-performing executives in key roles who have the potential to take on greater organisational responsibility and whom the Company wishes to retain for the long term
Executive director award face value	IAG CEO (Luis Gallego) – 150% of base salary
Grant date	March 2025
Grant price	£3.04 ¹
Vesting period	Three years: March 2025 to February 2028
Holding period	Two years: February 2028 to February 2030
Discretionary underpin description	No performance measures are associated with the awards. Vesting will be contingent on the satisfaction of a discretionary underpin, assessed over the financial years 2025, 2026 and 2027 of the Company (i.e. 1 January 2025 to 31 December 2027). In assessing the underpin, the Committee will consider the Company's overall performance, including financial and non-financial performance measures, as well as any material risk or regulatory failures identified. Financial performance may include elements such as revenue, profitability, cash generation and return on capital and may be benchmarked against comparable airlines. Non-financial performance may include a range of operational and strategic measures critical to the Company's long-term sustainable success. This assessment will ensure any value delivered to executive directors is fair and appropriate in the context of the performance of the business and experience of our stakeholders and that corporate or individual failure is not rewarded. In the case of significant failure on the part of the Company or the individual, vesting may be reduced, including to nil. Full disclosure of the Remuneration Committee's considerations in assessing the underpin will be disclosed in the relevant Directors' Remuneration report.

¹ Average closing share price between 6 March 2025 and 12 March 2025

Total pension entitlements

Luis Gallego is not a member of the Company's pension scheme, and the Company, therefore, did not pay any contributions in his time as an executive director during the reporting period (1 January 2025 to 31 December 2025). He received cash in lieu of contributions of £114,190. This value is equivalent to 12.5% of base salary paid during the financial year and is comparable to the rate applicable to the majority of the UK workforce.

Report of the Remuneration Committee *continued*

Statement of executive directors' shareholdings and share interests

In order that their interests are aligned with those of shareholders, executive directors are required to build up and maintain a minimum personal shareholding in the Company.

Under the executive shareholding policy, the IAG CEO is required to build up and maintain a shareholding of 400% of salary and other executive directors would be required to build up and maintain a shareholding of 200% of basic salary.

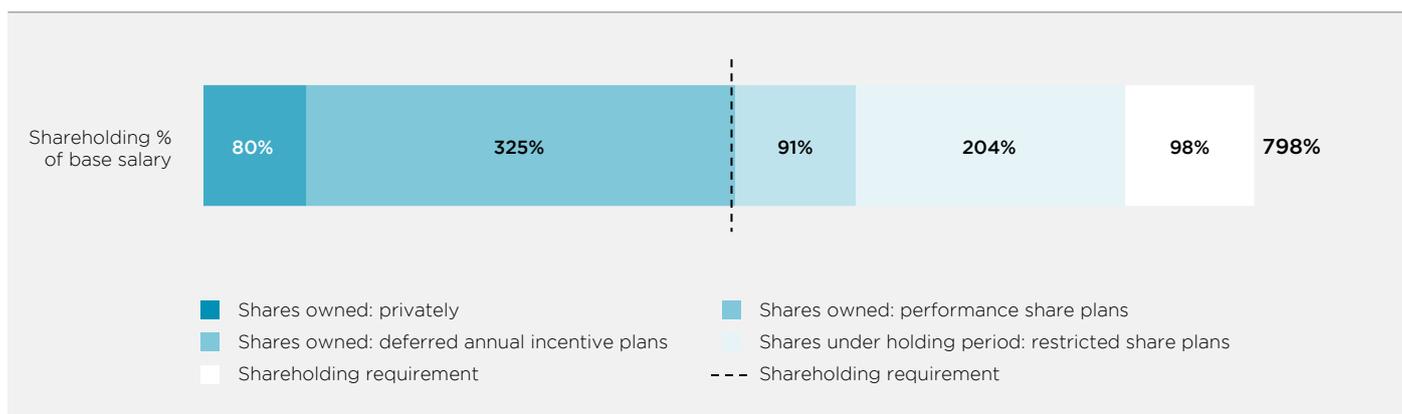
In addition, executive directors are required to retain all shares received via incentive plans until 100% of their shareholding requirement is attained.

The Committee has reviewed the IAG CEO's progress against the requirement and notes that he is compliant with the policy requirement.

CEO, Luis Gallego	Policy requirement		4.0 times salary
	Actual		7.98 times salary (2,585,209 shares)

Shares which qualify under the executive shareholding policy include shares already owned by the executive, vested and exercised shares, vested and unexercised shares including those in the Performance Share Plan holding period, vested shares in the RSP holding period and unvested deferred annual incentive shares.

The chart and table below summarise current executive directors' interests as of 31 December 2025:



Executive director	Shareholding requirement	Shares owned: privately	Shares owned: performance share plans	Shares owned: deferred annual incentive plans	Shares under holding period: restricted share plans	Unvested shares: deferred annual incentive plans	Total qualifying shares held ¹	Consequence of a +/- €0.5 share price change (€)
Luis Gallego	400 % of salary	403,834	684,908	277,619	682,541	536,306	2,585,209 (798% of salary)	1,292,604

¹ In accordance with the policy, the share price used to calculate the percentage of salary guideline is either the share price on the date of award or on the date of vesting/exercise.

On departure from the Group, executive directors will be required to hold an amount of shares in line with their in-employment shareholding requirement (or the number of shares that they own at departure, if lower) for two years from the date they leave the Board. Shares will normally be retained in the nominee account administered by the Company to ensure this.

There have been no changes to the shareholdings set out above between 31 December 2025 and the date of this report.

External non-executive directorship

The Company's consent is required before an executive director can accept an external non-executive appointment and permission is only given in appropriate circumstances. The current executive director has no external non-executive appointments.

IAG CEO remuneration history

The table below shows the IAG CEO single total figure of remuneration for the latest ten-year rolling period:

		IAG CEO – total single figure of remuneration	Annual incentive payment as a percentage of the maximum	Long-term incentive vesting as a percentage of the maximum
2016	Willie Walsh	£2,462,000	33.33% of maximum	50.00% of maximum
2017		£3,954,000	92.92% of maximum	66.67% of maximum
2018		£3,030,000	61.85% of maximum	46.19% of maximum
2019		£3,198,000	51.97% of maximum	72.11% of maximum
2020	Willie Walsh	£662,000	No annual incentive payment	Zero vesting of long-term incentives
	Luis Gallego	£301,000	No annual incentive payment	Zero vesting of long-term incentives
2021	Luis Gallego	£1,110,000	No annual incentive payment	Zero vesting of long-term incentives
2022		£2,577,000	83.5% of maximum	Zero vesting of long-term incentives
2023 ¹		£3,118,000	82.9% of maximum	-
2024 ¹		£5,387,000	85.7% of maximum	-
2025 ¹		£6,110,000	93.2% of maximum	-

¹ 2023, 2024 and 2025 long-term incentives: From 2021, restricted share awards were granted to the IAG CEO that have no performance conditions and vest subject to the satisfaction of performance underpins. The values of the restricted share awards are included in the single total figure table in the relevant years.

The single total figure of remuneration includes basic salary, taxable benefits, pension-related benefits, Annual Incentive Award and any long-term incentive vesting.

IAG's total shareholder return performance compared to the FTSE 100

The chart below shows the value by 31 December 2025 of a hypothetical £100 invested in IAG shares on 1 January 2016 compared with the value of £100 invested in the FTSE 100 index over the same period. The other points plotted are the values at intervening financial year ends. A three-month average has been taken prior to the year ends.

The FTSE 100 was selected because it is a broad equity index of which the Company is a constituent, and the index is widely recognised.



The Group's share price performed strongly in 2025, increasing by 37% over the course of the year.

Report of the Remuneration Committee *continued*

Non-executive directors

Non-executive directors are paid a flat fee each year, as per the following table.

Role	2025 fee	2026 fee
Non-executive Chairman	€645,000	€645,000
Non-executive directors	€120,000	€120,000
Additional fee for Chair of the Audit and Compliance Committee and of the Remuneration Committee	€30,000	€30,000
Additional fee for Chair of the Nominations Committee ¹ and of the Environment and Corporate Responsibility Committee	€20,000	€20,000
Additional fee for SID	€30,000	€30,000

1 The Chairman of the Board chairs the Nominations Committee. As such, he does not receive any additional fees for chairing this Committee.

The fees for non-executive directors were last reviewed in October 2023. The fee for the position of non-executive director remains unchanged for 2026, as it has been since 2011.

In 2024, the additional fee for chairing a Committee was increased to €30,000 for both the Chair of the Audit and Compliance Committee and Chair of the Remuneration Committee, reflecting the complexity and time commitment involved in these roles.

Single total figure of remuneration for each non-executive director

The total remuneration of each of the non-executive directors for the years ended 31 December 2025 and 31 December 2024 is set out in the table below.

Director (€'000)	2025			2024		
	Fees (€'000)	Taxable benefits (€'000)	Total (€'000)	Fees (€'000)	Taxable benefits (€'000)	Total (€'000)
Javier Ferrán	645	13	658	645	23	668
Heather Ann McSharry ¹	180	25	205	180	10	190
Giles Agutter ²	-	-	-	59	-	59
Peggy Bruzelius ³	56	-	56	120	1	121
Eva Castillo ^{1,4}	150	14	164	133	23	156
Margaret Ewing ^{1,4}	120	19	139	138	10	148
Maurice Lam	120	24	144	120	23	143
Bruno Matheu ⁵	120	8	128	62	-	62
Simone Menne ⁶	64	-	64	-	-	-
Robin Phillips	120	26	146	120	15	135
Päivi Rekonen ⁶	64	4	68	-	-	-
Emilio Saracho ³	56	33	89	120	13	133
Nicola Shaw	140	1	141	140	-	140
Total (€'000)	1,835	167	2,002	1,837	118	1,955

1 From 1 January 2024 received an increase in fee for chairing the Remuneration Committee or Audit and Compliance Committee (from €20,000 to €30,000)

2 Giles Agutter stepped down from the Board in June 2024, and his fees reflect a part-year of service. Received no fees in 2025.

3 Peggy Bruzelius and Emilio Saracho stepped down from the Board in June 2025, and their fees reflect a part-year of service.

4 Eva Castillo replaced Margaret Ewing as Chair of the Audit and Compliance Committee from 1 August 2024.

5 Bruno Matheu was appointed in June 2024, and his fees reflect a part-year of service.

6 Simone Menne and Päivi Rekonen were appointed in June 2025, and their fees reflect a part-year of service.

Additional explanations in respect of the single total figure table for each non-executive director

Each active non-executive director has confirmed in writing that they have not received any other forms in the nature of remuneration other than those already disclosed in the table above.

Taxable benefits

Taxable benefits for non-executive directors relate to personal travel benefits.

Exchange rates

For the year to 31 December 2025, the £:€ exchange rate applied is 1.1715 (2024: 1.1780).

Directors' interests in shares

	Total shares and voting rights	Percentage of capital
Javier Ferrán	774,750	0.016%
Luis Gallego	1,366,361	0.029%
Peggy Bruzelius ¹	-	-%
Eva Castillo	-	-%
Margaret Ewing	18,750	-%
Maurice Lam	-	-%
Bruno Matheu	-	-%
Heather Ann McSharry	55,000	0.001%
Simone Menne ²	-	-%
Robin Phillips	-	-%
Päivi Rekonen ²	-	-%
Emilio Saracho ¹	-	-%
Nicola Shaw	4,285	-%
Total	2,219,146	0.047%

¹ Peggy Bruzelius and Emilio Saracho resigned from the Board effective 19 June 2025.

² Simone Menne and Päivi Rekonen were appointed to the Board effective 19 June 2025.

There have been no changes to the shareholdings set out above between 31 December 2025 and the date of this report.

Payments to past directors

Travel benefits were received during 2025 by the following former non-executive directors:

Former non-executive directors	Value
Alberto Terol	€ 27,000
Patrick Cescau	€ 29,000
Maria Fernanda Mejía	€ 28,000
Kieran Poynter	€ 25,000
James Lawrence	€ 16,000

Wider workforce in 2025

A key area of focus for the Committee over 2025 was understanding the broader workforce experience and reviewing the actions taken to support our wider workforce.

Workforce experience highlights

- Within IAG's unique operating model, employee reward is owned and managed within each operating company to enable them to deliver the right customer and employee experience.
- Our employees have been central to our transformation and key to delivering for our customers. Operating companies continue to support our people and ensure our pay models are sustainable, fair and aligned to the operating company's competitiveness.
- 84% of employees are covered by collective bargaining agreements, with more than 30 collective bargaining agreements in place across the Group.
- The Committee has received regular updates on workforce experience and, in particular, the steps the operating companies have taken to support colleagues, both in terms of support with cost-of-living challenges and their overall wellbeing.
- This includes regular updates on the investments our operating companies have made in improving the colleague experience and our employee benefit schemes. This includes enhanced flexible benefits offerings (e.g. enhanced Iberia staff travel and all employee share plan in Spain), mental health and physical health offerings and financial wellbeing support.
- The Committee's insight into the experience of our colleagues helps to ensure that our decisions regarding executive remuneration take into account the approach taken across our workforce and reflect the expectations of all our stakeholders.

Engaging with employees

Two members of the Remuneration Committee (among other Board members) participate as designated directors in the Board workforce engagement plan. This engagement includes remuneration and other workforce experience matters relevant to the Committee.

The key themes from the 2025 engagement were shared with the Board in order to understand colleague experiences and to identify any areas for improvement. Further details of the Board engagement with employees are set out in the Stakeholder engagement section of the Corporate governance report.

Workforce remuneration

Each operating company has sought to reach collective agreements that best support colleagues while ensuring the business and pay remain competitive. Agreements reached have included changes in allowances, one-off payments and contractual pay increases throughout the Group.

Each operating company is committed to creating a positive working environment and also to actively contribute to and support the overall wellbeing of every colleague through the provision of a comprehensive range of health, financial and lifestyle benefits.

The company complies with the disclosure of pay gap analysis and details are set out in the Sustainability statement section of the report.

Remuneration decisions made by the Committee align with our strategy, with our stakeholders' interest in our delivery of long-term sustainable value and with the interests of the wider workforce. Our approach is in line with the principles set out in our policy.

Alignment of executive director and workforce remuneration

The Committee has oversight of workforce remuneration and related policies across the Group and takes this knowledge into account when setting remuneration for the IAG CEO and senior management. The table below summarises the remuneration structure for the wider workforce.

	IAG CEO	Below Board level
Base salary	<p>From 1 January 2025: £913,519 (€1,076,126) (an increase of 3% from 2024). This was no more than the average increase for the majority of the wider workforce.</p> <p>Salary increases as a percentage of salary are normally aligned with, or lower than, those of the wider workforce.</p>	<p>84% of our employees are covered by collective bargaining agreements. Salary increase budgets for employees are determined by each operating company on a country-by-country basis.</p> <p>Salary increases reflect position against market, performance, skills, contribution and development in role.</p> <p>If we compare the 2025 base salary increases of the IAG CEO against the UK workforce in 2025, of the 37,625 employees present in both 2024 and 2025, the median salary increase awarded was 4.5% of contractual base salary.</p>
Taxable benefits	Benefit packages are broadly aligned with those of other employees who joined in the same country at the same time.	Benefits are set by operating companies at a competitive level and are appropriate given local market practice.
Pension	Pension contribution of 12.5% of salary in line with the rate applicable to the majority of the workforce in the country in which the individual is based.	Pension arrangements reflect local market practices and requirements.
Annual Incentive Awards	<p>The maximum opportunity in the Annual Incentive Plan is 200% of salary.</p> <p>The majority of the annual incentive is based on financial measures. In 2025, 60% was based on operating profit before exceptional items, 20% on customer NPS, 10% on an IAG-specific carbon efficiency measure to further drive progress towards our Flightpath Net Zero 2050 commitment and 10% on strategic and personal objectives.</p> <p>As the IAG CEO has met the 400% shareholding guideline, 80% of the award will be paid out in cash with 20% deferred into shares for three years (if the guideline had not been met, 50% would have been deferred into shares for three years).</p>	For eligible employees, incentive plans were in place against objectives designed to focus on financial, customer, carbon efficiency and personal targets. Opportunities vary by role and out-turns, and payments against these plans were managed at a local level.
Long-term incentives	<p>Maximum RSP opportunity of 150% of base salary and subject to the satisfaction of performance underpins.</p> <p>Awards are also subject to a three-year vesting period followed by a two-year holding period.</p> <p>In 2025, the CEO was granted a single award of SPIP with a maximum opportunity of 300% of base salary. This award is subject to the satisfaction of stretching operating margin targets over a three year period as well as a profit underpin. Two-year holding period applies.</p>	<p>Restricted share awards are granted to senior managers across the Group to incentivise long-term shareholder value creation.</p> <p>Also by exception, other identified employees may participate where an award of long-term incentive is deemed critical to retention.</p> <p>Other senior leaders also participate in the SPIP arrangement aligned to our ambitious strategic plans.</p>

Report of the Remuneration Committee *continued*

CEO pay ratio

The ratios set out in the table below compare the total remuneration of the CEO (as included in the single figure table) to the remuneration of a median UK employee as well as the UK employees at the lower and upper quartiles. The disclosure will build up over time to cover a rolling 10-year period.

Year	CEO single figure (£'000)	Method ¹	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	6,110	Option A	107:1	89:1	58:1
2024 ²	5,387	Option A	102:1	85:1	55:1
2023	3,118	Option A	63:1	51:1	33:1
2022	2,577	Option A	59:1	45:1	29:1
2021	1,110	Option A	29:1	21:1	14:1
2020	963	Option A	34:1	23:1	15:1
2019	3,198	Option A	109:1	72:1	49:1

The pay ratio figures in the above table are calculated using the following UK employee remuneration information:

Year	UK employee pay	25th percentile pay	Median pay	75th percentile pay
2025³	Basic salary (£'000)	35.8	51.5	77.7
	Total remuneration (£'000)	57.3	69.0	105.9
2024	Basic salary (£'000)	33.1	47.7	72.7
	Total remuneration (£'000)	52.6	63.6	97.7
2023	Basic salary (£'000)	30.2	43.5	66.8
	Total remuneration (£'000)	49.2	61.4	95.3

1 The ratio continues to be calculated on the most statistically accurate basis, Option A. UK employee pay is based on the payroll records of 41,801 employees who were in the Group for the whole of or some of 2025.

2 2024 ratios have been updated based on the restated CEO single figure for 2024 (as per the explanation in the single figure table).

3 To ensure the accuracy of these calculations, earnings data were collected directly from the UK payroll on a month-by-month basis. Any variable incentive elements in respect of 2025, payable to employees later in 2026, are modelled on an employee-by-employee basis against agreed frameworks. This approach enables fair and accurate comparison to the IAG CEO 2025 single total figure of remuneration.

The increase in UK employee remuneration in 2025 reflects:

- Operating companies are responsible for reward frameworks and terms and conditions, and seek to ensure that the work colleagues do is appropriately reflected in their remuneration and are aligned to local market, sustainable and competitive in attracting the best talent;
- Across our operating companies, we have put in place a number of programmes to support our people;
- Payments made to managers under the 2025 Annual Incentive Plan and under the RSP;
- Changes to the size and composition of the UK workforce between years, with pay for 42,066 employees being reported for 2024 and 41,801 for 2025.

The change in the IAG CEO's remuneration between 2024 and 2025, is due to:

- An increase of 3% in basic salary for 2025, which is no more than increase of the wider workforce (4% in 2024 and 4% increase in 2023 was the first increase since appointment, with no increase in 2021 and 2022, 10% reduction in 2021 and 20% reduction in 2020).
- The inclusion of an estimated value of the 2023 RSP award, which will vest in full in March 2026, and be released at the end of the normal two-year holding period.

The median pay ratio for 2025, and the recent trends in pay ratios, are consistent with IAG's remuneration framework and reflect the variable nature of the IAG CEO's total remuneration. The Committee is satisfied that the median pay ratio reported this year is consistent with our pay policies in the UK and in line with market, experience and skills.

Other details of the CEO pay ratio is set out in the Sustainability statement section of the report.

Change in directors' remuneration compared to employees'

The table below shows a comparison of the change in year-on-year remuneration for directors of the Group, to the equivalent change for UK employees from 2022 to 2025.

Director	2024 to 2025			2023 to 2024			2022 to 2023		
	Salary or fees	Taxable benefits	Annual incentive	Salary or fees	Taxable benefits	Annual incentive	Salary or fees	Taxable benefits	Annual incentive
Luis Gallego ¹	2%	(12%)	11 %	7%	(34%)	10%	2%	(78%)	1%
Javier Ferrán	-%	(43%)		-%	188%		-%	60%	
Heather Ann McSharry ²	-%	150%		6%	233%		16%	(50%)	
Peggy Bruzelius ³	(53%)	(100%)		-%	(75%)		-%	100%	
Eva Castillo ⁴	13%	(39%)		11%	1050%		-%	-%	
Margaret Ewing ⁵	(13%)	90%		(1%)	150%		-%	33%	
Maurice Lam	-%	4%		-%	156%		-%	(25%)	
Bruno Matheu ⁶	94%	100%		100%	100%		-%	-%	
Simone Menne ⁷	100%	100%		-%	-%		-%	-%	
Robin Phillips	-%	73%		-%	(17%)		-%	350%	
Päivi Rekonen ⁷	100%	100%		-%	-%		-%	-%	
Emilio Saracho ³	(53%)	154%		-%	18%		-%	-%	
Nicola Shaw	-%	100%		-%	(100%)		-%	(67%)	
All UK employees⁸	8%	-%	(10) %	10%	-%	30%	6%	-%	93%

1 An increase of 3% in basic salary for 2025 (no more than the average increase for the wider workforce)

2 The uplift in fees for Heather Ann McSharry between 2023 and 2024 reflects the increase in fee for chairing the Remuneration Committee. The increase between 2021 and 2022 reflects her appointment as SID and Remuneration Committee Chair from June 2022.

3 Peggy Bruzelius and Emilio Saracho stepped down from the Board on 19 June 2025, and their fees reflect a part year of service.

4 Eva Castillo was appointed Chair of the Audit and Compliance Committee from 1 August 2024. The uplift in fees between 2024 and 2023 reflects the increase in fee for chairing the Audit and Compliance Committee.

5 Margaret Ewing was Chair of the Audit and Compliance Committee until 1 August 2024.

6 Bruno Matheu was appointed on 26 June 2024.

7 Simone Menne and Päivi Rekonen were appointed on 19 June 2025.

8 The All UK employees 2024 and 2025 salary medians underlying the 8% uplift in median salary are taken from UK employee earnings published in the 2025 CEO pay ratio section.

Relative importance of spend on pay

The table below shows the total remuneration costs, operating profit before exceptional items, share buyback and dividends for the Company for the financial years ending 2024 and 2025.

€ million	2025	2024
Total employee costs, IAG ¹	6,586	6,356
Total remuneration, directors (including non-executive directors) ²	4,864	5,290
IAG operating profit before exceptional items	5,024	4,443
Share buyback	1,000	350
Dividend declared	220	427
Dividend proposed	228	

1 Total employee costs are before exceptional items.

2 Note that the value shown in this table is consistent with the value reported in the CNMV Statistical Annex accompanying this report.

Report of the Remuneration Committee *continued*

Supplementary information – directors' shares

The following table details the conditional awards over ordinary shares granted under the RSP to executive directors:

Director	Date of grant	Number of conditional shares granted	Vesting date	Shares lapsed at vesting due to underpin	Holding period expiry date	Number of unvested conditional shares at 31 December 2025	Number of vested conditional shares at 31 December 2025
Luis Gallego	June 2021	414,954	June 2024	-	June 2026	-	414,954
	March 2022	581,907	March 2025	-	March 2027	-	581,907
	October 2022	290,953	March 2025	-	March 2027	-	290,953
	March 2023	835,751	March 2026	-	March 2028	835,751	-
	March 2024	874,437	March 2027	-	March 2029	874,437	-
	March 2025	450,128	February 2028	-	February 2030	450,128	-
Total conditional share awards (RSP)		3,448,130				2,160,316	1,287,814

RSP awards are subject to a discretionary underpin prior to vesting. This underpin review, performed by the Remuneration Committee, considers the Company's overall performance, including financial and non-financial performance measures, as well as any material risk or regulatory failures identified. In the event of a significant failure on the part of the Company or the executive director, malus and clawback provisions are available to the Remuneration Committee.

The value attributed to the Company's ordinary shares in accordance with the plan rules on the date of the RSP awards was 2025: £3.04 (2024: £1.52, 2023: £1.53, both awards in 2022: £1.41 and 2021: £1.98).

The following table details the conditional award over ordinary shares granted under the SPIP to executive directors:

Director	Date of grant	Number of conditional shares granted	Vesting date	Shares lapsed at vesting due to performance	Holding period expiry date	Number of unvested conditional shares at 31 December 2025	Number of vested conditional shares at 31 December 2025
Luis Gallego	June 2025	900,255	February 2028	-	February 2030	900,255	-
Total conditional share awards (SPIP)		900,255				900,255	-

Full award measured with reference to stretching Group operating margin targets, measured over a three-year period. In the event of a significant failure on the part of the Company or the executive director, malus and clawback provisions are available to the Remuneration Committee.

Grant price and vesting date aligned to SPIP awards made to participants below the Board.

Incentive Award Deferral Plan (IADP)

Under the current Policy, if the IAG CEO has met the 400% shareholding guideline, then 20% of any Annual Incentive Award for executive directors is made in deferred shares under a plan called the Executive Share Plan (otherwise 50% is deferred into shares). Under this plan, incentive award shares are deferred for three years from date of grant. The following table details the current executive director's holdings of conditional awards over ordinary shares of the Company granted under the IAG IADP. Awards are shown for the performance periods ended 31 December 2022, 31 December 2023 and 31 December 2024.

Executive director	Performance year award relates to ¹	Date of award	Number of shares at 1 January 2025	Awards released during the year	Date of vesting	Awards lapsing during the year	Awards made during the year	Number of deferred shares at 31 December 2025
Luis Gallego	2022	March 2023	447,341	-	March 2026	-	-	447,341
	2023	March 2024	464,685	-	March 2027	-	-	464,685
	2024	March 2025	-	-	March 2028	-	99,873	99,873
Total			912,026	-		-	99,873	1,011,899

¹ For the performance period ended 31 December 2025, the award is expected to be made in March 2026.

Under the Executive Share Plan rules, an IADP award will not lapse on leaving employment before the vesting date unless exceptional circumstances occur, such as gross misconduct, in which case the award would lapse in full. IADP awards are also subject to the Remuneration Policy's malus and clawback provisions.

The values attributed to the Company's ordinary shares in accordance with the plan rules for IADP awards (relating to the previous year's performance) were as follows: 2025 award: £3.04, 2024 award: £1.52 and 2023 award: £1.53.

2025 Directors' Remuneration Policy

Introduction

This document sets out the Directors' Remuneration Policy of International Consolidated Airlines Group which was approved by shareholders at the 2025 Annual Shareholder's Meeting. This Policy replaces the Directors' Remuneration approved at the 2024 Shareholder's Meeting.

This Directors' Remuneration Policy shall apply, in accordance with the provisions of section 1 of article 529 novodecies of the Spanish Companies Law (*Ley de Sociedades de Capital*), from the date of its approval and during the following three financial years. Any amendment or replacement thereof during such period shall require the prior approval of the Shareholders' Meeting in accordance with the procedure established for its approval.

Although IAG, as a Spanish-incorporated company, is not subject to the remuneration reporting requirements that apply to UK-incorporated companies, it is firmly committed to complying with UK best practice and, to the extent possible, with all UK remuneration reporting requirements.

In developing the Directors' Remuneration Policy, input was received from the Remuneration Committee and management while ensuring that conflicts of interest were suitably mitigated. Input was also provided by the Remuneration Committee's appointed independent advisers throughout the process.

IAG Remuneration Principles

Alignment	Our remuneration policies promote long-term value creation, through transparent alignment with our corporate strategy. We will keep our remuneration structures as simple and clear as possible to ensure they are understandable and meaningful to employees and shareholders.
Competitiveness	Total remuneration will be competitive for the role, taking into account scale, sector, complexity of responsibility and geography. When setting senior executive pay, we will consider experience, external pay relativity, and the ability of IAG to compete for global talent.
Pay for performance	We promote a culture where all employees are accountable for delivering performance. We will ensure there is alignment between performance and pay outcomes, with fair outcomes supported by corporate and individual performance and wider stakeholder experience. Depending on the level of the individual in the organisation, we use long-term equity to incentivise performance, shareholder value creation, and retention. Performance measures and targets will seek to balance collective success with a clear line of sight for participants. Remuneration outcomes aim to reflect the sustained long-term underlying performance of IAG.
Judgement	We will use discretion and judgement to review formulaic performance outcomes to arrive at fair and balanced remuneration outcomes for both IAG and employees.
Sustainability	Our remuneration policies incentivise individual and corporate performance, support talent attraction and retention and promote sound risk management to enhance the sustainable long-term financial health of the Group. Individual contribution and values and behaviours will be reflected in remuneration outcomes.
Wider workforce	We are committed to understanding the experience of all our colleagues. When setting senior executive pay we will use this insight to ensure all decisions regarding executive remuneration reflect the experience and expectations of all stakeholders.

Consideration of shareholder views

The Company consults regularly with its major investors and main proxy bodies on all matters relating to executive remuneration. The Company will engage in an extensive investor consultation exercise whenever there are any significant changes to director's remuneration policy.

In developing our approach to our Director's Remuneration Policy review, we consulted with our major shareholders and main proxy advisory bodies. The consultation on our proposal was positive, and we received valuable questions and feedback which will help shape our future discussions.

In addition to this, the Committee discusses each year the issues and outcomes from the annual Shareholders' Meeting, and determines any appropriate action required as a result.

Consideration of employment conditions elsewhere in the Group

The Committee is updated on pay and conditions of the employees within the Group and takes this into account when considering executive directors' remuneration. The Board is committed to understanding the experience of all our employees and uses its insight to ensure all decisions regarding executive remuneration reflect the experience and expectations of all stakeholders.

The pay of employees across all companies in the Group is taken into account when determining the level of any increase in the annual salary review of directors. This normally takes place each year at the January Committee meeting.

When determining the RSP and SPIP awards for executive directors, the Committee takes note of the eligibility criteria and the potential size of awards for executives below director level in all companies within the Group.

At the operating company level, the Company consults with employee representative bodies, including trade unions and works councils. This includes consultation on company strategy, the competitive environment, and employee terms and conditions. In addition, some of the operating companies run employee opinion surveys in order to take into consideration employee views on a variety of subjects, including leadership, management, and the wider employee experience.

The IAG European Works Council (EWC) facilitates communication and consultation between employees and management on transnational European matters. It includes representatives from the different European Economic Area (EEA) countries, meeting regularly throughout the year to be informed and where appropriate, consulted on transnational matters impacting employees in two or more EEA countries.

Changes to Directors' Remuneration Policy

The Committee has reviewed the long-term remuneration element of the Policy in the context of the economic and business environment, to ensure that it continues to drive the performance required to deliver our strategic ambitions and ensure alignment with all stakeholders. As a result of that review, it was determined to propose a change to the long-term incentives elements, to ensure that this continues to incentivise the sustained delivery of our ambitious strategic growth plans, reinforce our high-performance culture and unify the remuneration framework for all our management team.

The business context and the reasons for this proposal, including a description of the shareholder consultation process carried out and the topics discussed in that process were set out in the report from the Remuneration Committee on the proposal prepared in accordance with Article 529 novodecies of the Spanish Companies Law and made available to shareholders on the Company's website from the date of the notice of the 2025 Shareholders' Meeting.

The principal changes from the current Remuneration Policy are as outlined below:

- Provision for executive directors to participate in the new Stretch Performance Incentive Plan (SPIP), which was introduced for 300 senior leaders in 2025. The SPIP has been designed to incentivise the achievement of stretch performance targets ahead of our strategic plan targets, to maintain the focus on transforming the business and to further reinforce our high-performance culture. An executive director may be granted a single SPIP award with a face value of up to 300% of salary.
- An increase to the shareholding requirement for the IAG CEO from 350% of salary to 400% of salary, to reflect that his incentive opportunity has increased as a result of the introduction of the SPIP. The Committee periodically reviews the policy on the operation of the shareholding guidelines. Details of the operation, and the CEO's compliance levels, are provided in the Directors' Remuneration Report each year.

The Policy as shown on the following pages is intended to apply for the following three years, until 2028, taking effect from the date of approval.

Key elements of pay

Executive directors

The Company's Policy remains to attract, retain and motivate its leaders and to ensure they are focused on delivering business priorities within a framework designed to promote the long-term success of IAG, aligned with stakeholder interests. The table below illustrates the components of pay and time period of each element of the Policy for Executive Directors.

Total pay over 5 years	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Remuneration	Salary, benefits and pension				
Annual Incentive (Malus and clawback provisions apply)	50% in cash ¹		50% in shares ¹ – Three-year deferral period. No further performance conditions		
	1 Where the IAG CEO has met the 400% shareholding guideline then 80% of the award will be paid out in cash with 20% deferred into shares for three years				
Restricted Share Plan (Malus and clawback provisions apply)	Up to 150% of salary Three-year vesting period			Two-year holding period No further performance conditions	
Stretch Performance Incentive Plan (Malus and clawback provisions)	Up to 300% of salary granted on a one-time basis Three-year performance period			Two year holding period No further performance conditions	
Shareholding requirements	Executive Directors' minimum shareholding requirement (including post-cessation requirements)				

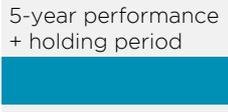
The table below summarises the main elements of remuneration packages for the executive directors:

Purpose and link to strategy	Operation of element of policy	Maximum opportunity	Performance metrics
Base salary To attract and retain talent to help achieve our strategic objectives 	Takes account of factors such as role, skills and contribution. The positioning of base salaries is set with reference to factors such as the external market, as well as the individual's skills and contribution. Base salaries are normally reviewed annually, and normally take effect on 1 January each year.	Base salaries are normally reviewed annually by the Remuneration Committee by taking into account factors such as: company affordability, the value and worth of the executive, retention risks, and the size of pay increases generally across the wider workforce.	Individual and business performance are considered in reviewing and setting base salary.
Benefits Ensures total package is competitive 	Benefits include, but are not limited to, life insurance, personal travel and, where applicable, a company car, fuel, and private health insurance. Executive directors may also participate in any broad-based employee share plans that may be operated by the Company on the same basis as other eligible employees. Where appropriate, benefits may include relocation, international assignment costs and tax advisory services. Executives will also be reimbursed for all reasonable expenses.	There is no formal maximum. In general, the Company expects to maintain benefits at the current level. The maximum value for any broad-based employee plans will be in line with the maximum value for eligible employees.	
Pension Provides post-retirement remuneration and ensures total package is competitive 	The Company operates a defined contribution scheme as a percentage of salary, and all executive directors are eligible for membership. Executives can opt instead to receive a salary supplement in lieu of a pension (in full or in part).	The level of employer contribution for executive directors, expressed as a percentage of basic salary, will be in line with the rate applicable to the majority of the workforce in the country in which the executive director is based. For the UK workforce, this is currently 12.5% of basic salary.	

Purpose and link to strategy	Operation of element of policy	Maximum opportunity	Performance metrics
<p>Annual incentive award</p> <p>Incentivises the delivery of annual KPIs and strategic objectives</p>  <p>Up to 200% of salary</p> <p>Y1 Y2 Y3 Y4 Y5</p> <p>Paid in cash</p> <p>Y1 Y2 Y3 Y4 Y5</p> <p>Deferred</p> <p>Y1 Y2 Y3 Y4 Y5</p>	<p>The Board, on a recommendation from the Remuneration Committee, sets the measures and targets that apply to the annual incentive award which are normally measured over a single financial year. These are set by reference to a number of factors, including the Business Plan (as approved by the Board), and the Group’s strategic focus.</p> <p>The Board, after considering the recommendation of the Committee, retains the discretion to adjust the formulaic outcome of awards in order to, in its opinion, properly reflect overall corporate performance – see the ‘Information supporting the policy tables’ section.</p> <p>Once the minimum shareholding requirement is met, 20% of the annual incentive award is normally deferred into shares which will normally be released after a period of three years.</p> <p>Where the executive has not met their minimum shareholding requirement, 50% of the annual incentive award is normally deferred into shares which will normally be released after a period of three years.</p> <p>On vesting, executives will receive the benefit of any dividends paid over the deferred period in the form of dividend equivalent payments. Malus and clawback provisions apply – see the ‘Information supporting the policy tables’ section.</p>	<p>The maximum opportunity in the incentive plan is 200% of salary. Each performance metric in the incentive plan is independent. For each performance metric in the incentive plan, there will normally be no payment at all until performance for that particular metric has reached the threshold level of the target range. 50% of the maximum will be awarded for on-target performance, and the maximum for each element will only be awarded once a stretch target has been reached.</p>	<p>The majority of the annual incentive is subject to financial measures. Measurable non-financial measures may include, but are not limited to, strategic, personal, customer and ESG objectives. For the bonus deferral award, no other performance conditions apply because it is based on performance already delivered.</p>

Purpose and link to strategy	Operation of element of policy	Maximum opportunity	Performance metrics										
<p>Restricted Share Plan (RSP) Incentivises long-term shareholder value creation, and retention.</p> <p>Up to 150% of salary</p> <table border="1"> <tr> <td>Y1</td> <td>Y2</td> <td>Y3</td> <td>Y4</td> <td>Y5</td> </tr> </table> <p>5-year vesting + holding period</p> <table border="1"> <tr> <td>Y1</td> <td>Y2</td> <td>Y3</td> <td>Y4</td> <td>Y5</td> </tr> </table>	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	<p>The RSP consists of an award of the Company's shares which normally vests as long as the executive remains employed by the Company at the time of vesting and subject to the assessment of the underpin. Malus and clawback provisions apply – see the 'Information supporting the policy tables' section.</p> <p>Following the assessment of the underpin, there is normally an additional holding period of at least two years.</p>	<p>The face value of the award(s) will not exceed 150% of salary in respect of any financial year.</p>	<p>No performance measures are associated with the awards.</p> <p>Vesting will be contingent on the satisfaction of a discretionary underpin, normally assessed over three financial years commencing from the financial year in which the award was granted. In assessing the underpin, the Committee will consider the Company's overall performance, including financial and non-financial performance, as well as any material risk or regulatory failures identified. Financial performance may include elements such as revenue, profitability, cash generation, return on capital and benchmarked with comparable airlines. Non-financial performance may include a range of operational and strategic measures critical to the Company's long-term sustainable success. Whilst the RSP provides a greater certainty of reward by its very nature, the Committee will ensure any value delivered to executive directors is fair and appropriate in the context of the performance of the business and experience of our stakeholders and that corporate or individual failure is not rewarded. In the case of significant failure on the part of the Company or the individual, vesting may be reduced, including to nil. Full disclosure of the Committee's considerations in assessing the underpin will be disclosed in the relevant Directors' Remuneration Report.</p>
Y1	Y2	Y3	Y4	Y5									
Y1	Y2	Y3	Y4	Y5									

Report of the Remuneration Committee *continued*

Purpose and link to strategy	Operation of element of policy	Maximum opportunity	Performance metrics
<p>Stretch Performance Incentive Plan (SPIP)</p> <p>Incentivises the delivery of stretching performance targets linked to the Group's strategic ambition</p>  <p>Up to 300% of salary</p> <p>Y1 Y2 Y3 Y4 Y5</p>  <p>5-year performance + holding period</p> <p>Y1 Y2 Y3 Y4 Y5</p>	<p>An executive director may be granted an SPIP award on a one-time basis following the 2025 Annual Shareholders' Meeting.</p> <p>The SPIP consists of an award of the Company's shares which vests subject to performance normally assessed over a period of three financial years.</p> <p>Malus and clawback provisions apply – see the 'Information supporting the policy tables' section.</p> <p>An additional holding period of at least two years will normally apply to any award vesting.</p>	<p>The face value of the award(s) granted to an executive director will not exceed 300% of salary.</p>	<p>Awards are normally subject to one or more financial measures, as determined by the Board, following the advice of the Remuneration Committee. An underpin measure will also normally apply, whereby the Committee may scale back vesting if the underpin is not met, to act as a safeguard.</p> <p>For each performance metric in the SPIP, there will normally be no payment at all until performance for that particular metric has reached the threshold level of the target range (which in 2025 will be 20% of the maximum). 50% of the maximum will normally be awarded for on-target performance, and the maximum for each element will only be awarded once a stretch target has been reached (with straight-line vesting in between these points).</p> <p>The Board, after considering the recommendation of the Committee, retains the discretion to adjust the formulaic outcome of awards in order to, in its opinion, properly reflect overall corporate performance – see the 'Information supporting the policy tables' section.</p>

Information supporting the policy tables

Shareholding requirements

In order to increase alignment with shareholders, executive directors are required to build up a minimum personal shareholding equal to a set percentage of base salary. The IAG CEO is required to build up and maintain a shareholding of 400% of basic salary, and other executive directors (to the extent they are appointed to the Board) are required to build up and maintain a shareholding of 200% of basic salary. Executive directors will be required to retain the entire 100% of shares (net of tax) which vest from share plans until their respective shareholding requirement is attained.

On departure, executive directors will be required to hold the number of shares in line with their in-employment shareholding requirement (or the number of shares that they own at departure if lower) for two years from the date they step down from the Board. Shares will normally be retained in the nominee account administered by the Company to ensure this.

Choice of performance measures

The performance measures selected for the annual bonus are ordinarily set on an annual basis by the Committee, to ensure that they remain appropriate to reflect the priorities for the Company in the year ahead. The targets for the performance measures are set taking into account a number of factors, including the Company's annual operating plan, strategic priorities, the economic environment and market conditions and expectations. Non-financial annual bonus measures may include strategic, personal, customer and ESG objectives. SPIP awards are normally subject to one or more financial measures. SPIP awards granted in 2025 will be subject to operating margin performance, this being a primary measure of performance in the business for which the Group has set robust medium-term targets as part of our strategic ambition.

Malus and clawback provisions	Circumstances	<p>The Board, following the advice of the Committee, has authority to reduce or cancel awards before they are satisfied (and/or impose additional conditions on awards), and to recover payments, if special circumstances exist. These special circumstances include (but are not limited to):</p> <ul style="list-style-type: none">• Fraud;• Material breach of any law, regulation or code of practice;• An error or a material misstatement of results leading to overpayment or over-allocation;• Misconduct;• Failure of risk management;• The occurrence of an exceptional event affecting the Company's value or reputation;• Payments based on results that are subsequently found to be materially financially inaccurate or misleading;• Serious reputational damage as a result of a participant's behaviour;• Corporate failure; and• Any other circumstances in which the Board considers it to be in the interests of shareholders for the award to lapse or be adjusted.
	Period	<ul style="list-style-type: none">• For the cash element of the annual incentive plan, clawback provisions apply for three years from the date of payment;• For the bonus deferral awards, there will be three years from the date of award in which shares can be withheld, i.e. the entire period from the date of the award until vesting;• For RSP and SPIP, clawback provisions apply for two years post vesting; and• The proportion of an award to be withheld or recovered will be at the discretion of the Board, upon consideration of the Committee, taking into account all relevant matters.

Discretion to adjust formulaic outcomes

The Board, after considering the recommendation of the Remuneration Committee, retains the discretion to adjust (including preventing them in their entirety and making no payment) the formulaic outcome of incentive award payments in order to, in its opinion, properly reflect overall corporate performance. This includes where the business has had an exceptional event, in particular events that significantly impact stakeholders. This will include analysing the performance of the participant and the underlying financial performance of the Group to check whether they have been satisfactory in the circumstances and whether vesting levels reflect overall corporate performance. The Remuneration Committee can also take other factors it considers relevant into account. Underlying financial performance is defined as the overall performance of the Company, which may be considered with reference to a

range of measures as the Remuneration Committee considers most appropriate at the time. Stakeholders would include shareholders, customers, and the Company's workforce. The Board also has authority to reduce the award levels at grant and/or the vesting outcomes for the RSP and SPIP where the Company has experienced a significant fall in share price, as a result of which it considers that participants have unduly benefited from windfall gains.

Benefits, expenses and taxation

The Board may arrange to settle any taxes and associated expenses payable if it deems such settlement appropriate, including, but not limited to tax on benefits or where, without such settlement, the executive will be subject to double taxation on the same remuneration amount.

Non-executive directors

The table below summarises the main elements of remuneration for non-executive directors:

Purpose and link to strategy	Operation of element of policy	Maximum opportunity
Basic fees Fees take into account the level of responsibility, experience, abilities and dedication required.	Fees are normally set with reference to factors such as market positioning. To acknowledge the key role of the Chair of the Board of Directors, fees are set separately for this role. Additional fees may be paid for undertaking additional Board responsibilities such as undertaking the role of Senior Independent Director or for holding a Committee chair position. Non-executive director fees will take into account external market conditions to ensure it is possible to attract and retain the necessary talent. There is no specific review date set, but it is the Company's intention to review fees from time to time.	The maximum annual aggregate gross remuneration (including annual basic fees and benefits, including travel benefits) payable to directors shall not exceed €3,500,000 as approved by the Shareholders' Meeting on 19 October 2010, in accordance with article 37.3 of the Company's Bylaws.
Benefits	Non-executive directors (including the Board Chair) are entitled to use air tickets of the airlines of the Company or related to the Company in accordance with the terms and conditions established, from time to time, in the Personal Travel Policy for IAG non-executive directors approved by the Board. As provided for under article 37.8 of the Company's Bylaws and by way of development of that article, this benefit may also be provided to non-executive directors after they have ceased to hold office if the Board considers it appropriate and in accordance with the terms and conditions set out from time to time in the Personal Travel Policy for IAG non-executive directors approved by the Board. The terms and conditions applicable to former non-executive directors may differ from those applicable to current directors and may be subject to additional conditions or restrictions (such as a minimum period of service or a maximum period of entitlement, fixed or variable, after leaving office) as determined by the Board from time to time.	The maximum total annual gross amount of the personal travel benefit is €500,000 for all non-executive directors taken together (including any former non-executive director who may be entitled to this benefit at any given time).

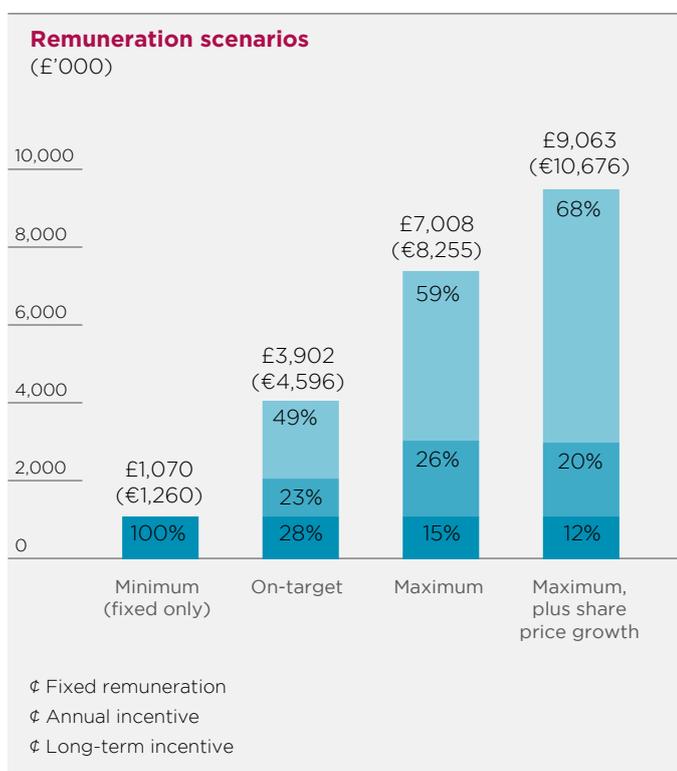
Remuneration scenarios

The chart below shows the potential total remuneration for the executive director in respect of the application of our Remuneration Policy. The scenarios illustrated include the minimum remuneration receivable, the remuneration receivable if the director performs in line with the Company's expectations, the maximum remuneration receivable, and the maximum remuneration receivable with 50% share price growth. With the exception of the illustration showing 50% share price growth, no share price variation is taken into consideration in these scenarios.

IAG CEO - 2025 remuneration scenario assumptions

The assumptions underlying each scenario are described below.

Minimum (fixed only)	Consists of basic salary, taxable benefits and pension-related benefits										
	Basic salary is at 1 January 2025										
	Benefits are valued using the figures in the single figure table										
	Pensions are valued by applying cash allowance rate of 12.5% of basic salary at 1 January 2024										
	<table border="1"> <thead> <tr> <th></th> <th>Basic Salary (£'000)</th> <th>Benefits (£'000)</th> <th>Pension (£'000)</th> <th>Total fixed (£'000)</th> </tr> </thead> <tbody> <tr> <td>IAG CEO</td> <td>914</td> <td>41</td> <td>114</td> <td>€1,070.00</td> </tr> </tbody> </table>		Basic Salary (£'000)	Benefits (£'000)	Pension (£'000)	Total fixed (£'000)	IAG CEO	914	41	114	€1,070.00
	Basic Salary (£'000)	Benefits (£'000)	Pension (£'000)	Total fixed (£'000)							
IAG CEO	914	41	114	€1,070.00							
On-target	If the director performs in line with the Company's expectations.										
	The opportunity for the annual incentive is 100% of basic salary under this scenario.										
	The opportunity for the RSP is 150% of basic salary.										
Maximum	Given the degree of stretch in the SPIP targets, the opportunity for the SPIP is 60% of basic salary (or 20% of maximum) under this scenario.										
	The maximum award opportunity for annual incentive is 200% of basic salary under this scenario.										
	The opportunity for the RSP is 150% of basic salary.										
Maximum plus share price growth	The maximum award opportunity for the SPIP is 300% of basic salary under this scenario.										
	The same assumptions apply as for 'Maximum' but with a 50% share price appreciation, solely for the purpose of illustrating a wider range of potential remuneration outcomes.										
All scenarios	Euro amounts are shown at the 2024 exchange rate £:€ 1.1780. Long-term incentives consist of share awards only which are measured at face value, i.e. no assumption is made for dividend equivalents which may be payable.										



1 The percentages shown in the chart represent the weight of each element vs the total in each scenario.

Service contracts and exit payments policy executive directors

The following is a description of the key terms of the service contracts of executive directors.

The service contracts are available for inspection, on request, at the Company's registered office.

The contracts of executive directors are for an indefinite period.

There are no express provisions in executives' service contracts with the Company for compensation payable upon termination of those contracts, other than for payments in lieu of notice.

Executive Director	Date of contract	Notice period
Luis Gallego	8 September 2020	6 months - from / 12 months - given

The period of notice required from the executive is six months; the period of notice required from the Company is 12 months. Where the Company makes a payment in lieu of notice, a payment becomes payable only if, in the Company's opinion, the executive has taken reasonable steps to find alternative paid work and then only in monthly installments. The payments will comprise base salary only. The Company may reduce the sum payable in respect of any month by any amount earned by the executive (including salary and benefits) referable to work done in that month (for example, as a result of alternative paid work referred to above).

In the event of an executive's redundancy, compensation, whether in respect of a statutory redundancy payment or a payment in lieu of notice or damages for loss of office, is capped at an amount equal to 12 months' base salary. The Company will honour the contractual entitlements of a terminated director; however, the Company may terminate an executive's service contract with immediate effect and without compensation on a number of grounds including where the executive is incapacitated for 130 days in any 12-month period, becomes bankrupt, fails to perform his or her duties to a reasonable standard, acts dishonestly, is guilty of misconduct or persistent breach of his or her duties, brings the Company into disrepute, is convicted of a criminal offence, is disqualified as a director, refuses to agree to the transfer of his or her service contract where there is a transfer of the business in which he or she is working or ceases to be eligible to work in Spain or the UK (as applicable).

The Committee reserves the right to make any other payments (including, for example, appropriate legal or outplacement fees) in connection with an executive director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of an executive director's office or employment.

Under any of the Company's share plans, save in respect of bonus deferral awards (which will normally vest in full following cessation for any reason) if a director leaves, the Board, after considering the recommendation of the Remuneration Committee, may exercise its discretion (within the rules of the schemes) to grant good leaver status. This can be granted in certain circumstances including for example (list not exhaustive) the director leaving for reasons of ill-health, injury or disability, redundancy, retirement or death. Executive directors leaving with good leaver status will normally receive a pro-rata amount of their SPIP shares subject to the performance condition(s) being met, and a pro-rata amount of their RSP shares, subject to the underpin being met, in accordance with the plan rules. The pro-ration is normally calculated according to what proportion of the vesting period the executive director spent in company service. Normal vesting dates, holding periods, and post-cessation shareholding guidelines will normally continue to apply, other than in a limited number of exceptional circumstances in accordance with plan rules and/or at the discretion of the Board. If good leaver status is not granted to an executive director, all outstanding awards made to them will normally lapse.

Executive directors leaving with good leaver status are eligible to receive a pro-rata annual incentive payment for the period of the year actually worked, subject to the regular performance assessment and normally paid in the normal manner following the year end.

In the event of an executive director's termination from the Company, they must not be employed by, or provide services to, a restricted business (i.e. an airline or travel business that competes with the Company) for a period of 12 months.

Non-executive directors

Non-executive directors (including the Chair) do not have service contracts. Their appointment is subject to the Board Regulations and the Company's Bylaws. They do not have the right to any compensation in the event of termination as directors. Board members shall hold office for a period of one year. The non-executive directors' letters of appointment are available for inspection, on request, at the Company's registered office.

Notes to the policy tables

The Board may make any remuneration payments and payments for loss of office (and exercise any discretions available to it in connection with such payments) which are not in line with this remuneration policy, where the terms of the payment were agreed (i) before this policy came into effect (provided that they were in line with any applicable directors' remuneration policy in force at the time they were agreed) or (ii) at a time when the relevant individual was not a director of the Company and such payment was not, in the Board's opinion, in consideration of the individual becoming a director. For these purposes 'payments' include the Board satisfying awards of variable remuneration and, in respect of a share award, the terms of the payment are agreed at the time the award is granted. The Board may also make remuneration payments and payments for loss of office outside of the policy set out above if such payments are required by law in a relevant country.

Common award terms

Awards granted under the share plans may be adjusted in the event of any variation of the Company's share capital or any demerger, special dividend or other event that may affect the current or future value of the awards.

Executives may receive the benefit of any dividends paid over the deferral period (for deferred annual incentive awards) or vesting period (for RSP and SPIP awards) in the form of dividend equivalent payments.

All discretions under the rules of any share plan operated by the Company will be available under this Policy, except where explicitly limited under this Policy.

External non-executive directorship

The Company's consent is required before an executive can accept an external non-executive appointment and permission is only given in appropriate circumstances. The Company allows the executive to retain any fee from such appointments.

Approach to recruitment remuneration

The remuneration for new executive directors will be in line with the policy for current executive directors as far as possible, as expressed in the policy table earlier in this report.

On appointment, new executive directors will have their basic salary set by taking into account factors such as the external market, their peers, and their level of experience. New executive directors will participate in the annual incentive and RSP on the same basis as existing directors. They may also participate in the SPIP at the Committee's discretion (and within the parameters set out in the policy table).

To facilitate recruitment, the Board, after considering the recommendation of the Committee, may make one-off awards to buy out a candidate's remuneration arrangements that are forfeited as a result of joining the Company. Generally, such buy-out awards will be made on a comparable basis to those forfeited giving due regard to all relevant factors (including value, performance targets, the likelihood of those targets being met and vesting periods). In such circumstances, shareholders will be provided with full details and rationale in the next published remuneration report.

Excluding the value of any potential buy-out, the maximum value of variable remuneration offered at recruitment will be no more than the maxima shown in the remuneration policy table.

In the case of an internal promotion to executive director, the Company will continue to honour any commitments made before promotion.

Other than that, the remuneration arrangements on recruitment will be as above.

Non-executive directors recruited will be remunerated in line with the Company's remuneration policy principles outlined before.

Managing risk in a connected world



Enterprise risk policy and framework

The Group has an enterprise risk management (ERM) framework underpinned by an ERM policy, which operates in accordance with Spanish corporate law and governance and UK corporate governance requirements, and was approved by the Board in 2023. This sets out a comprehensive risk management process and methodology to ensure a robust identification and assessment of the risks facing the Group, including emerging risks. The risk management framework is embedded across all of the Group's businesses. Enterprise risks are defined as any risk that could impact the three-year strategic business plan ('the plan'). They are assessed and, if the impact is above a threshold, plotted on an enterprise risk heatmap, based on probability and impact.

Consideration is given to changes in the speed of potential impact and how principal risks influence other principal risks to help assess where key mitigations can have a greater effect on reducing overall risk to the business. Risks are also assessed in combining events where a number of risks could occur together, particularly given the airline sector's exposure to external macroeconomic or geopolitical factors and an increasingly complex and integrated supply chain. This process is led across the Group by the IAG Management Committee and operating company management committees supported by the ERM function.

Although the Group considers enterprise risks that could impact the plan (defined as the short term), it also considers potential risks that could impact over

the medium term of up to five years and in the longer term, beyond five years.

Risk outcomes are quantified as the potential cash impact to the plan. Non-cash outcomes that could impact our customers, employees, reputation, sustainability targets or regulatory obligations are considered for every risk.

Key controls and mitigations are documented, including appropriate response plans.

Where risk treatments require time to implement, short-term mitigations are assessed and the timeline to risk mitigation and consequent risk acceptance is discussed and agreed.

Every principal risk has clear Management Committee oversight at the Group level and in each business.

Principal risk factor review

The IAG Board monitors the risk landscape and challenges management on its plans to address and adapt to changes that influence or impact the Group's performance, including volatility in financial markets and friction in trade flows, disruption in operations and the Group's supply chain, AI and other emerging technologies that could transform the business or the aviation industry.

In assessing its principal risks, the Group has considered its risk environment including:

- Monitoring the trade and economic effects, outcomes to markets and demand resulting from inflation or other central bank or governmental policy decisions that may reduce customer confidence in key customer segments or markets;
- Ongoing heightened geopolitical events and conflicts that create further market uncertainty could curtail access to markets and result in significant movements in fuel and foreign exchange rates;
- Resilience to the externally hostile and increasing cyber threat environment with the use of sophisticated techniques, including AI and social engineering to gain unauthorised access to systems and data within the Group's businesses or its supply chains;
- Operational, IT and technical resilience across its airlines, response plans and disruption management tools to adapt to unplanned events, including airspace closures or disruptions, cyber events or increased friction impacting the flow of goods and creating further supply chain delays in aircraft maintenance, especially for engines and components;
- Expansion plans for the London airports, including Heathrow and Gatwick; and
- Managing the cost base and accelerating transformational change.

No new principal risks were identified through the risk management discussions and assessments in the year. The Group continues to report 11 principal risks.

Emerging risks

Where emerging risks and longer-term threats that the Group or the industry could face are identified, they are managed within the overall risk framework as 'on watch' until they are reassessed to be no longer a potential threat to the business or where an evaluation of the risk impact over the plan period can be made and appropriate mitigations can be put in place, or the risk becomes a principal risk. Other high-impact, low-likelihood risks are also considered.

New guidance from regulators and investors is reviewed on an ongoing basis and best practice is sought from other risk management resources.

Risk appetite

IAG has a risk appetite framework that includes statements informing the business either qualitatively or quantitatively of the Board's appetite for certain risks. Each risk appetite statement applies either on a Group-wide basis or for specific programmes, initiatives or activity within the Group.

In the second half of 2025, the Board assessed its appetite across a number of critical strategic priorities to set tolerances for the Group for the upcoming plan period, taking account of changes in the risk landscape since the prior year's exercise. This approach allows tolerances to be set dynamically and ensures alignment to the Group strategic priorities as approved by the Board, which sets the level of ambition and investment for the plan period. The exercise allowed the Board to discuss and consider the trade-offs within the plan and ensure that it was satisfied that management had set the appropriate prioritisation of initiatives to seek opportunities and manage risk within its defined appetite tolerances.

The framework and tolerances were in place throughout the year, with the Audit and Compliance Committee assessing appetite across all of the framework statements at year end against the Group's performance and its anticipated delivery of the Board-approved strategic business plan priorities and initiatives.

The Board is satisfied that the Group continued to perform and deliver initiatives throughout 2025 as planned to mitigate risk as set out in its framework statements. Where further action has been required, the Board has considered potential mitigations and, where appropriate or feasible, the Group has implemented or confirmed plans that would address those risks or retain them within the Board's determined Group risk appetite. Annual, dynamic reassessment and confirmation of the risk appetite of the Board allows the Group to take appropriate risks to deliver the plan.

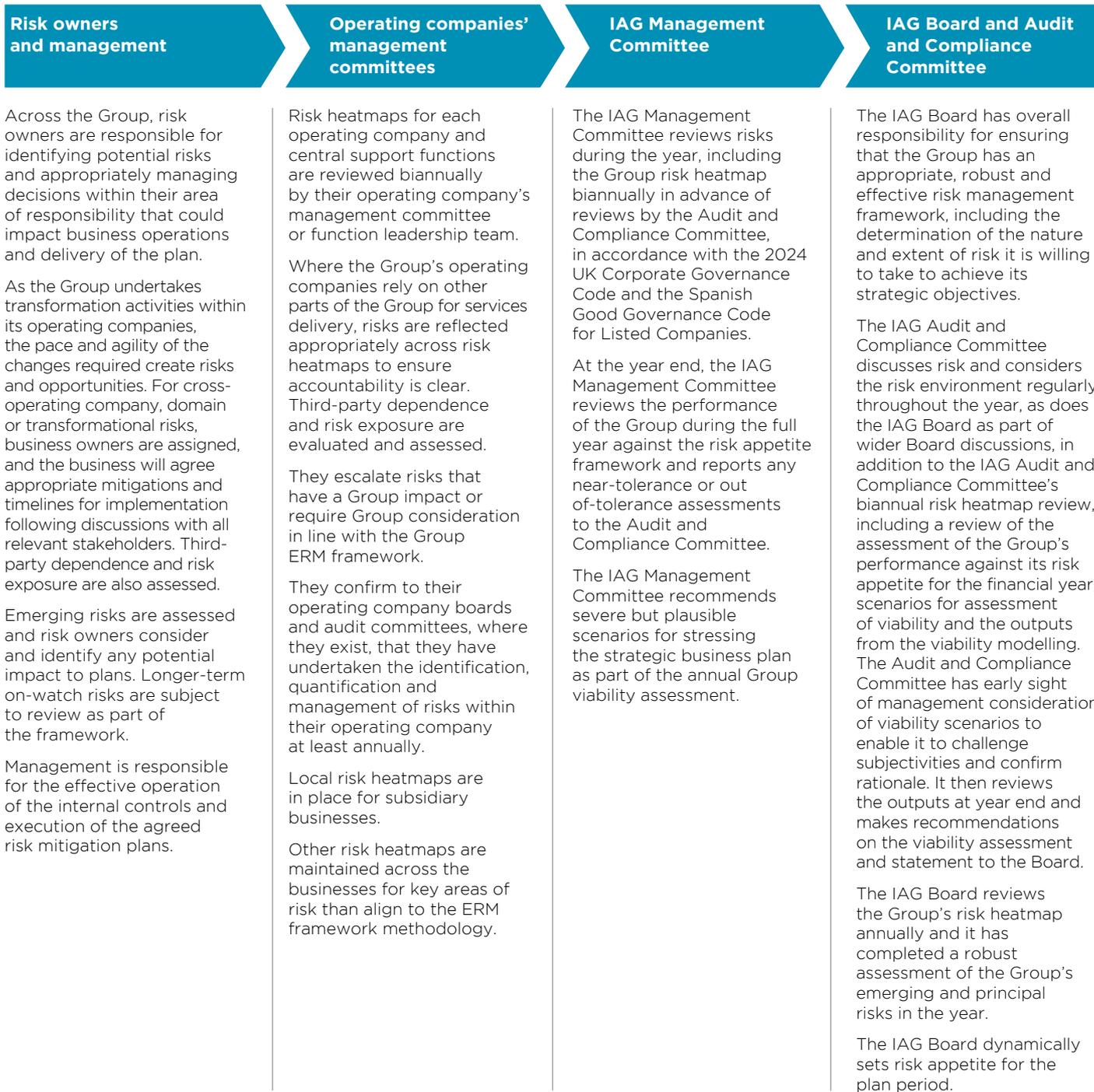
Viability assessment

The Board's assessment of the viability of the Group is directly informed by the outputs of the ERM framework. Full details of our approach, scenarios modelled and the viability assessment are shown at the end of this Annual Report.

The IAG Board has overall responsibility for ensuring that the Group has an appropriate, robust and effective risk management framework.



Risk management roles and responsibilities



Enterprise Risk Management function

The ERM function provides support across the Group to ensure risk management processes are appropriately embedded and applied consistently, working with management to identify risk, challenge assessments and strengthen the risk culture across the Group.

The function provides risk management guidance and shares best practice across the Group and its operating companies, keeping them informed of any risk-related regulatory developments. The function is responsible for ensuring that the ERM framework remains agile and responsive to meet the needs of the business and its stakeholders.

The ERM function works with other compliance and Group functions, such as Group Finance, Government Affairs, Investor Relations, Legal, Ethics and Compliance, and Sustainability, leveraging their frameworks and assessments where appropriate. Risk assessments form an important input into the Internal Audit planning and delivery process.

Overview

The highly regulated and commercially competitive environment, together with the operational complexity in the aviation sector and reliance on critical third parties for provision of goods and services, exposes the Group to risks, where its influence and ability to directly manage the risks may be limited, particularly with increased digitalisation and integration across the supply chain.

Examples include aircraft, engine and component availability; delays in airframe and engine manufacture production; issues with fleet and engine performance and reliability; the wider ongoing fundamental weaknesses in the resilience of the supply chain; ATC restrictions; underperformance at airports, particularly constrained airports; the impact of resource gaps, industrial unrest or strikes; measures taken by governments including

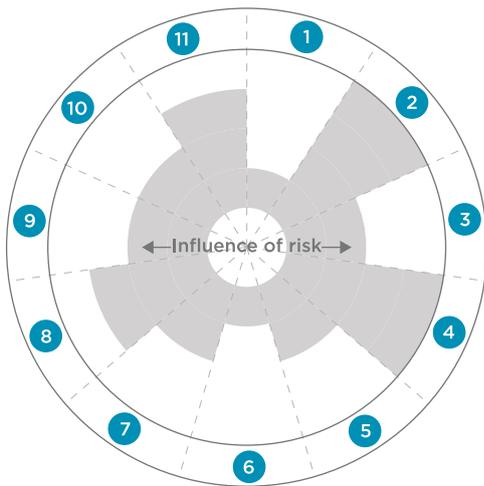
protectionism towards domestic economies, tariff regimes or policy proposals that increase taxes or charges applied to airlines or that could impact the Group's airlines' ability to set capacity and/or pricing.

External threats that remain heightened include: lack of growth or subpar performance risk; threat of shifts in trade or business driven by tariffs, airframe and engine manufacture production and after-care support capability; cyber attack risk; increases in inflation or interest rates on demand and customer confidence; higher costs in the supply chain; expansion plans at hub airports; and the impact of escalating and ongoing geopolitical tensions and conflict in various regions. All of these could impact our customers and flight operations as well as create further airspace restrictions.

In assessing its principal risks, the Group has considered operational and technical resilience across its airlines, maintenance capacity and specialist resource requirements; the status of the financial markets; customer mix changes and route network adaptation; political risk and government policy changes, including policy shift or greater protectionism, pace of transformation; AI adoption and the impact to workforce and future skill sets; managing the cost base; the Group's industrial relations landscape and challenges in securing collective agreements; and people engagement and securing talent and expertise to deliver digitalisation, end-to-end domain transformation, manage planned growth across the operating companies and embed cultural change.

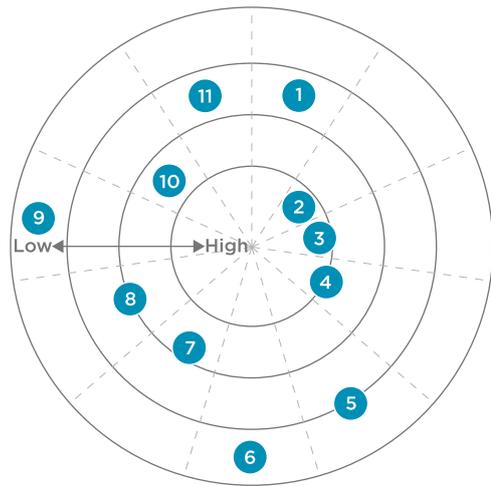
Principal risks influence

The relative level of influence each principal risk has on the other principal risks



Principal risk radar

The assessed likelihood of risk materialisation for each principal risk



Key for principal risk factors

Principal risk number	Strategic imperatives	Category	Stakeholder impact	Risk trend
1	<ul style="list-style-type: none"> A strong core Capital-light earnings growth A sustainable value-creation framework 	<ul style="list-style-type: none"> S Strategic O Business and operational F Financial including tax C Compliance and regulatory 	<ul style="list-style-type: none"> Customers Employees Suppliers Shareholders, lenders and other financial stakeholders Governments and regulators 	<ul style="list-style-type: none"> ↑ Increase = Stable ↓ Decrease

Principal risk register

Guidance is provided below on the key risks that may threaten the Group's business model, future performance, solvency and liquidity.

Risks are grouped into four categories: strategic risk, business and operational risk, financial risk including tax and compliance and regulatory risks.

Where there are particular circumstances that mean that the risk is more likely to materialise, those circumstances are described.

Additional key business responses implemented by management are also set out.

The list is not intended to be exhaustive but does reflect those risks that the Board and IAG Management Committee believe to be the most likely to have a potential material impact on the Group during the plan period.

Principal risk factor table

Principal risk	Strategic imperatives	Category	Risk trend		Viability scenario			
			2025	2024	1	2	3	4
1 Brand, customer and competition Chief Commercial Strategy Officer/Chief Corporate Development Officer		S	=	=	1	2	3	4
2 Critical third parties in the supply chain Chief Transformation and Procurement Officer		O	↑	↑	1	2		
3 Data and cybersecurity Chief Transformation and Procurement Officer		O	↑	↑	1		3	
4 Economic, political and regulatory environment Chief Commercial Strategy Officer/Chief Corporate Development Officer		S	=	↑	1	2		4
5 Financial risk including tax Chief Financial and Sustainability Officer		F	↓	↓	1			
6 Group governance structure General Counsel		C	=	=				
7 Operational and IT resilience Operating company CEOs/Chief Transformation and Procurement Officer		O	=	=	1	2	3	
8 People, culture and employee relations Chief Executive Officer/operating company CEOs		O	=	=		2		
9 Safety and security and other regulatory compliance Operating company CEOs/General Counsel		C	=	=				
10 Sustainable aviation Chief Financial and Sustainability Officer		S	=	=	1	2		4
11 Transformation, innovation and AI Chief Transformation and Procurement Officer		O	=	=				4

1 Brand, customer and competition

Chief Commercial Strategy Officer
Chief Corporate Development Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	
	S		=	=	1 2 3 4

Strategic relevance

- The Group's brands are positioned in their respective markets to meet their customer propositions and deliver commercial value. Any change in customer engagement or travel preferences could impact the financial performance of the Group
- IAG will continue to focus on and invest in its customer propositions to ensure competitiveness in its chosen priority customer demand spaces and to ensure that it adapts to meet changing customer expectations
- The markets in which the Group operates are highly competitive. The Group faces direct competition on its routes, as well as from indirect flights, charter services and other modes of transport. Some competitors have other competitive advantages such as government support or benefits from insolvency protection
- The Group is clear on the key levers to improve brand perception and satisfaction for each of its operating company brands

Status

Customers' sentiment to travel and their expectations when they travel are intrinsic to brand health. The Group's ability to attract and secure bookings and generate revenue depends on customers' perception of and affinity with the Group airlines' brands and their associated reputation for customer service and value. Operational resilience and customer satisfaction underpin customer trust. The Group airlines' brands are, and will continue to be, vulnerable to adverse events impacting service and operations, many of which remain outside the airlines' control. Reliability and consistency of service and product delivery, including on-time performance (OTP), and customer support through disruption, are key elements of brand value and of each customer's experience.

The Group continues to embed and optimise operational resilience and further develop disruption management capabilities and customer communication through each journey in light of the extent of the ongoing external disruption due to ATC restrictions, lack of resilience at constrained airports and industry-wide third-party supply delays, particularly over aircraft availability and engine availability and reliability. IAG remains focused on strengthening its customer-centricity and all of the Group's airlines seek to support their customers through any disruption including schedule adaptations where required. The resilience and engagement of our people as customer service ambassadors to deliver excellent customer service combined with investment in new fleet, cabin and service propositions, helps ensure that our customers choose to fly with the Group's airlines.

The Group continues to ensure that its operating companies adapt and focus their business models, products and customer propositions to meet changing customer expectations and needs (including those with additional needs). The potential for distortional effects of government policy and/or aviation-specific taxation or other regional or country-specific measures on the competitive landscape continue to be monitored. These include increases in Air Passenger Duty (APD) or fragmented application of mandates or policies on carbon offsets.

Risk description

- Erosion of the brand and customer trust through poor customer service or lack of reliability in operations may adversely impact the Group's leadership position with customers and ultimately affect future revenue and profitability
- If the Group is unable to meet the expectations of its customers and does not engage effectively to maintain their emotional attachment, then the Group may face brand erosion and loss of market share
- Some of the markets in which the Group operates remain regulated by governments, in some instances controlling capacity and/or restricting market entry. Changes in such restrictions may have a negative impact on margins
- Regulatory or policy changes may create competitive distortion, impacting the Group's airlines and their competitiveness or business model

Mitigations

- All the Group's airlines are considered within the brand portfolio review
- Brand initiatives for each operating company have been identified and are aligned to the Group's business plan
- Product investment to enhance the customer experience supports the brand propositions and is provided for in the plan
- All airlines track and report to IAG on their OTP and NPS to measure customer satisfaction
- Reviews of resilience, resourcing levels and schedule operability
- Enhanced disruption management tools within airlines to allow customers to manage their travel preferences
- Increased focus on the end-to-end customer journey from flight search through to arrival and baggage reclaim
- The Group's global loyalty strategy builds customer loyalty within IAG airlines
- The Group Strategy function supports the IAG Management Committee by identifying where resources can be devoted to exploit opportunities and accelerate change
- The airlines' revenue management departments and systems optimise market share and yield through pricing and inventory management activity
- The Group maintains rigorous cost control and targeted investment to remain competitive
- The Group's airlines are focused on customer-centricity and operational resilience
- The portfolio of brands provides flexibility as capacity can be deployed at short notice as needed
- The IAG Management Committee regularly reviews market share and the commercial performance of joint business agreements.

3 Data and cybersecurity

Chief Transformation and Procurement Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	

Strategic relevance

- The cyber threat environment remains challenging for all organisations, including the airline industry. Cyber threat actors, criminals, foreign governments, hacktivists or insiders have the capacity and motivation to attack the airline industry for financial gain or other political or social reasons
- Heightened geopolitical conflict, protectionist stances between regions and governments and the use of AI as a tool to scale malware attacks sees increased exposure with high profile attacks across different industries, particularly those with complex, interconnected supply chains
- The fast-moving nature of this risk means that the Group will always retain a level of vulnerability

Status

The risks from cyber threats continue as threat actors seek to exploit any weaknesses in defences, particularly through social engineering and human behaviours. The threat of malware attacks on critical infrastructure and services remains high due to ongoing geopolitical tensions, with the Group exposed to threat actors targeting IAG, its operating companies and its suppliers. In the year, some of the Group's businesses have been affected by attacks on third-party service providers, impacting flight operations and customers. Iberia was also subject to unauthorised access to the systems of one of its service providers, which may have exposed certain data. The Group continues to improve its cybersecurity posture either through major IT transformational change or additional monitoring tools and is focused on better understanding the risk presented by its suppliers.

The regulatory regimes associated with data and infrastructure security are also becoming more complex with different regulators applying different framework approaches and guidance for reporting. The Group airlines are subject to the requirements of privacy legislation such as General Data Protection Regulation (GDPR) and the Network and Information Systems Directive (NISD). Regulations in this area continue to increase.

The emergence and usage of AI to enhance existing tactics, techniques and procedures, produce phishing emails and deploy malware has also accelerated attempts to access organisations' systems and data and increases the threat and scale of social engineering or cyberattacks. Some use of AI by the Group will be subject to the EU AI Act, which defines AI systems and sets out a risk-based classification for AI applications.

Investment in cybersecurity systems and controls continues as planned, although addressing the risk is also dependent on business capacity and the delivery of solutions to address technical obsolescence across the operating companies. All planned investment is linked to a Group-wide maturity assessment based on the National Institute of Standards and Technology (NIST) cybersecurity framework, a leading industry standard benchmark. Data centre migration activity to the cloud across the Group's airlines will further help to improve the security controls environment. As the Group improves its security posture and maturity, it better understands the rapid nature of potential attack vectors and how to detect and respond to them.

Risk description

- The Group could face financial loss, disruption or damage to brand reputation arising from an attack on the Group's systems by criminals, foreign governments, hacktivists or insiders
- If the Group does not adequately protect customer and employee data, it could breach regulations and face penalties and loss of customer trust
- Transformation or changes in environments for the Group's operating companies and third-party suppliers could result in new weaknesses in the cyber and data security control environment
- The emergence and usage of AI to bypass cybersecurity controls, produce sophisticated phishing campaigns or allow accelerated deployment of malware could increase the scale, severity and impact of cyberattacks and cyber-related fraud, both for IAG and its supply chain
- The Group fails to meet AI regulations, particularly as it emerges from different geographical regions.
- Lack of accuracy or insufficient human oversight of AI could increase the risk of data misuse
- Increased digitalisation and integration with suppliers could increase the risk of impacts from third-party breaches or a cyberattack, including unauthorised access to Group systems, data loss or data corruption

Mitigations

- The Group has a Board-approved cyber strategy that drives investment and operational planning
- A cyber risk management framework ensures the risk is reviewed across all operating companies
- The IAG Cyber Governance board assesses the Group-wide portfolio of projects quarterly and each operating company reviews its own portfolio at least quarterly
- The IAG Chief Transformation and Procurement Officer provides assurance and expertise around strategy, policy, training and security operations for the Group
- External attack surface monitoring and threat intelligence is used to analyse cyber risks to the Group
- External benchmarking exercises are conducted on cyber posture
- Regular cyber awareness training is run by the operating companies, including annual mandatory training on cyber risk and data protection for all staff
- Oversight of critical systems and suppliers to ensure that the Group understands the data it holds, that it is secure, and regulations are adhered to
- Data protection officers are in place in all operating companies, coordinated through a Group-wide Privacy Steering Group
- All suppliers must adhere to IAG security requirements. A Group-wide third-party risk management process integrates cybersecurity due diligence into contracting processes to monitor supplier security performance
- Desktop and simulated exercises are conducted to test business response plans

4 Economic, political and regulatory environment
 Chief Commercial Strategy Officer
 Chief Corporate Development Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	

Strategic relevance	Status
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IAG remains sensitive to political and economic conditions in the markets globally, particularly in our hub markets. All of the following can be influenced by political and economic change:

- Business and leisure demand for travel;
- Inflation and interest rate impacts on the cost base;
- Access to markets for new or existing routes;
- Increasing levels and costs of regulation;
- Constriction in the supply of products;
- Availability of services and/or resources;
- Availability gaps for key technical skill sets;
- Imbalance in the competitive landscape;
- Ability to fly scheduled operations;
- Availability of airspace;
- Taxation, regulation and charges on aviation; and
- Pricing and pricing over ancillaries.

Geopolitical risk and uncertainty remains high and wider macroeconomic events may continue to drive market volatility, impacting demand. The Group continues to monitor the implications for trade and any imposition of baseline or other tariffs that may disrupt economic confidence, relative purchasing power and drive cost inflation. Increased regulation and political intervention drive increased levels of cost and impact the ability of airlines to set capacity and pricing, which may impact the Group's revenue streams and business model. The rise of populist governments and government policy globally sees increased protectionism, which could result in market or competitive distortion and a trend for increased scrutiny from regulators and tax authorities that could see changes that increase costs to airlines. The tone of dialogue between the US, Russia, China and the EU and UK, which can influence markets and result in imposition of misaligned policies or tariffs, and any potential impact to the Group, is kept under review.

Ongoing conflicts, wars, political instability and heightened tensions across the Middle East and elsewhere continue to cause airspace restrictions and congestion for flows to Asia.

Recent supply chain disruptions have occurred in many markets and the level of disruption and potential impacts are considered across the Group. The Group also considers elections or government policy changes in key markets and the implications for trade, respective economic health and how governments view the aviation industry.

Developments in relevant international relationships, where they affect air services agreements to which the EU or UK are party, are monitored throughout the year and the Group's positions advocated with the relevant national governments. Any proposals to set floor or ceiling caps on pricing, including the scope of ancillaries that airlines may be allowed to charge their customers for, may impact the ability to freely set pricing, sell ancillaries to meet customer needs and/or set capacity.

IAG has worked through trade associations and IATA, as well as national governments, to put its case on issues of the importance of aviation to international trade and customer connectivity and the value that it brings.

Any further macroeconomic trends or potential requirements arising from disparity in policy or regulation between the EU and UK are monitored by the IAG Government Affairs function.

Risk description	Mitigations
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- Economic deterioration or structural change in either a domestic market, key customer segment or the global economy may have a material impact on the Group's financial position, while foreign exchange, fuel price and interest rate movements create volatility
- Failure to adequately plan for and be able to respond to uncertainty driven by geopolitical or market events or health-related concerns impacts the operations, costs and customers of the Group
- Changes in government may result in a change in sentiment to aviation and access to markets
- Government policy asymmetry impacting a domestic market could increase the burden of regulation and cost to our passengers

- The IAG Board and the IAG Management Committee review the financial outlook and business performance of the Group through the monthly trading results, financial planning process and quarterly reforecasting process
- Reviews to assess and drive the Group's financial performance through the management of capacity, together with appropriate cost control measures including the balance between fixed and variable costs, management of capital expenditure, and actions to improve liquidity
- External economic outlook, fuel prices and exchange rates are carefully considered when developing strategy and plans and are regularly reviewed by the IAG Board and IAG Management Committee as part of business performance monitoring
- The Group engages with its regulators, governments and other political representatives and trade associations to help represent the views and contribution of the Group and aviation to society and economies
- The Group's airlines have increased their focus on enhanced disruption management tools to increase operational resilience to restrictions, such as capacity constraints at airports or health-related measures
- The Group's Government Affairs function monitors government initiatives, represents the Group's interest, forecasts likely changes to relevant laws and regulations and responds to consultations on regulatory change or policy that could impact the aviation industry or create competitive distortion

[See the Regulatory environment section](#)

5 Financial risk including tax

Chief Financial and Sustainability Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	
	F				1

Strategic relevance

- The Group's ability to finance ongoing operations, committed aircraft orders, future fleet growth plans or acquisitions is vulnerable to various factors including financial market conditions, financial institutions' appetite for secured aircraft financing and the financial markets' perceptions of the future resilience and cash flows of the Group
- The volatility in the price of oil and petroleum products can have a material impact on the Group's financial results
- The volatility in currencies other than the airlines' local currencies can have a material impact on the Group's operating results, particularly the US dollar
- Higher interest rates can have a material impact on the Group's operating results
- Payment of tax is a legal obligation. Changes in the tax regulatory environment, including changes in tax rates and interpretation of tax regulations by tax authorities, may result in new tax claims or additional tax costs for the Group and in additional complexity in complying with such changes

Status

Access to the secured and unsecured debt markets may be disrupted by geopolitical and economic uncertainty, impacting funding options and interest rates available to the Group for new aircraft financing or where it chooses to refinance debt. Any interest rate increases implemented by central banks increase the cost for the Group of existing floating rate debt, as well as for new financing. As at 31 December 2025, approximately 20% of the Group's debt, including hedges, was floating rate debt. The Group successfully raised long-term financing for all the aircraft deliveries it sought to finance during 2025, representing approximately one-third of the number of deliveries. The Group's credit ratings are investment grade: S&P's BBB stable and Moody's Baa2 stable.

Fuel cost volatility driven by geopolitical events is partly mitigated by the Group's fuel hedging policy. Reduced access to fuel hedging instruments or the inability to pass increased fuel costs on to consumers could impact the Group's profits. The Group continues to assess the strength of the US dollar against the euro and pound sterling and the potential impacts on the Group's operating results. All airlines hedge currency risk in line with the Group hedging policy.

Tax is managed in accordance with the tax strategy, which can be found in the Corporate Policies section of the IAG website. The Group has a number of scheduled tax audits, by local tax authorities, in progress across its businesses. Group Tax continues to work with the operating companies to support and address any tax considerations from planned investments or business structural change. Further information on tax matters, including taxes paid and collected by IAG, is set out in note 10 to the consolidated financial statements.

Risk description

- Failure to finance ongoing operations, committed aircraft orders, future fleet growth plans, business acquisitions and third-party financial guarantees
- Higher interest rates in the market, or more restrictive terms, for new finance arrangements or refinancing may impact the Group's floating finance debt, floating operating leases and cost base
- Failure to manage the volatility in the price of oil and petroleum products
- Failure to manage currency risk on revenue, purchases, cash and borrowings in foreign currencies other than the airlines' local currencies of euro and sterling
- Failure to manage financial counterparties' credit exposure arising from cash investments and derivatives trading
- The Group is exposed to systemic tax risks arising from either changes to tax legislation and accounting standards or challenges by tax authorities on the interpretation or application of tax legislation
- Businesses and consumers may be subject to higher levels of taxation as governments seek to increase environmental taxes, redesign the global tax framework and rebuild public finance

Mitigations

- The IAG Board and Management Committee review the Group's financial position and financing strategy regularly
- The Group has maintained its clear focus on managing liquidity and ensuring that critical investment in the Group is maintained
- Maintain strong relationships with banks, lenders and lessors
- Scenario planning for different financial environments
- Continuous review of capital structure to minimise interest rate exposure and lower cost of capital
- The IAG Audit and Compliance Committee and IAG Management Committee regularly review the Group's fuel and currency positions and other financial contracts
- All airlines hedge in line with the Group's hedging policy under the oversight of Group Treasury
- All airlines review routes to countries with exchange controls to monitor delays in the repatriation of cash and/or the risk of material local currency devaluation
- The Group has a financial counterparty credit limit allocation by airline and by type of exposure and monitors the financial and counterparty risk on an ongoing basis
- The Group adheres to the tax strategy approved by the IAG Board and is committed to complying with all tax laws, to acting with integrity in all tax matters and to working openly with tax authorities
- Tax risk is managed by the operating companies in conjunction with the IAG Tax function and the Group takes expert advice on tax matters as required
- Tax risk is overseen by the IAG Board through the IAG Audit and Compliance Committee
- The Group seeks to understand its stakeholders' expectations on tax matters, such as cooperative working with tax authorities and its interaction with non-governmental organisations
- The IAG Board annually reviews and approves the tax strategy

→ See the Financial review section

6 Group governance structure General Counsel		Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
					2025	2024	
Strategic relevance		Status					
<ul style="list-style-type: none"> Airlines are subject to a significant degree of regulatory control. In order for air carriers to hold EU operating licences, an EU airline must be majority-owned and effectively controlled by EU nationals. British Airways is a UK carrier and not subject to the same requirement 		<p>The aviation industry continues to operate under a range of nationality and other restrictions, some of which are relevant to market access under applicable bilateral and multilateral air service agreements, while others are relevant to eligibility for applicable operating licences. The Group will continue to encourage stakeholders to normalise ownership of airlines in line with other business sectors.</p>					
Risk description		Mitigations					
<ul style="list-style-type: none"> IAG could face a challenge to its ownership and control structure 		<ul style="list-style-type: none"> The Group has governance structures in place that include nationality structures to protect Aer Lingus's, British Airways' and Iberia's operating licences and/or route rights. These have been approved by the relevant national regulators IAG will continue to monitor regulatory developments affecting the ownership and control of airlines in the UK and EU 					

[See the Corporate governance section](#)

7 Operational and IT resilience

Operating company CEOs

Chief Transformation and Procurement Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	
			=	=	

Strategic relevance

- The Group's airlines may be disrupted by a number of different events that combine to stress operational resilience
- A single prolonged event, a series of events in close succession or a combination of events over a period can impact on operational capability, financial status and brand strength
- The Group needs to adhere to local governments' restrictions and regulations, especially related to safety and public health, and is sensitive to any consequential impacts
- IAG is dependent on IT systems for most key business processes. The integration within IAG's supply chain means that the Group is also dependent on the performance of suppliers' IT infrastructure, including networks
- The Group needs to have resilience to withstand severe and unexpected stresses. Potential high-impact, low-likelihood events have been considered that could disrupt the Group and/or the aviation sector. Many of these events remain outside of the Group's control

Status

Shortages in the supply chain; airspace and ATC restrictions; availability of experienced licensed resources, including engineers and pilots; industrial unrest or strike action, combined with goods availability shortages and fragility and delays over delivery in the supply chain, especially over engines availability, can all impact the operational environment and the customer experience of the Group's airlines. This increases the costs of running operations to provide additional resilience, as well as impacting the costs and operations of the businesses on which the Group relies. The Group is focused on minimising any unplanned schedule changes or flight cancellations with additional buffers and resilience built into the airlines' networks. End-to-end domain transformation reviews seek to optimise processes, better utilise data for decision-making and deliver efficiencies.

The Group continues with its ambitious IT infrastructure transformation agenda to modernise and digitalise its IT estates. The Chief Transformation and Procurement Officer works with the Group's operating companies to ensure appropriate prioritisation and investment, to maximise value from IT investment and to provide oversight and challenge over ambition and pace of delivery.

The Group is progressing with its digitalisation agenda, migration to the cloud from on-premises data centres, remediation and transformation of its networks and addressing obsolescence. It has moved more resources into product teams more closely aligned to business needs. The Group is reliant upon the resilience of its systems and networks for key customer and business processes and is exposed to risks that relate to poor performance, vulnerability or failure of these systems. This includes major programmes and upgrades to modernise, including new commercial capabilities and customer-centric enhancements using agile-based models, as well as replacing core IT infrastructure and improving network connectivity and reducing redundancy. Mitigating actions that prioritise operational stability and resilience have been built into all cutover plans for the go-live of IT systems-related changes with focus on minimising unplanned outages.

Risk description

- The Group's airlines are reliant on critical parties to deliver goods and services to maintain operations and any failure of the level of service or reliability and delivery of goods may impact resilience and our customers
- The ATC infrastructure and resource model does not adapt and optimise aircraft movements, impacting operations
- Lack of resilience or provision of airport services at key airports or constrained airport hubs impacts operational resilience
- Ongoing engine availability and performance problems create operational complexity and additional costs
- An event causing significant network disruption or the inability to promptly recover from short-term disruptions may result in lost revenue, customer disruption and additional costs
- Public health concerns impacting populations at scale could see an adverse effect on the Group where governments choose to impose restrictions, as would any other material event impacting customers, employees, the supply chain and flight operations
- The dependency on IT systems and networks for key business and customer processes is increasing, and the failure of a critical system may cause significant disruption
- Obsolescence within legacy infrastructure could result in service outages and disruption

Mitigations

- Management has business continuity plans to mitigate this risk to the extent feasible, with focus on operational and financial resilience and customer and colleague safety and recovery
- The Group's airlines have standby aircraft and crew in place
- Resilience to minimise the impact of ATC airspace restrictions, poor performance or constraints at airports and/or strike action on the Group's customers and operations is in place
- The Group's airlines are focused on developing customer disruption management tools to help our customers in times of disruption
- The operating companies' tech teams work to deliver digital and IT change initiatives to enhance security and stability
- Operating companies' IT governance boards are in place to review delivery timelines
- Reversion plans are developed for migrations of critical IT infrastructure
- System controls, disaster recovery and business continuity arrangements exist to mitigate the risk of a critical system failure

8 People, culture and employee relations Chief Executive Officer Operating company CEOs		Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
					2025	2024	
Strategic relevance				 	=	=	
Status		<p>Our people and their engagement, cultural appetite and mindset for change are critical to the Group's current performance and future success. Our leadership recognises the efforts of our staff and their commitment through the continued operational challenges facing our airlines. Shortages in technical licensed staff across the aviation sector and in the Group airlines may impact maintenance delivery timelines unless resource levels can be secured. Additionally, pilot entry into the Group's airlines is critical to keep the operations resilient and meet future growth plans.</p> <p>Across the Group, collective bargaining is in place with various unions. Where agreements are open, and there is a threat of industrial unrest, our operating companies engage in discussions with unions, as well as governments and labour courts where relevant, to address concerns arising within the negotiations, manage customer disruption and enable the airlines to secure sustainable collective agreements and growth. In the year, the Group's airlines negotiated a number of collective agreements, with open discussions and/or consultations still in progress in a number of businesses. All of the Group's businesses continue to monitor potential changes to employment legislation to ensure compliance.</p> <p>The Group is focused on staff wellbeing, people morale and motivation, and initiatives to build trust and engagement continue. The Group has identified the skills and capabilities that are required to manage its transformation. All operating companies recognise the critical role that their employees will play in the transformation and future success of the Group and they are focusing on improving organisational health and employee engagement. The Group maintains its focus on behaviours and compliance with key regulations.</p>					
Risk description		Mitigations					
<ul style="list-style-type: none"> • The Group has a large, unionised workforce with around 84% of colleagues represented by one of a number of different trade unions under collective bargaining agreements. IAG relies on the successful agreement of collective bargaining arrangements across its operating companies to operate its airlines • Future critical skill sets and the right culture are needed to transform our businesses at pace • Colleagues are critical to delivering the customer experience • The Group's airlines require specialist skill sets to continue to operate 		<ul style="list-style-type: none"> • Ongoing information sharing, consultation and collective bargaining with unions across the Group take place on a regular basis, led by operating companies' human resources specialists, who have a strong skill set in industrial relations • The Group's businesses ensure that remuneration is aligned to local markets in terms of productivity and pay • Operating companies' people strategies are in place in our businesses • Succession planning within and across operating companies • Focus on recruiting and developing skills to run and transform our businesses • The Group's businesses are investing in apprentice programmes and retention initiatives to develop and secure critical skill sets • Operating companies' engagement and organisational health surveys have been conducted with action plans developed to create a positive and inclusive culture • Access to support individuals' wellbeing • The Group has clear frameworks in place including comprehensive Group-wide policies designed to ensure compliance, monitored by the IAG Audit and Compliance Committee • IAG's Code of Conduct is supported by annual awareness programmes and mandatory training, with additional focus for higher-risk areas. • 'Speak Up' and whistleblowing channels are available across the Group's businesses 					

9 Safety and security and other regulatory compliance

Operating company CEOs

General Counsel

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	

Strategic relevance

- The safety and security of our customers and employees are fundamental values for the Group
- High-profile external events impacting the aviation sector and aircraft may change customer sentiment towards air travel
- Regulation of the airline industry covers many of the Group's activities including route flying rights, airport landing rights, security and environmental controls. The Group's ability to comply with and influence changes to regulations is key to maintaining operational and financial performance
- Carrying out business in a compliant manner and with integrity is fundamental to the values of the Group, as well as the expectations of the Group's customers and stakeholders

Status

The IAG Audit and Compliance Committee of the Board and the Safety board of each operating company continue to monitor the safety performance of IAG's airlines. Safety and security responsibility lies with each Group airline in accordance with its applicable standards.

The Group continues to embed its compliance framework. Refreshed training materials have been rolled out across the Group's businesses.

The Group maintains its focus on compliance with key regulations and mandatory training programmes have continued through the year.

Risk description

- A failure to prevent or respond effectively to a major safety or security incident or intelligence may adversely impact the Group's brands, operations and financial performance
- A failure to meet legal or regulatory standards may result in breach with the potential to hurt or impact our customers, employees or third parties, or impact our operations and lead to reputational damage, fines or losses to the Group

Mitigations

- The corresponding safety committees of each of the airlines of the Group satisfy themselves that they have the appropriate resources and procedures, which include compliance with Air Operator Certificate requirements
- The Group's airlines have comprehensive training and maintenance programmes in place, supported by a just culture environment, where everyone is accountable for their actions and their performance is reflective of the knowledge, behaviours and skills they have
- There is ongoing security engagement with airports, regulators and public authorities across the airlines' networks
- Incident centres respond in a structured way in the event of a safety or security incident or intelligence
- The Group has clear frameworks in place, including comprehensive Group-wide policies designed to ensure compliance, monitored by the IAG Audit and Compliance Committee
- Compliance, human resources and legal professionals specialising in competition law, anti-bribery and other legislation and regulations that apply to the Group businesses support and advise the Group's businesses
- IAG's Code of Conduct is supported by annual awareness programmes and mandatory training, with additional focus for higher-risk areas
- 'Speak Up' and whistleblowing channels are available across the Group's businesses

10 Sustainable aviation
Chief Financial and Sustainability Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	

Strategic relevance	Status
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- IAG advocates for a fair transition where climate regulations uphold the global competitiveness of all airlines and regulators administer appropriate, fair obligations to reduce carbon emissions by all airlines, alongside incentives that support the delivery of emission-reduction initiatives
- IAG has a low-carbon transition pathway that is embedded into its business strategy. Sustainability considerations are included in the business planning process for all operating companies
- IAG engages with governments, regulators and industry bodies, advocating for a balanced regulatory framework that supports decarbonisation while recognising aviation's vital social and economic role
- Fragmented regulatory policy requirements increase the potential for competitive distortion and sub-optimal outcomes for customers
- Our customers, employees, stakeholders and potential investors seek confirmation over our sustainability agenda

IAG is committed to a target of net zero carbon emissions across its operations and supply chain by 2050. The Procurement function has a key role to play in ensuring delivery of the Scope 3 commitment for the Group with supplier sustainability ratings and sustainability clauses in supplier contracts key considerations for future contract negotiations and renewals.

Plans implemented by the EU, UK and US governments to decarbonise aviation have resulted in fragmentation of policy measures and support offered by governments for green initiatives across the different regions in which the Group airlines operate. SAF infrastructure and availability still lags demand, impacting the ability to achieve the aviation industry's carbon reduction commitments. Mandates and other tax-based measures may disproportionately impact the Group's airlines versus their competitors. All of the Group's airlines have agreed deals for the production of SAF to meet the Group's target for its use on the path to decarbonisation. Overall aviation industry requirements will require infrastructure investments across markets to support the production of SAF to meet demand expectations. Ongoing industry-wide new fleet entry delays may also impact fuel efficiency.

IAG continues to model potential impacts and costs, with mitigation plans embedded into strategic and financial planning. The Group and its businesses completed a double materiality assessment in the year as part of the CSRD reporting requirements.

IAG continues with its assessment of climate-related risks under the TCFD guidelines by testing and revising its assumptions against updated forecasts for future business growth, the regulatory context and future carbon pricing. The Group has embedded forecasting of its climate impacts into its strategic, business and financial planning processes and has assessed that it is resilient to material climate-related impacts.

Risk description	Mitigations
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- Concern about climate change and the impact of carbon affects Group airlines' performance as customers seek alternative methods of transport or to reduce their levels of air travel
- New taxes, changes in government policy or stance, the potential removal of aviation jet fuel exemptions and increasing price of carbon allowances impact on price and demand
- The airline industry is subject to fragmented regulatory requirements and policy asymmetry between markets, driving costs and operational complexity, as well as the potential for competitive distortion between airlines and sub-optimal outcomes for the planet
- Demand exceeds supply to meet sustainable fuel mandates or infrastructure and production is not available in the markets the Group airlines serve
- SAF policy fragmentation results in different in-scope allowances across markets, distorting the competitive environment and levels of carbon costs
- The Group may face an increasing challenge by external parties over decarbonisation when utilising offsets to meet compliance obligations
- Increasing severity of weather events results in operational and customer disruption

- IAG climate change strategy to meet target of net zero carbon emissions by 2050
- Annual incentive plans link manager bonuses to annual carbon intensity targets
- Embedded climate impacts into the financial statements, balance sheet, financial forecasting and other relevant disclosures
- IAG's commitment to SAF usage and meeting the Group's share of mandated SAF uplift obligations with operating companies continuing to secure mid- and long-term supply agreements
- IAG actively monitors the delivery of SAF procured
- Fleet replacement plan is introducing aircraft and engines into the fleet that are more carbon efficient
- Reporting on sustainability performance in the IAG supply chain to better mitigate supply chain-related sustainability risks
- Participating in CORSIA, the ICAO global aviation carbon offsetting scheme and the EU ETS and UK ETS emission trading schemes
- Horizon scanning for potential partners and technology
- Engagement across UK, EU and global trade associations to shape effective climate policy and drive support for low-carbon solutions

See the Consolidated Non-Financial Information Statement and Sustainability Information

11 Transformation, innovation and AI
 Chief Transformation and Procurement Officer

Strategic imperatives	Category	Stakeholder impact	Risk trend		Viability scenarios
			2025	2024	

Strategic relevance	Status
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- The transformation, innovation and AI agenda is critical to the Group’s ability to deliver strong returns and to compete in the competitive marketplace, where distortionary effects of any aviation support schemes may allow competitors to address debt or accelerate their change agendas and invest to improve capabilities and customer propositions
- Competitors and new entrants to the travel market may use digital tools, innovate or use AI and technology more effectively and disrupt the Group’s business model

The Group continues to focus on its cost base to offset price increases in the supply chain, particularly costs from fleet and engine manufacturers and the additional costs of resilience, to ensure that the Group is well prepared for any further external headwinds that may impact the aviation industry. Opportunities for AI adoption to drive efficiencies and better insights have been identified across the Group’s businesses with business cases and implementation subject to guardrails to help protect against unexpected outcomes. The people impact of change and the talent and skill sets needed for the future size and shape of the Group’s businesses are considered as part of the Group’s transformation and innovation programmes.

The Group has an established Transformation Programme Management Office, which has oversight of an agreed portfolio of initiatives across the Group focused on improving customer service, revenue and cost efficiency, and the transformation mindset is becoming part of our culture. Many of the programmes are multi-year and all are subject to the ongoing review and investment approvals of the IAG Board. This has strengthened the Group’s operating companies’ focus on addressing their legacy estates to deliver digital customer experiences.

Risk description	Mitigations
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- Failure to transform the business to effectively deliver cost-efficiency initiatives, maintain or grow share in the new competitive environment, fully implement all programmes across the Group and realise the benefits of the change initiatives to deliver Group digital platforms and customer propositions
- The pace of change may expose the Group to execution risk as multiple initiatives are delivered across processes and systems that serve our operations and customers
- The impact on our people of the wide-ranging change agenda, if poorly managed or uncoordinated, could lead to logistical and engagement challenges, with the potential to negatively impact NPS, revenue and efficiency benefits
- Further simplification, optimisation and efficiencies from end-to-end domain transformation are not delivered
- Competitors, or new entrants, may invest and innovate in deploying digital technologies, AI, sustainability initiatives and/or platforms ahead of the Group
- Technology disruptors may use tools to position themselves between our brands and our customers
- The levels of data capture, data storage and security and availability of data are not sufficient and ready to exploit AI use cases
- Lack of accuracy or insufficient human oversight of AI tools and agentic AI development and outputs within technical teams and by employees in the operating companies could result in errors, suboptimal business decisions or reputational or brand impacts
- The Group does not understand the scope or depth of the use of AI and agentic AI across its businesses and third parties as its prevalence accelerates

- The Chief Procurement and Transformation Officer has clear oversight of all programmes across the Group’s businesses
- Mirrored structures in the operating companies
- Consistent core metrics and dashboard reporting used to assess performance against plan
- The IAG Management Committee has regular operating-company-specific meetings to assess their transformation agenda and the risks to delivery
- The Group transformation agenda is subject to Board approval and progress is regularly monitored by the Board
- Group AI governance committee to assess AI initiatives to allow the Group businesses to exploit AI capabilities, with mirrored committees in place across all operating companies
- There are operating company-led communications to our employees on change initiatives and changes that may affect them
- Consideration is given to the Group’s sustainability commitments and agenda for all programmes
- Any potential changes that could impact the brands are reviewed to mitigate against reputational and brand damage
- The IAGi accelerator programme continues to create early-stage engagement and leverages new opportunities with startups and technology disruptors

Viability assessment

Longer-term trends and risk considerations

The Directors have assessed industry, Group-specific and non-sector-specific longer-term trends over a timeframe beyond the plan period, such as climate change regulation, infrastructure development proposals at hub airports, availability and timing of new technologies in fleet and engines, exploitation of innovation, AI and related tools, policy uncertainty, and aviation's complex, integrated supply chain. These trends may require the business to consider strategic responses, business model adaptations and new skill sets ahead of any potential impact to the Group plan.

Other considerations include:

- Economic trends and shifts in the relative strengths of global economies, including the rise of emerging markets and hubs, market shifts and interconnectivity including partnerships and alliances, the competitive landscape and changes in customer mix or sentiment to travel;
- Supply chains and proximity and reliability of supply, and inflationary, resource and availability pressures;
- Costs of compliance with environmental and climate change regulations and/or lack of availability of infrastructure to meet commitments or mandates;
- Increasing regulatory burdens, policy asymmetry or government intervention impacting aviation and the Group's business model;
- Areas of risk or opportunity for the Group, such as workforce availability, migration, war for talent and critical skill sets, AI and agentic AI adoption, outcomes of mis- and dis-information, and workforce demographic changes;
- Airframe and engine availability, performance and reliability;
- The potential macroeconomic consequences of tariffs or trade barriers, interest rates and inflation, especially where there are labour shortages in key markets or a shortage of technical specialists;
- Shifts in regional economic power and security implications of government change or policy change;
- The Group's resilience to future events impacting aviation, global or financial markets, interest and exchange rate changes, particularly the US dollar; and
- Stakeholder expectations over IAG's commitment to acting with integrity to protect our planet, particularly on climate change and carbon impacts.

Risk assessment across the timeline of the plan

The Directors have assessed key threats and trends faced by the industry, emerging risks and opportunities, and other industry and Group-specific risks that could impact the Group's business plan:

- These are considered in light of their impact on our business model and relevance, operations, customers and financial status and include changes in regulations, customer trends and behaviours, macroeconomic predictions on growth, workforce availability, regional market opportunities, technology trends, environmental implications and infrastructure developments that could impact our operations, as well as more existential threats to aviation;
- When developing the Group's three-year business plan, longer-term considerations have been assessed by the IAG Management Committee and the Board in conjunction with the priorities of and risks faced by the business; and
- The Board also conducted its annual strategy session, in addition to regular performance and strategy delivery progress reviews during the year. Following this process, short-, medium- and longer-term priorities, challenges and opportunities were identified and actions agreed.

Viability scenario process

When considering the viability of the Group for the purposes of this report, the Directors have evaluated the risk landscape facing the Group and have recommended plausible but severe downside scenarios that could impact the Group's three-year plan, in order to determine the Group's resilience to such impacts.

The results of these scenarios on the plan have been presented both pre and post an assessment of the likely effectiveness of the mitigations that management reasonably believes would be available over this period (which are not already reflected in the plan).

The Directors have assessed key threats and trends, and emerging risks and opportunities, to determine plausible but severe downside scenarios that could impact the Group's three-year business plan.



Scenarios modelled

The scenarios have been defined by management and designed to consider principal risks (or combinations of risks) that could materialise over the viability period and weaken the Group's liquidity position, and therefore its financial sustainability. Each scenario is regarded as severe but also plausible and has considered the impact on liquidity, solvency and the ability to raise financing in an uncertain and volatile environment.

Management has also assessed mitigations that are available to the business beyond operating cost reductions, including further financing, capital expenditure plans and potential disposals. Options are presented, as appropriate, for the Board to assess. In reviewing and approving the scenarios, the Board considered, among other matters, the availability and sufficiency of potential mitigations, the expected speed of implementation in response to the uncertainty and the future flexibility required for the Group to adapt further as needed.

Sensitivities in the scenarios' assumptions have been highlighted by management and challenged by the Board. In addition, the Board reviewed the results of revenue and margin reverse stress tests, which demonstrated the level of sustained passenger revenue decline and, separately, margin decline before mitigations, that would result in the Group using all available liquidity (including cash and currently available undrawn credit facilities) and compared these to the outputs from the scenarios.

No.	Title	Link to principal risks
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1 Downside case

This scenario configures a blend of commercial and operational adverse impacts, including a cyber event within an airline, which would result in capacity reductions and disruption to operations and customers, in addition to an increase in fuel prices over and above the Group's business plan assumptions. 1, 2, 3, 4, 5, 7, 10

Economic considerations include a combination of events reducing capacity up to a maximum of 25%, increasing fuel prices up to 20%, reducing passenger unit revenue and increased operational costs. 

The downside case assumes that the airlines have access to further mitigations, including access to their portions of the available revolving credit facility.

The period to June 2027 of this downside case has also been applied as the downside case in the going concern analysis (see note 2 to the consolidated financial statements).

2 Operational resilience challenges

Lost revenue within some IAG airlines from pre-emptive flight cancellations in response to resourcing challenges with resultant reputational impact. 1, 2, 4, 7, 8, 10

Ongoing challenges in the global supply chain, particularly aircraft and engine availability, reliability and performance, lead to an increase in grounded aircraft awaiting maintenance, with further capacity reductions also impacting revenues. Revenues from the Group's maintenance business are also impacted by the lack of available spare parts. 

Further revenue impact considered from reduced capacity as a result of ATC airspace restrictions and outage.

Revenue impact from schedule disruption due to extreme weather events also considered within the scenario.

3 Cybersecurity and IT infrastructure

Stresses to model the impacts of a ransomware attack on an IAG airline across different duration periods. The scenarios assume a disruption period of up to multiple weeks resulting from the attack before full connectivity is re-established and flight operations are fully restored, impacting customers and operations of the affected airline. It also assumes lost revenue due to disruption of operations at the affected airline with knock-on impacts to other IAG airlines due to the need to isolate and switch off connectivity of Group-shared credentials platforms. There are also further lost revenues due to reputational impact and increased EU 261 and other customer goodwill costs. Associated costs of recovery from the incident include the disruption through the investigation period including increased IT costs as well as brand impacts and the potential for regulatory scrutiny and fines. 1, 3, 7

4 Sustainability and business transformation

An increasing revenue stress on flight operations across the Group to reflect changes in customer behaviours from the demand impact of costs of carbon. 1, 4, 10, 11

Increased carbon costs and sustainable fuel costs to meet mandates and where supply cannot be secured. Revenues in key markets below plan expectations also modelled to reflect a potential long-term change in mix and travel behaviours. 

Potential for lost revenue impact arising from delays in delivering and realising the benefits of business transformation initiatives and increased costs of securing required resourcing levels.

Longer-term consideration of the impacts of climate change and carbon and regulatory initiatives to address this within the aviation sector, such as the implementation of new regulatory policy, carbon costs and the cost and availability of SAF are also subject to assessment and modelling by the Group in addition to the viability scenario assessments.

 Viability scenario includes sustainability-related stress

Viability statement

The Directors have assessed the viability of the Group over three years to December 2028. They have considered the global macroeconomic environment and geopolitical uncertainty, the robustness of the aviation industry to external shocks and the resilience of its supply chain, the assumptions of the plan, the strategy of the Group and the Board's risk appetite. Although the prospects of the Group are considered over a longer period, the Directors have determined that a three-year period is an appropriate timeframe for assessment as it is aligned with the Group's strategic planning period (as reflected in the plan), and as the external uncertainties facing the aviation sector continue to be significant and many are beyond the Group's ability to influence directly.

The Board recognises the pace of change required within the Group to further adapt, maintain appropriate resilience and respond to this environment, in addition to the rapidly changing competitive landscape and wider global macroeconomic conditions.

The Group has reviewed the modelling of the impact of mitigating actions to offset further deterioration in demand and capacity, including reductions in operating expenditure and capital expenditure. The Group expects to be able to continue to secure financing for future aircraft deliveries and in addition has further potential mitigating actions it would pursue in the event of adverse liquidity experience.

Further details on debt financing can be found in the going concern disclosures in note 2 to the consolidated financial statements.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation, meet its liabilities as they fall due and raise financing as required over the period to December 2028. However, this is subject to a number of significant factors that are outside the control of the Group. In reaching this assessment the Directors have made assumptions when considering both the plan and the downside case (the most severe and plausible of the viability scenarios considered):

- The Group will continue to have access to funding options and the capital markets will retain a level of stability and appetite for funding within the aviation sector;
- The Group can implement any further structural changes required in agreement with any union consultation processes and regulatory approvals;
- Any imposition of extensive new tariff regimes does not result in acute stress on the global supply chain, particularly for aircraft or engines, and/or result in a global macroeconomic correction driving recessions;
- Any pandemic or other public health-related restrictions do not result in further prolonged and substantial capacity reductions and groundings as governments do not have the appetite for the economic impact and stress that such actions would place on their respective economies and populations;
- Any negative disruptive effects of AI do not significantly affect the sector or global markets, including further stresses on infrastructure availability, financial markets or the supply chain;
- Any major climate shocks do not result in significant, prolonged travel disruption; and
- Geopolitical events do not result in war zones significantly impacting financial markets, airspace operations and connectivity flows across our flight schedules.



Appendix to the Annual Report

INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Governance over ICFR

As stated in article 4 letter a) of the IAG Board Regulations, the IAG Board has exclusive authority to approve the Company's financial information, namely the consolidated annual accounts and the management report, acting for this purpose with the advice and support of the Audit and Compliance Committee.

In addition, in accordance with article 36.5 of the IAG Board Regulations, the Board ensures that the Company's financial statements are prepared in accordance with applicable accounting rules and standards. If the auditors include any qualification in its report, the Board must clearly explain to shareholders the scope of such restrictions or qualifications and provide the relevant explanations.

The Audit and Compliance Committee reviews the Company's periodic financial information, and significant financial reporting judgements made in the Company's consolidated annual accounts, monitoring compliance with legal requirements, and generally accepted accounting principles and that the consolidation scope is appropriate.

With regards to internal control over financial reporting, the IAG Board Regulations determine that the Board is responsible for the internal control policy and periodic monitoring of internal information and internal control systems.

This internal control policy and monitoring is designed to produce reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial information used throughout the business or for publication. These internal controls are designed to manage, rather than, eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable, but not absolute, assurance against material misstatement, errors, losses or fraud.

The Board of Directors is ultimately responsible for the supervision of the existence and effectiveness of Internal Control over Financial Reporting ("ICFR"). The Board has delegated the responsibility for the development of effective controls to the Chief Executive and the supervision of the effectiveness of these controls to the Audit and Compliance Committee. The Chief Executive has issued an ICFR policy which requires the IAG Finance Committee to oversee ICFR throughout the Group and delegates responsibility to the relevant Group operating company Chief Financial Officers.

Refer to Corporate Governance section of the Annual Report and the Report of the Audit and Compliance Committee for further details about the responsibilities of the Board of Directors and the Audit and Compliance Committee in relation to ICFR.

The IAG Finance Committee sits quarterly and is chaired by the Group Chief Financial and Sustainability Officer and comprises the IAG Financial Controller and the Aer Lingus, British Airways, Iberia, Vueling, LEVEL, IAG Loyalty, IAG Transform and IAG Cargo Chief Financial Officers. The IAG Finance Committee supports senior management and the Audit and Compliance Committee by carrying out the following duties related to ICFR:

- 1 Maintain and approve the IAG ICFR policy including delegation of ICFR process ownership to operating company Chief Financial Officers and, where appropriate, to process owners;
- 2 review complex or judgemental accounting issues in the quarterly reports, emerging accounting issues, preparation for implementation of new accounting standards, in addition to the review of issues raised by the external auditors;
- 3 own the Group accounting policies and any changes thereto; and
- 4 coordinate and monitor ICFR framework implementation and maintenance.

Organisational structure

The Board is responsible for designating the Company's Chief Executive, the appointment and removal, at the proposal of the Chief Executive, of the Company's Management Team, approval of the appointment or removal of individuals to or from the boards of directors of the principal subsidiaries of the Group and the appointment of their chairmen and chief executives. Significant changes to the organisation structure are reviewed and approved by the Management Committee.

The authorised structure, including job descriptions defining staff responsibilities, is ultimately controlled by the Chief Executive and delegated to the Chief Executive Officers of Aer Lingus, British Airways, Iberia, Vueling, LEVEL, IAG Loyalty, IAG Transform and IAG Cargo. The organisation structure of the Company, Aer Lingus, British Airways, Iberia, Vueling, LEVEL, IAG Loyalty, IAG Transform and IAG Cargo is updated and reviewed on an ad hoc basis. In British Airways, Iberia, Vueling, LEVEL, IAG Loyalty, IAG Transform and IAG Cargo it is published on the respective intranet of each company. In Aer Lingus it is available from the Company Secretary.

Under the IAG ICFR policy, the IAG Chief Executive delegates responsibility for ICFR to the IAG Chief Financial and Sustainability Officer and the Chief Executive Officers of Aer Lingus, British Airways, Iberia, Vueling, LEVEL and IAG Loyalty. Whilst maintaining responsibility for ICFR, the Chief Executive Officers of Aer Lingus, British Airways, Iberia, Vueling, LEVEL and IAG Loyalty delegate day-to-day responsibilities to their Chief Financial Officers. The Chief Financial Officers are expected to delegate responsibility for ICFR for defined processes to named senior managers within their own organisations. The Group Accounting Policy Manual provides guidance on financial reporting.

Code of conduct

The IAG Code of Conduct sets out standards and behaviours expected from everyone who works within the Group. The Code provides guidance on individual decision making and how to report concerns, as well as setting out additional responsibilities for management across the Group to ensure the Code is available, understood and followed by staff. The Code is approved by the Board and is cascaded down into all IAG operating companies and is available on the intranet of each operating company.

IAG has in place one independent whistleblower tool, providing a whistleblower channel for each operating company which allows the investigation of Code of Conduct and Group standards breaches. When making the report, the whistleblower identifies the appropriate Group company, and each report is sent to the relevant Compliance team.

The Compliance team will allocate to the most appropriate report investigator. If any individual is named/role identified in the report that would remove independence in the investigation, the report will either be escalated or redirected to the next most appropriate area.

Investigations are supported by investigation frameworks within each operating company, allowing independence to be maintained into identified breaches.

Training for personnel involved in preparing and reviewing financial information or evaluating ICFR

IAG staff have individual development discussions which identify their technical and/or professional training needs. Basic finance training is delivered through eLearning modules or classroom based, depending on the operating company. Specific training on airline finance basics and interpreting the Company's consolidated accounts is also available.

IAG and British Airways offer study leave, financial support and appropriate work experience to staff studying for accounting qualifications, including the Institute of Chartered Accountants, in England and Wales, the Chartered Institute of Management Accountants, and the Association of Chartered Certified Accountants.

Relevant company financial reporting staff received technical accounting update training in 2025. Members of the IAG Internal Audit team have received on average a day of ICFR training in 2025.

Financial statement risk assessment and scoping

The Group's Enterprise Risk Management (ERM) process assesses and identifies key risks and existing risk mitigations, including internal controls, that are assessed to be in place and effective as mitigations. In addition, to future plans and initiatives to further mitigate the risk. The key risks are categorised into strategic, business and operational, financial including tax, compliance and regulatory. Refer to Risk Management and Principal Risk Factors section of the Annual Report for further details.

The financial statement risk assessment process identifies the key underlying business processes and covers the financial reporting objectives.

The financial reporting risk assessment is the responsibility of the IAG Finance Committee and is updated and documented annually. The assessment provides management with a mechanism for the identification of risks and associated controls relevant to the preparation of the financial report. The risk assessment has three main elements which are reviewed annually by the IAG Finance Committee:

- 1 A high-level assessment of key risks to the financial statements focusing on judgmental areas and those susceptible to error;
- 2 Identification of the key underlying business processes through a quantitative and qualitative risk assessment of the financial statements of material subsidiaries; and
- 3 Fraud risk at the Company level is most significant in individual projects, acquisitions and disposals. This fraud risk is managed through the individual projects which are staffed with senior professionals from appropriate departments, including finance, and external or independent advisors including leading law firms and consultants.

The IAG Internal Controls team reports to the Group Financial Controller and reviews financial processes and control documentation across the Group and supports process owners to ensure they have designed effective controls. The Board has ultimate responsibility for risk management and internal control, including determination of the nature and extent of the principal risks it is willing to take to achieve its strategic objectives.

Scope of consolidation

A consolidation process is used at the Company and changes are determined based on developments in the corporate structure during the year. The Company, Aer Lingus, British Airways, Iberia, Vueling, LEVEL, IAG Loyalty, IAG Transform and IAG Cargo maintain consolidation hierarchies in their respective systems. These hierarchies are subject to access and change controls to ensure their continued integrity. The finance function is informed by the legal department of new or acquired entities in order to identify the scope of the consolidation.

The scope of the consolidation is addressed in two ways. Firstly, the establishment of any Special Purpose Vehicles (SPVs) will need to be reviewed by the Audit and Compliance Committee and is required to be approved by the Board as a board-reserved matter. This Committee will confirm the requirement for the SPV and its governance. The determination of which entities will be consolidated is considered at the Company, Aer Lingus, British Airways, Iberia, Vueling and LEVEL group levels. The consolidation hierarchy is reviewed when changes in ownership structure arise, and new entities are incorporated or acquired. Any changes to the consolidation scope are presented and discussed at the Management Committee and the Audit and Compliance Committee meetings.

Control activities

Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets for each type of transaction that may materially affect the financial statements

The Management Committee reviews the financial performance of the Group on a monthly basis, comparing performance with the prior year and the most recent forecast. Each quarter, the performance for the quarter and the forecast for the financial year are analysed including a comparison with the prior year and previous forecast. Movements in key performance indicators such as unit revenue and unit cost are analysed together with the impact of foreign exchange and fuel costs. The analysis is carried out on the Group's main operating companies, Aer Lingus, British Airways, Iberia, LEVEL, Vueling and IAG Loyalty. Consistency of these management accounts with the published quarterly interim results leads to a high degree of confidence in the integrity of the published accounts.

The quarterly consolidation process is managed to a pre-agreed timetable and includes reviews and sign offs at key stages in the process. Within each entity, the finance and accounting departments consolidate, review and approve the financial information. The consolidated financial information is reviewed by the chief financial officer of each operating company, prior to submission to IAG. These reviews will ensure that all material business risks have been properly recorded in the financial statements, confirm the accounting treatment of judgmental areas and ensure the proper application of new accounting standards and guidance notes. The Audit and Compliance Committee reviews the consolidated accounts every quarter. The Committee also reviews and agrees to all key judgements and changes to accounting policies and treatments as relevant.

The IAG Head of Group Technical Accounting reports to the Group Financial Controller and is assigned with the definition and update of accounting policies and resolving doubts or conflicts arising from their interpretations, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the operating companies.

The Company consolidation process involves a critical review of all submissions from operating companies, including those of Aer Lingus, British Airways, Iberia, Vueling, LEVEL and IAG Loyalty. For specialist areas, such as treasury, consolidated information is reviewed by subject specialists to identify anomalies, inconsistencies with management accounting information, and any inconsistent interpretation of instructions within the Group. The final accounts are reviewed by the Group Financial Controller together with the IAG Chief Financial and Sustainability Officer before submission to the Audit and Compliance Committee. A peer review is also carried out by an experienced finance manager who has not been involved in the latter stages of the consolidation process.

Critical judgements, estimates, evaluations and projections are, as far as possible reviewed in advance of the year-end close process. Where appropriate, management obtains the support of internal or external specialists to conclude on any of these matters.

The scope of ICFR in the Group has been based on the material subsidiaries being Aer Lingus, British Airways, Iberia, Vueling, LEVEL and IAG Loyalty and processes performed by IAG Transform and IAG Cargo on behalf of the material subsidiaries. The scope of ICFR also includes the Company for Entity Level Controls and the Financial Statement Close Process. The Group ICFR model contains a Finance Risk and Control Matrix that includes entity level controls, IT general controls and 19 main business processes considered relevant to the preparation of the financial statements. The processes are listed below.

- 1 Financial Statement Close Process
- 2 Passenger Sales – Ticket Sales
- 3 Passenger Sales – Travel
- 4 Passenger Sales – Billing/Interline Billing
- 5 Cargo Sales
- 6 Alliance Partner Arrangements
- 7 Other Revenue
- 8 Buying Goods and Services
- 9 Buying Goods and Services - User charges
- 10 Payroll
- 11 Fixed Assets – Aircraft
- 12 Fixed Assets – Ground Assets
- 13 Fixed Assets – Engines and Engine Parts
- 14 Fixed & Current Asset Inventory – Engineering
- 15 Debtors & Invoicing
- 16 Fuel
- 17 Loyalty
- 18 Treasury
- 19 Tax

The design, implementation and maintenance of appropriate systems of ICFR is primarily the responsibility of management with process ownership identified and communicated to the operating companies via the IAG ICFR Policy. Business process owners are also responsible for the documentation of processes and sub-processes and can call on the support of the IAG Internal Controls Team.

ICFR controls including 766 key controls have been defined across the 19 business processes and IT general controls in order to provide reasonable assurance as to the reliability of the financial information disclosed to the markets. Such controls can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. As a result of differences in business processes across the material subsidiaries not all controls are required in all material subsidiaries.

Internal control policies and procedures for IT systems giving support to key company processes regarding the preparation and publication of financial information

The Company has established the Baseline Information Security Standard which applies to all operating companies across the Group. The IAG Chief Information Security Officer is responsible for leading, managing and coordinating the dissemination and implementation of good information security practice throughout IAG. Information is protected based on its value, confidentiality, criticality to the company, and the risk of loss or compromise.

The Standard requires that all personnel working for the Group shall be organised in such a way as to minimise the risk of unauthorised changes to information, error, theft or fraud.

The IAG Chief Information Security Officer, together with the operating companies IT management, manages and supports all IT systems under the guidance of the IAG Chief Transformation and Procurement Officer whether these are based close to the business or are managed centrally on a Group basis. These systems are managed in accordance with the IAG Information Security Standard which is grouped under the following areas:

- 1 Cyber Security Office
- 2 Information Security Awareness and Training
- 3 Segregation of Duties
- 4 Privileged Access Management
- 5 Access Control
- 6 Application Programming Interfaces (APIs) Management
- 7 Physical Security
- 8 Password Management
- 9 Logging and Monitoring
- 10 Network Services
- 11 Security Patching and Virus Protection
- 12 Adherence to Change Control Procedures
- 13 Management of Information Security Incidents
- 14 Cyber Security Aspects of Business Continuity (BC)
- 15 Information Security Aspects of IT Service Continuity Management (ITSCM)
- 16 Information Security Aspects of Disaster Recovery (DR)
- 17 Information Security Aspects of Crisis Management (CM) Planning
- 18 Backups and Storage

- 19 Compliance with Legal Requirements
- 20 Compliance with the Data Protection Legislation
- 21 Compliance with Payment Card Industry (PCI) Standards
- 22 Technical Vulnerability Management
- 23 Supplier assurance and audit

The Group IT General Controls (ITGCs) are aligned with the IAG Information Security Standard. There are 19 key ITGCs supporting the financial reporting processes. All systems used by the Group including those related to financial reporting must comply with the IAG Information Security Standard as it provides clear direction concerning expectations for internal controls that are required to cover the inherent risks over the following four IT system management areas:

- 1 IT environment
 - a The IT organisational structure and description of responsibilities
 - b IT systems architecture and infrastructure
- 2 b) Secure access
 - a Access to system is managed via clear segregation of duties
 - b Application owners are responsible to keep their systems free of unauthorised and inappropriate users and access
 - c Users will only have access to data and functionality required to carry out the tasks assigned to them by the Group
 - d Logical access controls include procedures for adding, changing and deleting users
 - e Restriction of privileged access rights to application support teams
 - f Requirement to have personalised credentials for each user accessing the application
 - g Password settings are configured appropriate to prevent unauthorised access to systems
 - h Physical access control including restricting access to computer facilities to authorised individuals
- 3 System Development and Change Management
 - a Control of changes and testing of changes
 - b Approval and authorisation of changes
 - c Release management
- 4 Systems Operations
 - a Management of back-up files
 - b Incident management
 - c Management of job scheduling
 - d Management of external partners and third parties
 - e Disaster contingency and recovery plans for IT systems

Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements

For outsourced processes, Service Level Agreements (SLAs) are contractually defined and documented through Statements of Work (SOWs), executed under the relevant Master Services Agreements with third party vendors. Aer Lingus, British Airways, Vueling and IAG Cargo have outsourced selected finance process activities either with WNS or Capita. The IAG GBS Finance Services team provides central coordination and contractual support for these outsourced arrangements. This includes SOW and SLA documentation management and ad hoc contractual support or any other support as requested by the parties. For a defined subset of contracts, this support is limited to contract management only, and for the others, formal service management activities, such as structured service reviews or SLA performance governance.

When the Group outsources relevant processes for the preparation of financial information to an independent expert, it ensures the professional's technical and legal competence. The Group has identified six processes outsourced to independent experts relevant to financial reporting.

- 1 British Airways and IAG Loyalty outsource the derivation of pension scheme valuation and accounting, and the proposed accounting treatment is subject to review and challenge by an in-house qualified accountant;
- 2 Iberia values the obligations to employees and restructuring plan costs by actuarial studies made by independent experts;
- 3 The Group outsources the valuation of assets and liabilities as a part of business combinations;
- 4 Aer Lingus outsources the valuation of pension scheme assets and liabilities; and
- 5 IAG Loyalty places reliance on modelling from actuaries to determine assumptions used to calculate the deferred loyalty scheme balances.

Mechanisms for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR

The Group Financial Reporting department issues reporting instructions at each quarter end. These instructions establish a timetable for key closing activities such as agreeing intragroup balances, submitting the main accounting results and detailed disclosures. Assumptions to be used for accounting tests such as Weighted Average Cost of Capital and percentage sensitivities on derivative transactions are determined centrally and included in the instructions. The format of information to be submitted and the entities expected to submit the information is determined within the consolidation system which includes validation tests for completeness and internal consistency.

Disclosures relating to ICFR are validated by senior accounting professionals identified by the chief financial officers of IAG, Aer Lingus, British Airways, Iberia, Vueling, LEVEL and IAG Loyalty.

ICFR Monitoring

The IAG Audit and Compliance Committee reviews all disclosures relating to ICFR and validates the Group's approach to complying with the CNMV's ICFR recommendations. In this respect the Audit and Compliance Committee also ensures that the Group's approach meets both the CNMV's ICFR recommendations and the requirements of the UK Corporate Governance Code.

The Group's ICFR includes the Company, Aer Lingus, British Airways, Iberia, Vueling, LEVEL, IAG Loyalty and IAG Transform and covers processes performed by IAG Transform and IAG Cargo on behalf of the operating companies. The Audit and Compliance Committee is supported by the Internal Audit department.

The Internal Audit Department adopts a risk-based approach to planning which incorporates financial risk factors.

The results of audits are discussed at the Aer Lingus, British Airways, Iberia, Vueling, LEVEL and IAG Loyalty Boards of Directors or Management Committees, and the IAG Audit and Compliance Committee. The implementation of actions to address weaknesses identified by Internal Audit are tracked and followed up.

ICFR 2025 Scope and Results

Entity Level Controls, ITGCs and 19 business processes have been identified as having a major impact on financial reporting for 2025. There are 10 processes in scope for Aer Lingus, 17 processes in scope for British Airways, 19 processes in scope for Iberia, 10 processes in scope for Vueling, 4 processes in scope for IAG Loyalty and 2 processes in scope for IAG.

Across the entities and business processes identified, the 766 key controls are made up of 595 business process key controls and 171 key IT general controls.

All in scope processes and key ITGCs have been tested. No material weaknesses were detected. A total of six substantial weaknesses and 172 weaknesses were detected. Action plans were put in place with process owners to address each of these internal control weaknesses, tracked by Internal Audit and monitored by the Audit and Compliance Committee.

Relationship with Financial Analysts, Investment Banks and Credit Rating Agencies

Relationships with financial analysts, investment banks and rating agencies do not offer special characteristics that require a distinct treatment and therefore the Company does not have specific mechanisms in place to preserve their independence.

In accordance with Recommendation 4 of the Spanish Corporate Governance Code, the Board of Directors approved in October 2023 a "Policy regarding disclosure of corporate information and engagement with shareholders", which amended the initial policy approved in January 2016, and which is available on the corporate website. This policy sets out the principles governing relations with these stakeholders, which include ensuring that relevant information for shareholders, investors and the market in general is reported in a transparent and equitable manner and in accordance with the provisions of applicable market abuse regulations.



International Consolidated Airlines Group, S.A.

**Auditor's report on the "Internal
Control over Financial Reporting
(ICOFR) Information of International
Consolidated Airlines Group, S.A. for
2025**



International Consolidated Airlines Group, S.A.

**Auditor's report on the "Internal
Control over Financial Reporting
(ICOFR) Information of International
Consolidated Airlines Group, S.A. for
2025**



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Auditor's report on the “Internal Control over Financial Reporting (ICOFR) Information” of International Consolidated Airlines Group, S.A. for 2025

To the Directors of International Consolidated Airlines Group, S.A.

As requested by the Board of Directors of International Consolidated Airlines Group, S.A. (the “Company”) and in accordance with our proposal letter dated 4 December 2025, we have applied certain procedures to the “Appendix of the Annual Report, Internal Control Over Financial Reporting (ICOFR)” attached hereto in the Annual Corporate Governance Report (ACGR) of International Consolidated Airlines Group, S.A. for 2025, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the ICOFR information attached hereto.

In this respect it should be borne in mind that, irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the financial statements and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's financial statements. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report concerning the system of Internal Control over Financial Reporting in Listed Companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Company's annual financial reporting for 2025 described in the ICOFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



As this special work did not constitute an audit of accounts and is not subject to current legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

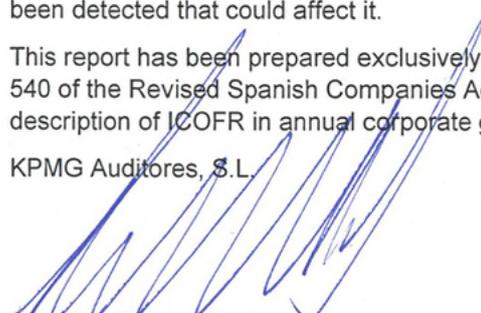
The procedures applied were as follows:

1. Reading and understanding of the information prepared by the entity regarding ICOFR – disclosures included in the management report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, regarding the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent of these being CNMV Circular 3/2021 of 28 September 2021 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the entity.
3. Review of the explanatory documents supporting the information detailed in point 1 above, including documents directly made available to those responsible for describing ICOFR systems. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the Audit and Compliance Committee.
4. Comparison of the information detailed in point 1 above with the understanding of the entity's ICOFR obtained as a result of the procedures performed within the framework of the audit work on the financial statements.
5. Reading of the minutes of the meetings of the board of directors, Audit and Compliance Committee and other committees of the entity for the purposes of assessing the consistency of the matters discussed at these meetings in relation to ICOFR with the information detailed in point 1 above.
6. Obtaining a representation letter in connection with the work performed, signed by those responsible for preparing and approving the information detailed in point 1 above.

As a result of the procedures applied to the ICOFR information, no inconsistencies or incidents have been detected that could affect it.

This report has been prepared exclusively within the context of the requirements laid down in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

KPMG Auditores, S.L.



Bernardo Rücker-Embden

3 March 2026

STATISTICAL ANNEX TO THE ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE

2025/12/31

TAX ID (CIF)

A-85845535

Company name:

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

Registered office:

El Caserío, Iberia Zona Industrial, nº 2 (La Muñoza), Camino de la Muñoza, s/n, 28042 Madrid

A OWNERSHIP STRUCTURE

A1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

No

Yes

Indicate whether the company has awarded votes for loyalty:

No

Yes

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
October 28, 2025	472,720,114.70	4,727,201,147	4,727,201,147	-	4,727,201,147

Number of shares registered in the special register pending the expiry of the loyalty period

N/A

Indicate whether there are different classes of shares with different associated rights:

Yes No

A.2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Qatar Airways (Q.C.S.C.)	24.96	-	-	-	24.96	-	-
Capital Research and Management Company		5.03	-		5.03	-	-
Europacific Growth Fund	3.04				3.04		
BlackRock Inc.		2.88		0.56	3.44		

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
					Direct	Indirect
Capital Research and Management Company	Collective investment institutions managed by Capital Research and Management Company	5.03		5.03	-	-
BlackRock Inc.		2.88	0.56	3.44		

A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A.2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote		
	Direct	Indirect	Direct	Indirect		Direct	Indirect	
Javier Ferrán	0.020	-	-	-	0.020	-	-	
Luis Gallego	0.030	-	-	-	0.030	-	-	
Total percentage of voting rights held by the Board of Directors							0.05	

A.7 Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

No

A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

No

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
162,175,275	-	3.43

A.11 Estimated float:

	%
Estimated float	63.65

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

No

B GENERAL SHAREHOLDERS' MEETING

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of general meeting	Attendance data				
	% physical presence	% present by proxy	% distance voting		Total
			Electronic voting	Other	
June 15, 2023	1.96	42.09	0.04	2.75	46.84
Of which floating capital	1.13	39.66	0.04	2.75	43.58
June 26, 2024	1.16	44.69	0.08	4.01	49.94
Of which floating capital	0.10	42.27	0.08	4.01	46.45
June 19, 2025	2.58	55.03	0.03	0.17	57.81
Of which floating capital	0.05	47.21	0.03	0.17	47.46

B.5 Indicate whether there has been any item on the agenda at the general meetings held during the year that has not been approved by the shareholders.

No

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

No

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation:

Maximum number of directors	14
Minimum number of directors	9
Number of directors set by the general meeting	11

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure
Javier Ferrán	-	Independent	President	June 20, 2019	June 19, 2025	Vote at the Shareholders' Meeting
Luis Gallego	-	Executive	Chief Executive	September 8, 2020	June 19, 2025	Vote at the Shareholders' Meeting
Eva Castillo	-	Independent	Director	December 31, 2020	June 19, 2025	Vote at the Shareholders' Meeting
Margaret Ewing	-	Independent	Director	June 20, 2019	June 19, 2025	Vote at the Shareholders' Meeting
Maurice Lam	-	Independent	Director	June 17, 2021	June 19, 2025	Vote at the Shareholders' Meeting
Bruno Matheu	-	Proprietary	Director	June 26, 2024	June 19, 2025	Vote at the Shareholders' Meeting
Simone Menne	-	Independent	Director	June 19, 2025	June 19, 2025	Vote at the Shareholders' Meeting
Heather Ann McSharry	-	Independent	Director	December 31, 2020	June 19, 2025	Vote at the Shareholders' Meeting
Robin Phillips	-	Proprietary	Director	September 8, 2020	June 19, 2025	Vote at the Shareholders' Meeting
Päivi Rekonen	-	Independent	Director	June 19, 2025	June 19, 2025	Vote at the Shareholders' Meeting
Nicola Shaw	-	Independent	Director	January 1, 2018	June 19, 2025	Vote at the Shareholders' Meeting

Total number of directors	11
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
Peggy Bruzelius	Independent	June 26, 2024	June 19, 2025	Nominations and Audit and Compliance Committee	No
Emilio Saracho	Independent	June 26, 2024	June 19, 2025	Remuneration and Environment and Corporate Responsibility Committee.	No

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organisation chart of the company	Profile
Luis Gallego	Chief Executive	Key areas of experience: Airline industry, general management. Current external appointments: Member of the Board of Governors and chair of IATA Board. Previous relevant experience: Chairman and CEO, Iberia 2013-2020. CEO, Iberia Express 2012-2013. Chief Operating Officer, Vueling 2009-2012. Founder of Clickair 2006-2009.
Total number of executive directors		1
Percentage of Board		9.09

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Bruno Matheu	Qatar Airways Group (Q.C.S.C)	Key areas of experience: Airline industry and transportation, marketing. Current external appointments: Founder and President, BLM Consulting. Senior Advisor Boston Consulting Group. Board member, Transat A.T.inc. Previous relevant experience: CEO, Airline Equity Partners - Etihad Aviation Group, 2014-2017. Member of the boards of Virgin Australia and Air Seychelles, 2014-2017. Chief Officer Long-Haul Business Unit, Air France, 2013-2014. EVP Marketing, Revenue Management & Network, Air France - KLM, 2004-2012. Member of the Group Executive Committees Air France - KLM, 2004-2012. Chairman, Commercial Committee Air France - KLM, 2004-2012. Co-Chairman, Joint Ventures with Delta Airlines, China Eastern and China Southern, 2004-2012. Non-executive director, Air France, Alitalia, CityJet, Amadeus, Ecole Centrale, 2004-2012.
Robin Phillips	Qatar Airways Group (Q.C.S.C)	Key areas of experience: Finance, airline industry and transportation. Current external appointments: Chairman, Development Funding Board, Pancreatic Cancer UK. Senior Advisor, Circadence Corporation (US). Board member, IR Scientific (Canada). Previous relevant experience: Global Head/Co-Head of Corporate and Investment Banking, Head of Global Banking and Markets (Hong Kong), Group Head Climate Committee, Head of Global Industries Group, Head of Transport, Services and Infrastructure, HSBC 2003-2019. Global Co-Head of Transport & Infrastructure Group, Citigroup 1999-2003. Executive Director, Transportation and Aviation Investment Banking, UBS Warburg 1992-1999. Assistant Director, Capital Markets, Kleinwort Benson 1985-1991.
Total number of proprietary directors		2
Percentage of Board		18.18

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
Javier Ferrán	<p>Key areas of experience: Consumer, finance, sales/marketing, governance.</p> <p>Current external appointments: Chairman, Casa Optima SPA. Managing Partner, Terlos LLP.</p> <p>Previous relevant experience: Chairman, Diageo Plc. 2017-2025. Non-executive director, Coca Cola European Partners Plc 2016-2020. Chairman of Supervisory Board, Picard Surgelés 2010-2020. Member, International Advisory Board ESADE 2005-2019. Non-executive director, Associated British Foods plc 2005-2018. Non-executive director, Desigual SA. 2014-2017. Non-executive director, SABMiller plc 2015-2016. Vice Chairman, William Grants & Sons Limited 2005-2014. Non-executive director, Louis Dreyfus Holdings BV 2013-2014. Non-executive director, Abbott Group 2005-2008. Non-executive director, Chupa Chups SA 2000-2003. Partner, Lion Capital LLC 2005-2018. President EMEA, President and CEO, Bacardi Group 1992-2004.</p>
Eva Castillo	<p>Key areas of experience: Financial sector, telecoms sector.</p> <p>Current external appointments: Trustee of the Council for Economy of the Holy See (Vatican), trustee of the Board of the Comillas ICAI Foundation. Member of Entreculturas Foundation. Member of Advantere School of Management. Member of the advisory board of NTT Data Spain S.L.U.</p> <p>Previous relevant experience: Non-executive director, Caixabank 2012-2025. Non-executive director, Zardoya Otis 2019-2022. Non-executive director, Bankia 2012-2021. Chair, Telefónica Deutschland AG 2012-2018. Non-executive director, Telefónica, S.A. 2008-2018. Non-executive director, Visa Europe Plc 2014-2017. President and CEO, Telefónica Europe 2012-2014. Non-executive director, Old Mutual Plc 2011-2013. President and CEO, Merrill Lynch Capital Markets, Spain 1999-2006. President and CEO, Merrill Lynch, Wealth Management EMEA 2006-2009.</p>
Margaret Ewing	<p>Key areas of experience: Professional services, financial accounting, corporate finance, strategic and capital planning, corporate governance, risk management.</p> <p>Current external appointments: Senior independent director and chair of the Audit and Risk Committee, ConvaTec Group Plc. Non-executive director and chair of the Audit and Risk Committee, ITV Plc.</p> <p>Previous relevant experience: Trustee and Chairman of the Finance and Audit Committee, Great Ormond Street Hospital Children's Charity 2015-2020. Non-executive director, Standard Chartered Plc 2012-2014. Independent external member of the Audit and Risk Committee, John Lewis Partnership Plc 2012-2014. Non-executive director, Whitbread Plc 2005-2007. Vice Chairman, Managing Partner, Public Policy, Quality and Risk and London Practice Senior Partner, Deloitte LLP 2007-2012. Director, Finance, BAA Ltd 2006 and Chief Financial Officer, BAA PLC 2002-2006. Group Finance Director, Trinity Mirror PLC 2000-2002. Partner, Corporate Finance, Deloitte & Touche LLP 1987-1999.</p>
Maurice Lam	<p>Key areas of experience: Professional services, financial accounting, audit and compliance in the banking industry.</p> <p>Current external appointments: Independent director, chairman of the Audit Committee and member of the Board Risk Committee, Bank of China (Europe) S.A. Independent director and chairman of the Audit & Compliance Committee of Banque Internationale à Luxembourg S.A.</p> <p>Previous relevant experience: Independent director, chairman of the Audit Committee and member of the Board Risk Committee of Quintet Private Bank (Europe) S.A. 2015-2020. Member of the board of directors of LuxConnect S.A., a Luxembourg state-owned company, acting as a business enabler in the ICT market 2013-2016. Independent director, Generali Fund Management S.A. 2013. Deloitte Luxembourg, Managing partner and CEO, 2000-2010, Head of audit 1993-2000, Audit Partner, Financial Services 1988-1993; Deloitte & Touche UK 1979-1985.</p>
Heather Ann McSharry	<p>Key areas of experience: General management, pharmaceuticals/health care, financial services, consumer products, food and construction industry sectors, governance.</p> <p>Current external appointments: Non-executive director, chair of Nominations and Governance Committee, Jazz Pharmaceuticals Plc.</p> <p>Previous relevant experience: Non-executive director, CRH plc 2012-2021. Non-executive director, Greencore plc 2013-2021. Non-executive director, Uniphar Plc 2019-2020. Non-executive director, Bank of Ireland Plc 2007-2011. Chairman, Bank of Ireland Pension Fund Trustee Board 2011-2017. Managing Director, Reckitt Benckiser Ireland 2004-2009. Managing Director, Boots Healthcare Ireland 1998-2004.</p>

Name or company name of director	Profile
Simone Menne	<p>Key areas of experience: Airline industry, transportation, financial accounting, corporate finance, risk management and internal audit, technology, corporate governance, consumer goods and human resources.</p> <p>Current external appointments: Non-executive director, Siemens Energy. Non-executive director and Audit Committee chair, Henkel. Non-executive director, Russel Reynolds Associates.</p> <p>Previous relevant experience: Non-executive director, Johnson Controls International, 2019–2025. Non-executive Director, Deutsche Post 2014–2024. Non-executive director, BMW 2015–2021. Non-executive director, Springer Nature 2018–2020. Member of management, Boehringer Ingelheim GmbH 2016–2017. Member of the Management Board and executive vice president Finance and Aviation Services, Deutsche Lufthansa AG 2012–2016. Chief financial officer, British Midland Ltd 2010–2012. Head of finance and controlling, Lufthansa Technik AG 2004–2010. Head of finance and human resources Europe, Deutsche Lufthansa AG 2001–2004. Head of finance and human resources Southwestern Europe, Deutsche Lufthansa AG 1999–2001. Managing director, Lufthansa Revenue Services GmbH 1989–1999. Various functions, Deutsche Lufthansa AG, including head of EDP and user services, head of accounting West Africa, Auditing 1987–1997.</p>
Päivi Rekonen	<p>Key areas of experience: Technology innovation, digital transformation, strategic planning, governance, international market expansion.</p> <p>Current external appointments: Non-executive director, Wipro Limited. Chair of the Board of Directors, Amina Bank AG. Non-executive director, Konecranes Plc. Member of the Supervisory Board and member of the Foundation, IMD Business School.</p> <p>Previous relevant experience: Non-executive director, WithSecure Plc 2017–2024. Non-executive director, Efecte 2018–2023. Non-executive director, Alma Media Plc 2018–2021. Managing director, UBS 2014–2018. Senior vice president and global head of Group Strategy and Digital Marketing, Adecco Group 2011–2012. Managing director and global head, Corporate IT Services Solutions, Credit Suisse Group, 2007–2009. General manager and head, Strategy, Internet Business Solutions Group, and previously other senior positions, Cisco Systems 1998–2007. Head, Competence & Human Resources Development, Greater China and previously other senior positions. Nokia 1990–1998.</p>
Nicola Shaw	<p>Key areas of experience: Transport sector, public policy and regulatory affairs, consumer, safety and environment operational management.</p> <p>Current external appointments: CEO, Yorkshire Water.</p> <p>Previous relevant experience: Executive Director, National Grid plc 2016-2021. Non-Executive Director Ellevio AB 2015–2017. CEO, HS1 Ltd 2011–2016. Non-Executive Director, Aer Lingus Plc 2010–2015. Director and previously other senior positions FirstGroup plc 2005–2010. Director of Operations and other management positions at the Strategic Rail Authority 2002–2005. Deputy Director and Deputy Chief Economist, Office of the Rail Regulator 1999–2002.</p>

Total number of independent directors	8
Percentage of Board	72.73

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

No

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year 2025	Year 2024	Year 2023	Year 2022	Year 2025	Year 2024	Year 2023	Year 2022
Executive	-	-	-	-	-	-	-	-
Proprietary	-	-	-	-	-	-	-	-
Independent	6	5	5	5	75	62.5	62.5	62.5
Other External	-	-	-	-	-	-	-	-
Total:	6	5	5	5	54.54	45.45	45.45	45.45

C.1.11 List the positions of director, administrator or representative thereof in other entities, whether or not they are listed companies, held by directors or representatives of directors who are members of the company's board of directors:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Javier Ferrán	Casa Optima SPA	Chairman
Javier Ferrán	Terlos LLP	Managing Partner
Luis Gallego	IATA	Chairman
Margaret Ewing	ConvaTec Group Plc.	Director
Margaret Ewing	ITV Plc.	Director
Maurice Lam	Bank of China (Europe) S.A.	Director
Maurice Lam	Banque Internationale à Luxembourg S.A.	Director
Bruno Matheu	Transat A.T.inc	Director
Heather Ann McSharry	Jazz Pharmaceuticals plc	Director
Simone Menne	Siemens Energy	Director
Simone Menne	Henkel	Director
Simone Menne	Russel Reynolds	Director
Robin Phillips	IR - Scientific (Canada)	Director
Robin Phillips	Pancreatic Cancer UK	Chairman
Päivi Rekonen	Wipro Limited	Director
Päivi Rekonen	Amina Bank AG	Chairman
Päivi Rekonen	Konecranes plc	Director
Nicola Shaw	Yorkshire Water	CEO

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Eva Castillo	Member of the advisory board, NTT Data Spain S.L.U.
Maurice Lam	Lam & Partners Sàrl
Bruno Matheu	BLM Consulting
Bruno Matheu	Senior Advisor, Boston Consulting Group
Robin Phillips	Senior Advisor, Circadence Corporation (US)

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes

In any event, prior consent from the Nominations Committee is required before a director can accept any external directorship or other significant appointment that might affect the time they are able to devote to the role as a director of the Company.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	4,864
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	
Pension rights accumulated by former directors (thousands of euros)	1,464

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)	
Nicholas Cadbury	Chief Financial and Sustainability Officer	
Adam Daniels	Chairman and CEO IAG Loyalty	
Sean Doyle	Chairman and CEO British Airways	
Lynne Embleton	Chairman and CEO Aer Lingus	
Sarah Clements	General Counsel	
Carolina Martinoli	Chairman and CEO Vueling	
Julio Rodriguez	Chief Commercial Strategy Officer	
Jorge Saco	Chief Transformation and Procurement Officer	
Marco Sansavini	Chairman and CEO Iberia	
Jonathan Sullivan	Chief Corporate Development Officer	
Number of women in senior management		3
Percentage of total senior management		27.27
Total remuneration of senior management (thousands of euros)		38,938

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

No

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	8
Number of board meetings held without the chairman's presence	-

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director.

Number of meetings	8
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Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the audit committee	5
Number of meetings held by the nomination committee	4
Number of meetings held by the remuneration committee	5
Number of meetings held by the environment, and corporate responsibility committee	3

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of the directors were present in person	8
Attendance in person as a % of total votes during the year	96.67
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	7
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	98.89

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Luis Gallego	Chief Executive
Nicholas Cadbury	Chief Financial and Sustainability Officer

C.1.29 Is the secretary of the Board also a director?

No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Álvaro López-Jorrín	N/A

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

No

If there were any disagreements with the outgoing auditor, explain their content:

No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	1,148	1,170	2,318
Amount invoiced for non-audit work/Amount for audit work (in %)	61.00	19.00	22.00

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	5	5

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	33.33	33.33

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes

Details of the procedure

As set forth in Article 10 of the Board Regulations, call notices for Board meetings should be sent sufficiently in advance to ensure directors receive them, and no later than seven days before the date of the meeting. The call notice should always include, save for justified cause, the meeting agenda as well as any information deemed necessary. In addition to this, the Board Secretary also reminds directors that if they have any doubt or question regarding any item on the agenda or any explanatory paper, they can send their queries to the Group General Counsel or the Board Secretary so that the management team can prepare the appropriate answers or explanations as soon as possible. In general, all Board and committee meeting documents are available to all directors, including the draft minutes of the previous meetings, through an online platform which facilitates an efficient and secure access to all materials. Directors have access to all documentation relating to both the Board and each of the Board's committees, regardless of whether or not they are members.

All directors have access to the advice of the Board Secretary and the Group General Counsel. Directors may take independent legal, accounting, technical, financial, commercial or other expert advice at the Company's expense when it is judged necessary in order to discharge their responsibilities effectively. This is regulated in article 27 of the Board of Directors' Regulations.

Directors are offered the possibility to update and refresh their knowledge of the business and any technical related matter on an ongoing basis to enable them to continue fulfilling their responsibilities effectively. Directors are consulted about their training and development needs and given the opportunity to discuss training and development matters as part of the Board annual performance evaluation.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	0
Type of beneficiary	Description of the agreement
	There are no agreements executed between the Company and its directors, executives or employees that provide for compensation upon termination of employment. IAG standard employment agreements (most of them subject to UK law) provide only for payments in lieu of notice. The applicable period of notice required from the executive directors and senior executives is six months; the period of notice required from the Company is 12 months. Where the Company makes a payment in lieu of notice, a lump sum in lieu of six months' basic salary is payable within 28 days of the date of termination of employment. A payment in respect of basic salary for the second six months period only becomes payable if, in the Company's reasonable opinion, the executive directors and senior executives have taken reasonable steps to find alternative paid work and then only in six monthly instalments. The Company may reduce the sum payable in respect of any month by any amount earned by the executive directors and senior executives (including salary and benefits) referable to work done in that month.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of directors	General shareholders' meeting
Body authorising the clauses	X	
	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	X	

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT COMMITTEE

Name	Position	Current
Eva Castillo	Chair	Independent
Margaret Ewing	Member	Independent
Maurice Lam	Member	Independent
Simone Menne	Member	Independent

% of independent directors **100**

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	Eva Castillo /Margaret Ewing / Maurice Lam / Simone Menne
Date of appointment of the chairperson	August 1, 2024

NOMINATION COMMITTEE

Name	Position	Current
Javier Ferrán	Chairman	Independent
Margaret Ewing	Member	Independent
Heather Ann McSharry	Member	Independent
Päivi Rekonen	Member	Independent

% of independent directors **100**

REMUNERATION COMMITTEE

Name	Position	Current
Heather Anne McSharry	Chairman	Independent
Eva Castillo	Member	Independent
Simone Menne	Member	Independent
Nicola Shaw	Member	Independent

% of independent directors **100**

ENVIRONMENT AND CORPORATE RESPONSIBILITY COMMITTEE

Name	Position	Current
Nicola Shaw	Chair	Independent
Maurice Lam	Member	Independent
Bruno Matheu	Member	Proprietary
Robin Phillips	Member	Proprietary
Päivi Rekonen	Member	Independent

% of proprietary directors **40**

% of independent directors **60**

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year 2025		Year 2024		Year 2023		Year 2022	
Audit and Compliance Committee	3	75.00	3	75.00	3	75.00	3	75.00
Nominations committee	3	75.00	3	75.00	3	60.00	3	60.00
Remuneration committee	4	100	3	75.00	3	75.00	3	75.00
Environment and Corporate Responsibility committee	2	40.00	1	20.00	1	20.00	1	20.00

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

D2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. If the responsibility has been with the General Meeting (GM), indicate if the proposed resolution has been approved by the board without a vote against of the majority of the independents directors:

Name or company name of the shareholder or any of its subsidiaries	Shareholding	Name or company name of the company or entity within its group	Nature of the relationship	Type of operation and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the GM, if applicable, has been approved by the board without a vote against the majority of independents
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Purchase of ground handling services	4,551	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Landing and airport infrastructure	53	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Catering services	15	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Purchase of procurement services	1,802	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Purchase of maintenance services	1,198	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Purchase of cargo capacity	62,948	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Purchase of interline services	5,499	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Purchase of airport lounge and counter services	1,707	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Payment for code sharing arrangements	54	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Net balancing of frequent flyer programmes	1,981	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Communication expenses	13	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Net balancing of frequent flyer programmes	502	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Purchase of maintenance services	191	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Payment for code sharing arrangements	823	Board of Directors	Qatar Airways proprietary directors	Yes

Name or company name of the shareholder or any of its subsidiaries	Shareholding	Name or company name of the company or entity within its group	Nature of the relationship	Type of operation and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the GM, if applicable, has been approved by the board without a vote against the majority of independents
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Purchase of handling services	3,295	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Selling cost marketing	7	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Sale of maintenance services	43	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Landing and airport infrastructure	28	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Vueling	Contractual	Purchase of ground handling services	81	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Aer Lingus	Contractual	Purchase of ground handling services	2,689	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	IAG Loyalty	Contractual	Purchase of interline services	92,366	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	IAG Loyalty	Contractual	Payment for code sharing arrangements	14,119	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Sale of maintenance services	3,272	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Sale of interline services and ancillaries	19,947	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Sale of airport lounge and counter services	1,956	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	British Airways	Contractual	Income for code sharing arrangements (including joint business agreements)	115,124	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Sale of maintenance services	2	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Sale of ground handling services	6,421	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Sale of airport lounge and counter services	1,101	Board of Directors	Qatar Airways proprietary directors	Yes

Name or company name of the shareholder or any of its subsidiaries	Shareholding	Name or company name of the company or entity within its group	Nature of the relationship	Type of operation and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the GM, if applicable, has been approved by the board without a vote against the majority of independents
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Revenue from other frequent flyer programme	75	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Income for code sharing arrangements	6,000	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Iberia	Contractual	Airport fees	288	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Vueling	Contractual	Sale of ground handling services	4,319	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	Aer Lingus	Contractual	Sale of ground handling services	331	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	IAG Loyalty	Contractual	Sale of interline services and ancillaries	28,367	Board of Directors	Qatar Airways proprietary directors	Yes
Qatar Airways (Q.C.S.C.)	24.96	IAG Loyalty	Contractual	Income for code sharing arrangements (including joint business agreements)	13,082	Board of Directors	Qatar Airways proprietary directors	Yes

D3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

N/A

D4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

N/A

D5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

N/A

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1 That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Explain

IAG considers that it does not comply with this recommendation because of the restrictions included in the Bylaws of the Company in relation to the ownership of shares. This is a partial non-compliance because these restrictions derive directly from the ownership and control restrictions set out in the applicable law or in the bilateral air transport treaties signed by Spain and the United Kingdom and are not simply determined discretionarily by the Company.

2 That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**
- b The mechanisms in place to resolve any conflicts of interest that may arise.**

Not applicable

3 That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a Changes that have occurred since the last General Shareholders' Meeting.**
- b Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.**

Complies

4 That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies

5 That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies

6 That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a Report on the auditor's independence.**
- b Reports on the workings of the audit and nomination and remuneration committees.**
- c Report by the audit committee on related party transactions.**

Complies

7 That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it

is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies

8 That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies

9 That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies

10 That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a Should immediately distribute such complementary points and new proposals for resolutions.**
- b Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.**
- c Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.**
- d That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.**

Not applicable

11 That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Not applicable

12 That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies

13 That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies

14 That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a Is concrete and verifiable;**
- b Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and**
- c Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.**

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies

15 That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies

16 That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a In large-cap companies where very few shareholdings are legally considered significant.
- b In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies

17 That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies

18 That companies should publish the following information on its directors on their website, and keep it up to date:

- a Professional profile and biography.
- b Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e Company shares and share options that they own.

Complies

19 That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Not applicable

20 That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies

21 That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies

22 That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of

an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented

Complies

23 That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies

24 That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies

25 That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies

26 That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies

27 That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies

28 That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies

29 That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies

30 That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies

31 That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies

32 That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies

33 That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies

34 That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Not applicable

35 That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies

36 That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a** The quality and efficiency of the Board of Directors' work.
- b** The workings and composition of its committees.
- c** Diversity in the composition and skills of the Board of Directors.
- d** Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e** Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies

37 That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Not applicable

38 That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Not applicable

39 That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies

40 That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies

41 That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies

42 That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1 With regard to information systems and internal control:

- a** Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable,

the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

- b** Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- c** Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d Generally ensuring that internal control policies and systems are effectively applied in practice.

2 With regard to the external auditor:

- a** In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b** Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c** Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d** Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e** Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies

43 That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies

44 That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies

45 That the risk management and control policy identify or determine, as a minimum:

- a** The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b** A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c** The level of risk that the company considers to be acceptable.
- d** Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- e** Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies

46 That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a** Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b** Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c** Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies

47 That in designating the members of the nomination and remuneration committee - or of the nomination committee and the remuneration committee if they are separate - care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies

48 That large-cap companies have separate nomination and remuneration committees.

Complies

49 That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies

50 That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a Proposing the basic conditions of employment for senior management to the Board of Directors.
- b Verifying compliance with the company's remuneration policy.
- c Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies

51 That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies

52 That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b That their chairpersons be independent directors.
- c That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e That their meetings be recorded and the minutes be made available to all directors.

Complies

53 That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies

54 The minimum functions referred to in the foregoing recommendation are the following:

- a Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.
- e Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies

- 55 That environmental and social sustainability policies identify and include at least the following:
- a The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
 - b Means or systems for monitoring compliance with these policies, their associated risks, and management.
 - c Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
 - d Channels of communication, participation and dialogue with stakeholders.
 - e Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies

- 56 That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies

- 57 That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies

- 58 That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies

- 59 That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies

- 60 That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies

- 61 That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies

62 That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies

63 That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies

64 That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies

Indicate whether any director voted against or abstained from approving this report.

Yes No

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the annual corporate governance report published by the company.