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Javier Ferrán
Chairman

“We remain committed to our purpose of connecting people, businesses and countries, while maximising our shareholders’ returns and balancing the interests of our stakeholders.”

I am pleased to present IAG's 2024 Corporate Governance Report. The purpose of this report is to explain IAG's corporate governance framework and how it was applied during 2024, and the role and work of the Board during the year.

As explained in the introduction to this annual report, 2024 was a year of strong financial performance for the Group. Our good results have enabled us to deliver returns to our shareholders while balancing the interests of all our stakeholders.

The interests of shareholders continued to be at the forefront of the Board's considerations during the year. The Board maintained an active dialogue with shareholders and investors. Positive feedback was received during the year on the Group's progress against the strategy set out at the 2023 Capital Markets Day (CMD).

Our sustainability endeavours have also remained part of our core strategy, supported by the Safety, Environment and Corporate Responsibility Committee's work. The Board has sought to balance the corporate interests with those of our employees, suppliers, customers and other stakeholders, while taking into consideration the impact of its activities on the community and the environment. Sustainability issues have been at the forefront of the Board's activities this year, both from a strategic and investment perspective and in terms of the Company's readiness to report under the new requirements of the CSRD.

Our focus in the year ahead will continue to be on supporting management in the execution of our strategy and Group-wide transformation programme to deliver sustainable growth and returns, and on strengthening our culture and shared values, always guided by our conviction that we make a positive contribution to the economies and communities we serve.

Board composition

Giles Agutter stepped down from the Board at the 2024 Annual Shareholders' Meeting held in June. I thank him for his commitment and contribution during his years of service as a director of the Company.

To fill this vacancy, Bruno Matheu was appointed as a proprietary non-executive director at the proposal of Qatar Airways, our largest shareholder. Bruno brings considerable expertise in the global aviation industry, particularly in the areas of planning, commercial and bilateral and multilateral cooperation, as well as extensive experience in global board positions in the travel industry, technology, education and sport.

Bruno Matheu was also appointed to the Safety, Environment and Corporate Responsibility Committee, where we believe he can make a valuable contribution.

Management changes

In 2024, the Board oversaw a number of key appointments, which show the strength of our succession planning and leadership pipeline. In February, Marco Sansavini was appointed as the Chair and CEO of Iberia, replacing Fernando Candela, who retired in September. Fernando had a long career with the Group and I would like to take this opportunity to acknowledge his contribution to IAG.

As a consequence of Marco's move, we appointed Carolina Martinoli as the Vueling Chair and CEO, an executive with a long and broad career in the Group, moving from her most recent role as IAG Chief People, Corporate Affairs and Sustainability Officer.

Culture and diversity

In 2024, we continued to focus on people and culture in our oversight, supporting management's attention to investing in careers and development, as well as in achieving our diversity and inclusion ambitions, all with a view to building a healthy organisational culture that supports our ambition and transformation and aligns to our core values of ambition, teamwork, innovation, pragmatism, efficiency and responsibility.

Again this year we completed a very extensive workforce engagement programme, the results of which were presented to the Board at its December meeting. This feedback provides valuable input to the decision-making process on people and culture strategies and organisational transformation.

Additionally, the Board was regularly informed about the initiatives of each operating company with respect to its people. A session at the annual Board strategy meeting was devoted to the people and culture strategy.

The Board supports diversity in a broader sense, taking into account various factors to optimise the composition of the Board. It ensures compliance with all regulatory requirements, including the need for more than half of the Board to be independent EU nationals.

Female directors continue to represent 45% of the Board and 63% of the independent non-executive directors (including the Chairman). In addition, one member of the Board is from an ethnic minority background.

Our focus remains on improving the bench strength and the diversity of both senior leaders and Board members through active succession planning and talent management. We are satisfied that the Board continues to meet the proportion of women on boards and ethnic diversity as set out in the European and Spanish standards as well as in the UK listing rules.

Board evaluation

An internal evaluation of the Board was conducted this year, since the last external review was completed in 2022. This evaluation was led by me, with the support of the Board secretariat, and the results and the action plan to address the matters raised were discussed at the November Board meeting.

The Board is satisfied with the progress made during the year against the actions agreed for 2024. Key highlights have been the strong working relationship between management and the Board, the significant progress made on business transformation and the increased focus on people and culture. Further details of this process are provided later in this report.

Update to the Board regulations

On 27 February 2025, the Board approved a review of its Regulations and those of its advisory committees. The purpose of this review was to update these charters and bring them into line with the latest developments in corporate governance, namely the approval in Spain of the CNMV Technical Guide on Audit Committees and the approval in the UK of the 2024 revision of the Corporate Governance Code. In addition, the Board agreed that the oversight of the safety risk management framework of each of the Group's airlines, together with the overall oversight of the Group's enterprise risk management framework, will be the responsibility of the Audit and Compliance Committee, so that this Committee has an overall view of the Group's risk management. As a result, the Board agreed that the Safety, Environment and Corporate Responsibility Committee will continue as the Environmental and Corporate Responsibility Committee. The new Board and Committee Charters are available on the Company's website.

Looking ahead

The Board is dedicated to maintaining high standards of corporate governance, ensuring we create long-term sustainable value for our shareholders while balancing the interests of all our stakeholders. Our strong and effective governance processes are fundamental to our ability to uphold our values and execute our strategy.

IAG's employees are the core of our business. I would like to once again express our sincere gratitude for their efforts and dedication during the year. Additionally, I extend my thanks to my fellow Board members for their ongoing support and commitment throughout this period.

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. Peggy Bruzelius
Non-Executive Director



5. Eva Castillo
Non-Executive Director



6. Margaret Ewing
Non-Executive Director



7. Maurice Lam
Non-Executive Director



8. Bruno Matheu
Proprietary Director



9. Robin Phillips
Proprietary Director



10. Emilio Saracho
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 Member of the Chair Committee, IATA.

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 ^N ^R

Key areas of experience:

General management, pharmaceuticals/health care, 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, 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.

4. Peggy Bruzelius ^A ^N

Key areas of experience:

Financial services, corporate finance.

Current external appointments:

Non-executive director, Orrön Energy AB. Chair, Lancelot Holding AB. Member, the Royal Academy of Engineering Sciences.

Previous relevant experience:

Non-executive director, Skandia Mutual Life Insurance 2012-2022. Non-executive director, Lundin Energy AB 2012-2022. Chair, Swedish National Agency for Higher Education 2008-2011. Member Board of Trustees, Stockholm School of Economics 2000-2011. Various Corporate Boards, Trygg Hansa Liv AB, Celsius AB, AB Ratos, Scania AB, The Body Shop Plc, Axel Johnson AB, Axfood AB, Husqvarna AB 1992-2019. Senior Independent Director, AB Electrolux 1996-2012. Non-executive director, Syngenta AG 2001-2014. Non-executive director, Diageo plc 2009-2018. Non-executive director, Akzo Nobel nv 2007-2019. Executive Vice President, Head of Asset Management Skandinaviska Enskilda Banken 1997-1998. CEO, ABB Financial Services AB 1991-1997.

5. Eva Castillo ^A ^R

Key areas of experience:

Financial sector, telecoms sector.

Current external appointments:

Non-executive director, Caixabank. 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.

Previous relevant experience:

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.

6. 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 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 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.

^C Committee Chair

^A Audit and Compliance Committee

^N Nominations Committee

^R Remuneration Committee

^S Safety, Environment and Corporate Responsibility Committee

7. Maurice Lam A S

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 & 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.

8. Bruno Matheu S

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 & 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.

9. Robin Phillips S

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.

10. Emilio Saracho R S

Key areas of experience:

Banking, corporate finance, investment management.

Current external appointments:

Senior Advisor, Altamar Capital Partners.

Previous relevant experience:

Non-executive director, Inditex 2010-2023. Chairman, Banco Popular Español 2017. Vice Chairman and Member Investment Banking Management Committee, JP Morgan 2015-2016. Deputy CEO EMEA 2012-2015, Co-CEO Investment Banking for EMEA 2009-2014, JP Morgan. CEO, JP Morgan Private Banking for EMEA 2006-2008. Director, Cintra 2008. Director, ONO 2008. Chairman, JP Morgan Spain & Portugal 1998-2006. Global Investment Banking Head, Santander Investment (UK) 1995-1998. Head Corporate Finance Iberia, Goldman Sachs International 1990-1995.

11. Nicola Shaw R S

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 (ORR) 1999-2002.

S Committee Chair

A Audit and Compliance Committee

N Nominations Committee

R Remuneration Committee

S Safety, 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 July 2018)

is available on the FRC's website (www.frc.org.uk). In addition, the current applicable version of the Code, which was published in January 2024 and applies to financial years beginning on or after 1 January 2025, is available on the FRC's website.

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 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 2024.

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 2024, 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.

Applying the principles of the UK Corporate Governance Code

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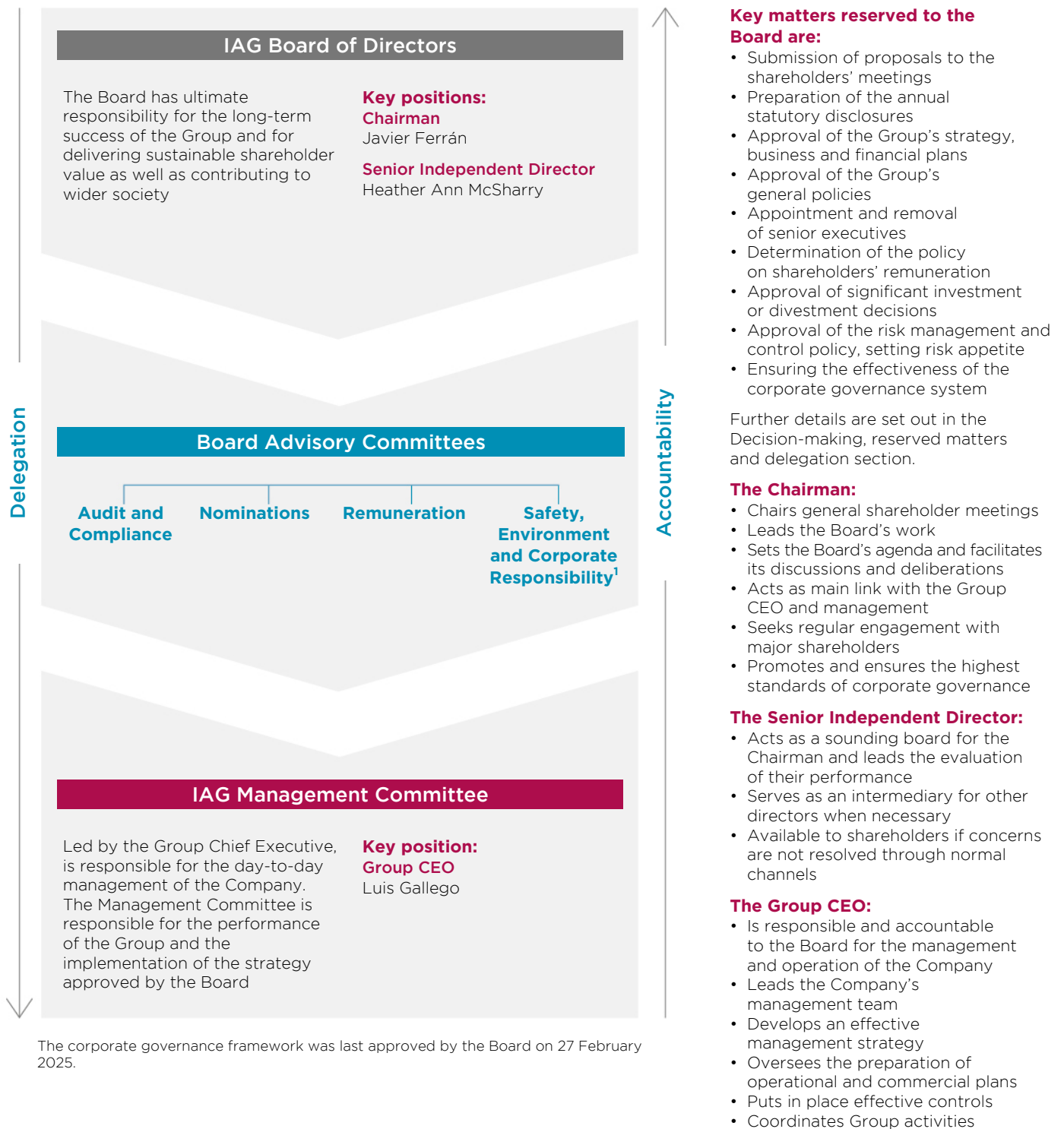
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IAG governance framework and division of responsibilities



¹ From 27 February 2025, the Environment and Corporate Responsibility Committee.

Group structure

As the Group's parent company, IAG is responsible for managing and allocating capital, driving overall Group performance and setting the agenda for sustainability and innovation.

Each operating company is fully accountable for its own performance, is commercially and operationally independent, has its own customer value proposition and its own relationship, people and stakeholder management.

There is active engagement and collaboration between the Group's operating companies, facilitated by the parent company, so that ideas and expertise can be shared and progress tracked where necessary. In this context, the parent company sets the ambition, drives the management and pipeline of top talent, promotes the sustainability agenda, facilitates the capture of synergies, drives innovation and provides centres of excellence to facilitate the sharing of best practice.

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

Board of Directors: division of responsibilities

The IAG Board is responsible for establishing the Company's purpose, values and strategy, promoting its culture, overseeing the business and its performance, as well as for the Group's long-term sustainable success. 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 interest 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. This schedule of reserved matters was reviewed at the Board meeting held on 27 February 2025 (available on the corporate website).

The Board has four advisory committees that provide dedicated focus on a number of areas. Each Board committee comprises non-executive directors only and has an experienced independent non-executive chair. Copies of the minutes of all committees' meetings as well as the documents distributed ahead of each committee meeting are made available to all Board members.

The different Board positions and their respective responsibilities are detailed in the Board Regulations as amended on 27 February 2025 (available on the corporate website). The Board also has separate regulations for each of the Board committees, which were reviewed as part of the governance review completed in February 2025. These regulations are also available on the corporate website. The roles, membership and activities of these committees during 2024 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 CEO, 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 for its overall effectiveness in directing the Company. The Group CEO and his management team are responsible for the day-to-day management and performance of the Group and for the implementation of the strategy approved by the Board.

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

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 Chief Executive. The biographies of all members of the Board are set out in the Board of Directors section.

Giles Agutter did not stand for re-election at the 2024 Annual Shareholders' Meeting, having first been appointed as a proprietary director in 2020. To fill this vacancy, Bruno Matheu was appointed as a proprietary non-executive director, at the proposal of the significant shareholder Qatar Airways, at the Annual Shareholders' Meeting held on 26 June 2024.

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 2024, the Board composition was:

Name of Board member	Position/category	First appointed
Javier Ferrán	Chairman	20 June 2019
Luis Gallego	Group Chief Executive	8 September 2020
Heather Ann McSharry	Senior Independent Director	31 December 2020
Peggy Bruzelius	Director (independent)	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
Robin Phillips	Director (proprietary)	8 September 2020
Emilio Saracho	Director (independent)	16 June 2016
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 reported by the Nominations Committee, reviewed directors' independence at its meeting held on 29 January 2025 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.

In line with the succession planning for the Board, Emilio Saracho does not intend to stand for re-election at the next Annual General Meeting, after nine years as a member of the Board. 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 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.

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 which 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.

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.

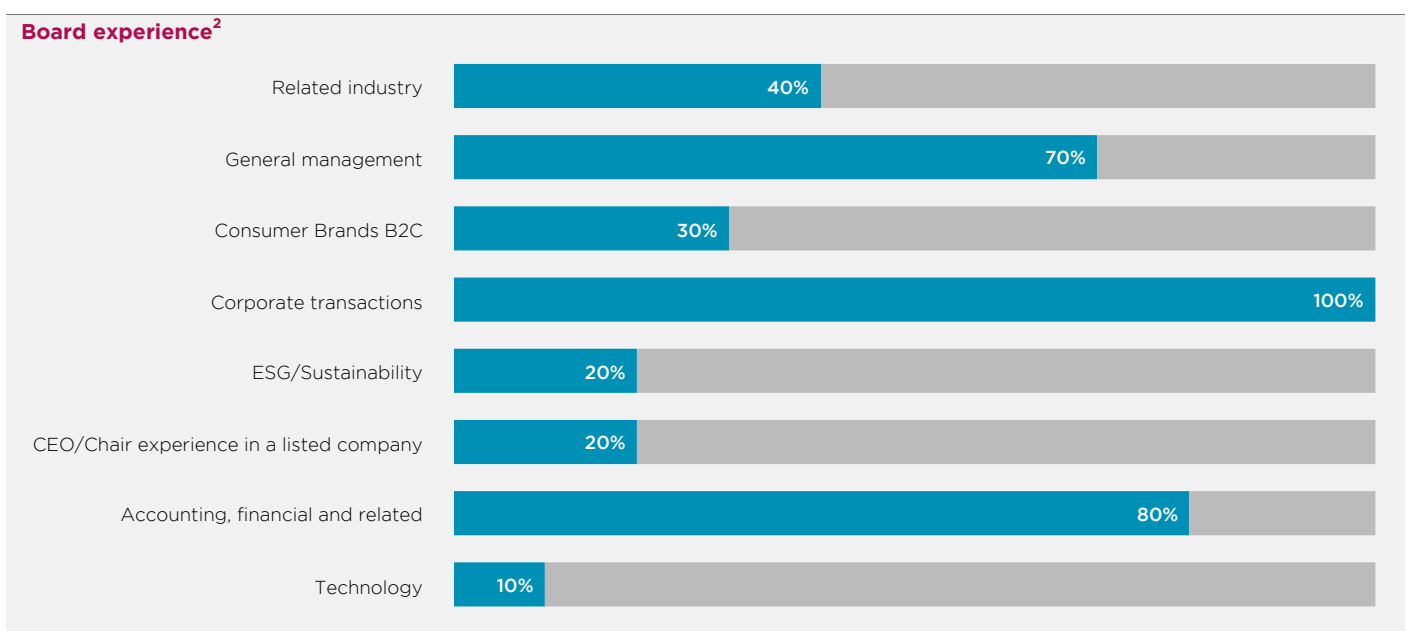
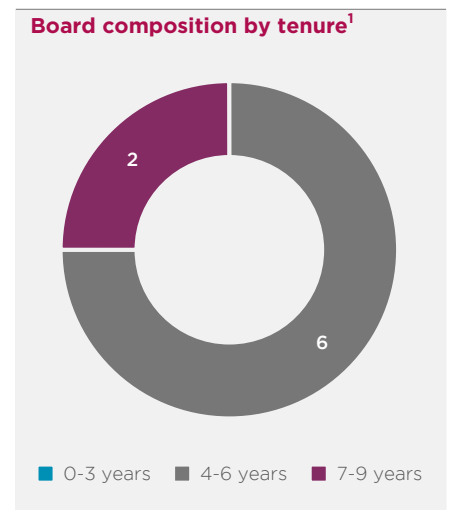
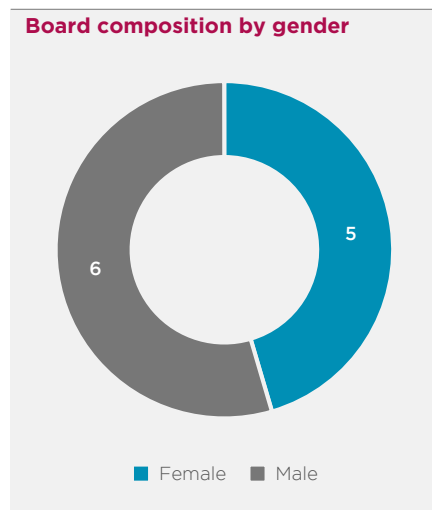
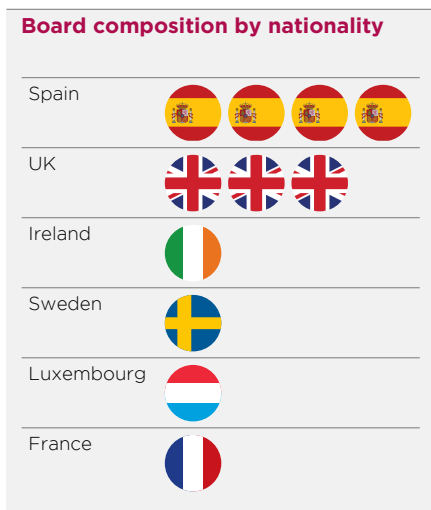
Diversity

The Board has a balance of members with more than 40% 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 Equity, Diversity and Inclusion policy can be found in the Nominations Committee report.



1 Tenure, which is as at the 2025 Annual Shareholders' Meeting, comprises solely independent non-executive directors, including the Chairman (eight directors). The three remaining directors' tenure is over four years for two of them and less than one year for the other.

2 Non-executive directors only.

Board leadership and company purpose

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.

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. IAG's culture and governance framework ensure that the Board has the information it needs to assess the risks and opportunities facing the Group. This is evidenced by the information provided in the following sections of this report on the work of the Board and its various committees during the year.

The Board and its committees have been very active in this area during 2024, helping to promote and strengthen the Company's policies and practices, starting with the revision of the Group's Code of Conduct, which was approved at the Board meeting on 1 August following a detailed review and discussion at the Audit and Compliance Committee.

Further details of IAG's purpose and values can be found throughout this annual report, including in the People section. Information on our corporate governance framework, the work of the Board and the policies and procedures in place is set out in detail in this Corporate Governance report and in the reports of the various Board committees.

Corporate culture

The Board recognises the importance of culture and setting the tone of the organisation from the top and embedding it throughout the Group. 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 Group culture that supports our ambition and transformation and is 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 its own brand commitment and an exclusive customer experience. People policies are implemented and are progressing to provide attractive and inclusive colleague experiences that support a broader business strategy and enhance operational performance.

In 2024, the Board continued to assess and monitor culture, actively supporting management's efforts to evolve IAG's culture and maintaining the focus on creating an inclusive, supportive and healthy working environment. In addition to other specific measures to evaluate employee engagement and satisfaction, the Board reviewed the results of the twice-yearly OHI surveys completed by employees in May and November 2024, respectively.

In addition, certain designated directors conducted engagement visits, meeting colleagues across all operating companies in London, Madrid, Dublin and Barcelona. The Board considered the results of such visits at its December meeting, serving as valuable input for its decision-making process.

At the Board strategy meeting in October 2024, a specific session was devoted to the People and Culture strategy, including updates on culture, diversity and inclusion. The Nominations, Remuneration, and Safety Environment and Corporate Responsibility committees were briefed on a variety of topics related to workforce and personnel, such as talent management and succession planning, inclusion and diversity initiatives and employee compensation.

Finally the Audit and Compliance Committee regularly reviews the Group's 'Speak Up' arrangements, their effectiveness and the reports arising from their operation (further information is provided in the Audit and Compliance Committee report).

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 85% 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.

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 promote the long-term success of the company for the benefit of its members and to consider the interests of other stakeholders in their decision-making. 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.

Given the nature of our business, we recognise the importance of stakeholder engagement to inform our strategy and the way in which we operate. This section describes how the directors, in their deliberations and decision-making, consider the interests of stakeholders to create value and promote the long-term success of the Company. As these interests can conflict, the directors need to balance stakeholder interests with the corporate interest, including consideration of the impact of activities on the environment and the communities in which we operate.

Throughout the reporting period, the directors acted in good faith, with unity of purpose and independent judgement, upholding high standards of business conduct and treating shareholders fairly.

Feedback from stakeholders received by different areas of the business helps to inform decisions overseen by the Board. Where relevant, the views of stakeholders are incorporated in the proposals presented to the Board for consideration or decision. In addition, the diverse set of skills, knowledge and experience of Board members enables them to apply the appropriate level of rigorous challenge and evaluation to decisions.

Further details on how the provisions of Section 172 were considered can also be found throughout the Strategic and Corporate Governance reports. The Board of Directors' Regulations as well as the Group policy on delegation and decision-making ensure that relevant matters are escalated to the Board for consideration and that information is provided to directors with sufficient time for its analysis and consideration.

Directors also 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. Further information is provided in the Information and training section of this report.

Board decisions, corporate interests and stakeholders

The table below outlines how the provisions of section 172 (1) of the UK Companies Act and article 3.6 of the IAG Board of Directors Regulations are considered by the Board.

Section 172 (1) provision	Description of Board activity supporting decisions	Further information in the Annual Report and on the Company's website
a Decisions for the long term	<ul style="list-style-type: none"> Monitor the delivery of transformation plans that have helped to position IAG competitively against other airlines. Review of capital allocation guidelines and shareholder returns. Market, sustainability and industry trends considered throughout the year for the design of the strategic priorities. Enterprise risk map and risk appetite review. Operational and strategic measures have been implemented to encourage IAG's long-term sustainable success. Approval of capital expenditures, financial transactions, contractual commitments, investments and divestments and other transactions. Review and analysis of long-term incentive plans for the management team. Strategic partnerships carried out, contributing to capital-light earnings growth. 	<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"> Updates on Group-wide OHI surveys which have played a key role in shaping people plans and tracking progress on culture transformation. Designated directors for workforce engagement visited various operating company units and reported to the Board on the feedback received. Review and update of management succession planning and talent development, including update on management changes. Review of diversity policies and diversity and inclusion matters in general. Workforce remuneration update (Remuneration Committee). Monitoring the implementation of the 'Speak Up' Policy and procedures, and related investigations. 	<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"> Updates from operating company CEOs on customer initiatives. Reports driving customer loyalty and growth for the operating companies. Update of the Modern Slavery & Human Trafficking Statement. Review from the SECR Committee regarding stakeholder engagement. Audit and Compliance Committee review of complaints and whistleblowing reports. SECR Committee review of compliance with social practices and policies, and progress against key metrics. SECR Committee review of Third Party Code of Conduct and Human Rights Policy. 	<ul style="list-style-type: none"> Business model Stakeholder engagement Sustainability statement SECR Committee report Audit and Compliance Committee report
d Community and environment impact	<ul style="list-style-type: none"> Ongoing work of the SECR Committee to review compliance with environmental practices and policies. SECR Committee review of sustainability (ESG) ratings review. SECR Committee review of compliance with social practices and policies, such as community giving and fundraising. Regular CEO updates regarding sustainability matters. Review of SAF projects. Sustainability session at the Annual Strategy Meeting. 	<ul style="list-style-type: none"> Business model Strategic report Sustainability statement SECR Committee report
e Reputation for high standards of business conduct	<ul style="list-style-type: none"> Review and approval of an updated Code of Conduct and Third Party Code of Conduct. Ethics and Compliance updates to the Audit and Compliance Committee, including whistleblower review. Regular Internal Audit reports to the Audit and Compliance Committee. 	<ul style="list-style-type: none"> Stakeholder engagement Sustainability Report Audit and Compliance Committee report SECR Committee report
f Fairness between shareholders	<ul style="list-style-type: none"> Review by the Audit and Compliance Committee of related party transactions. Review of investor feedback from the 2024 Shareholders' Meeting. Regular Investor Relations reports. Regular feedback from Investors Relations about alternatives and expectations and possible courses of action on shareholders remuneration. Shareholders Meeting hybrid format to promote and facilitate greater participation from institutional shareholders. Remuneration and Corporate Governance engagement with investors and proxy advisory firms. Presentation by corporate brokers regarding shareholders views. 	<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 relevant 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 assessment, as well as synergies across the Group, as relevant.

Dividend distribution and share buyback programme	SAF purchase
<p>On 1 August 2024, the Board approved the distribution of an interim gross cash dividend of €0.03 per share to be paid to shareholders based on the 2024 results.</p> <p>In addition, on 8 November 2024 the Board approved a share buyback programme of €350 million.</p>	<p>As part of its sustainability roadmap, on 28 February 2024, IAG announced the agreement with Twelve for the supply to its five European airlines (British Airways, Iberia, Aer Lingus, Vueling and LEVEL) of approximately 785,000 tonnes of SAF. This agreement was approved on 18 January 2024 by the Board.</p> <p>On 25 November 2024, IAG announced a new e-SAF deal with Infinium for a period of ten years, which had been previously approved by the Board on 1 August 2024, remaining on track to deliver its 2030 target.</p> <p>In addition, as part of its sustainability roadmap, IAG is also investing in new aircraft and implementing fuel efficiency initiatives.</p>
<p>Section 172(1) provisions (a), (c), (d), (e), (f)</p>	<p>Section 172(1) provisions (a), (c), (d), (e)</p>
<p>Considerations</p> <ul style="list-style-type: none"> • Returning capital to shareholders as soon as the operating environment and financial performance allowed IAG to do so in a sustainable manner. • Reflecting confidence in the strategy and business model, and the long-term prospects of the business. • Reflecting strong financial health. • Ensuring a fair return to shareholders, upholding IAG's reputation for maintaining high standards of business conduct and financial prudence. • Reflecting the Board's commitment to enhancing shareholder value and confidence, ensuring that the Company remains an attractive investment. • Ensuring all shareholders benefit proportionately from the Group's financial performance. • Shareholder remuneration policy decisions, may not suit all financial stakeholder profiles, requiring a balancing of views with the corporate interest. 	<p>Considerations</p> <ul style="list-style-type: none"> • Reflecting commitment to long-term sustainability goals, which is one of the pillars on which the Group bases its strategy and transformation. • Ensuring a steady supply of SAF, which is crucial for meeting IAG's 2030 sustainability targets. • Increasing production of e-SAF, which is a critical milestone for the airline industry and for e-fuels as an alternative to both fossil-based fuels and prior generations of SAF. • Fostering strong business relationships with key suppliers. • Reflecting a responsible approach to environmental stewardship, benefitting the broader community by contributing to global efforts to combat climate change. • Enhancing IAG's reputation for exemplary business practices.

Decision-making, reserved matters and delegation

The IAG Board has delegated the day-to-day management of the Group to the Group Chief Executive 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, management objectives and annual financial plan, as well as monitoring of the internal information and control systems, and of the risk management framework and processes;
- Approval and compliance oversight of the Group general policies including: investment and financing policies; enterprise risk management policy; and any corporate responsibility or sustainability policies; and
- 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 an internal policy covering the IAG Board, the IAG Management Committee as well as the boards of the main 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.

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

Shareholder interests are key in the Board's 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 2024, the Chairman met 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 held meetings with investors to discuss remuneration matters, and in particular the approach to the review of the Remuneration Policy. All directors had the opportunity to meet individual shareholders at the Shareholder Meeting held in June 2024.

The Board is regularly apprised of shareholders' feedback and the main issues discussed with shareholders and investors. One of our major shareholders attended the June Board dinner to give their views on the Group, its strategy and its progress as well as on wider market trends.

Positive feedback was received during the year on the Group's progress against the strategy that was set out at the 2023 CMD. In particular shareholders have welcomed the return to payment of an interim dividend as announced at the half-year results in August, as well as the share buyback announced at the third-quarter results in November. In November analysts and investors attended a British Airways Insight Day at which the Group CEO reiterated IAG's commitment to sustainable shareholder value creation and cash returns. In particular he focused on our strategy to deliver world-class margins and returns, a significant part of which would be delivered by an improvement to British Airways' profit and operating margin. Two other key elements include the increasing value of the Spanish businesses, as well as the attractiveness of IAG Loyalty.

At the same time, analysts and investors noted that the higher level of investment would have a detrimental short-term impact on margins and free cash flow.

Additional information can be found in the Stakeholder engagement section of this annual report.

Workforce engagement

During 2024, the designated workforce engagement directors visited operating companies and platform businesses 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 and levels of engagement. 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 in involving a mix of new recruits and colleagues with long tenure reflecting the changing composition of the Group's workforce.

Eva Castillo remains the director responsible for coordinating the workforce engagement. She was supported during 2024 by Heather Ann McSharry, Margaret Ewing, Maurice Lam, Emilio Saracho and Nicola Shaw.

In 2024, the designated directors conducted nine engagement visits, meeting colleagues across all operating companies and across our four main hubs (London, Madrid, Dublin and Barcelona).

Board members noted the progress made on transformation across all areas and the increased investment in the people agenda, particularly in terms of careers, development and training. The Board noted high levels of pride and commitment at all sites, with positive engagement and morale in the majority of teams.

While each visit highlighted some specific local challenges, several key themes emerged. These included transformation, new recruits, engagement and organisational health, and competitive pay. Each visit included a debrief with senior teams on emerging issues to ensure appropriate actions are taken forward.

For further detail on the outcomes of broader employee engagement activities, refer to the Stakeholder engagement section of this annual report.

The Board considered the results of the 2024 workforce engagement programme and reviewed the effectiveness of this engagement at its December meeting. This feedback serves as valuable input for decision-making processes related to people and culture strategies and organisational transformation.

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. A session at the annual Board strategy meeting was devoted to the people and culture strategy, including updates on talent, culture, diversity and inclusion, reward, leadership and data/reporting.

The Remuneration Committee was updated on workforce remuneration and how the operating companies were supporting colleagues with cost-of-living challenges, ensuring reward remained fair and competitive, and how the experience of IAG's workforce compared to that of senior leaders. The Nominations Committee was updated on succession planning for senior leadership, including an overview of recruitment, mobility and attrition of senior leaders across the Group.

Board and committee meetings

The Board met nine times during the year, including its annual two-day strategy meeting held in October 2024. 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 Chief Executive, with support from the Group General Counsel and the Board Secretariat. During 2024, the Board's main focus was to create sustainable value over the long term, by supporting management and exercising oversight over the Group's businesses and stakeholders' interests. The key activities of the Board in 2024 are detailed in the Board activities table further on in this report.

At each Board meeting, the Board receives a report from each of the Chairs of the committee meetings held prior to that 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 Senior Independent Director also meets with the non-executive directors, without the Chairman, as part of the Chairman's annual evaluation process.

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 2024

Board member	Board	Audit and Compliance Committee	Nominations Committee	Remuneration Committee	Safety, Environment and Corporate Responsibility Committee
Javier Ferrán	9/9		6/6		
Luis Gallego	9/9				
Giles Agutter ¹	2/4		2/4		1/2
Peggy Bruzelius	8/9	7/7	6/6		
Eva Castillo	9/9	7/7		7/7	
Margaret Ewing	9/9	7/7	6/6		
Maurice Lam	9/9	7/7			4/4
Bruno Matheu ²	4/5				2/2
Heather Ann McSharry	9/9		6/6	7/7	
Robin Phillips	9/9				4/4
Emilio Saracho	9/9			7/7	4/4
Nicola Shaw	9/9			7/7	4/4

1 Stepped down from the Board and Committees on 26 June 2024.

2 Joined the Board and the Safety, Environment and Corporate Responsibility Committee on 26 June 2024.

Board activities

The key Board activities during 2024 are outlined below.

Strategy and planning

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

- Regional strategies and strategic partnerships
- Innovation strategy
- Sustainability
- People and culture
- IT capability transformation
- 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

- Updates on the proposed Air Europa transaction
- Financing arrangements
- Capital expenditures items
- Treasury shares buyback programmes
- SAF provision agreements
- IT 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
- Transactions with related parties
- Sustainability update
- 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, including new code of conduct and approval of several new policies

- Regular reporting from matters discussed by the Audit and Compliance Committee, the Nominations Committee, the Remuneration Committee and the Safety, Environment and Corporate Responsibility 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 2024 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 2024, 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 topics as required. Sessions held included: a session on fleet financing provided internally, a session on AI, on the new Corporate Sustainability Reporting Directive, and on corporate governance developments, including the 2024 UK Governance Code. An investor was also invited to one of the Board dinners to provide an external perspective. Training planned for 2025 includes sustainability, technology topics and industry specifics.

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.

An induction programme was launched for Bruno Matheu following his appointment in June 2024. The basic content of the programme included:

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

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 evaluation

The effectiveness of the Board and its committees is reviewed annually, with an independent, externally facilitated review being conducted every three years. An internal evaluation was completed in 2024, as the last external review was conducted in 2022.

This exercise was complemented by individual meetings held by the Chairman with each member of the Board to discuss their commitment, dedication and performance. Finally, a meeting of all non-executive directors and the Senior Independent Director was held to discuss the Chairman's performance, the conclusions of which were then shared with him.

The Board evaluation was led by the Chairman, supported by the Board Secretariat, using a self-assessment questionnaire, complemented by an individual interview conducted by the Chairman with each non-executive director. The results were presented in a report to all Board members, and an action plan to address matters raised was agreed.

In relation to the agreed actions for 2024, the Board considers that good progress has been made during the year. In particular, the Board evaluation highlighted the strong working relationship between the Board and management, the progress made in transforming the business and the increased focus on culture and people.

In 2024, the Nominations Committee continued its work to ensure that the Board continues to have the relevant skills and expertise identified as part of the work to plan for orderly succession on the Board. As agreed, regular updates on shareholder and investor engagement, including a session with the corporate brokers and a focus on customer experience and the performance and operations of the business, formed part of the Board's agenda in 2024. The Board particularly appreciated the quality and value of the information provided by the IAG CEO in his regular update at each meeting, as well as the private session with him that was added to the meeting agenda to provide the opportunity for a direct private conversation with the IAG CEO after each meeting. In addition, several training initiatives were completed during 2024 as requested.

Actions agreed for 2025 include:

- Continued focus on Board succession planning and identifying the appropriate profiles to be added to the Board;
- The Board's agenda will continue to include the areas identified by the directors in line with the work carried out during 2024; and
- Continued focus on ensuring balanced papers that clearly identify the substantive points and key issues for the Board's attention.

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 2024 Annual Shareholders' Meeting held on 26 June 2024 approved the re-election of Robin Phillips and the appointment of Bruno Matheu, Giles Agutter having stepped down at the meeting, 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 of the date of this report, 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 IAG Head of Group Audit.

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

The Annual Shareholders' Meeting held on 26 June 2024 provided authority for the Board, with the express power of substitution, for a term ending at the 2025 Annual Shareholders' Meeting (or if earlier, 15 months from 26 June 2024), 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 26 June 2024 (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 euros 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 26 June 2024 (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 26 June 2024;
 - the minimum price per share which may be paid is zero;
 - the maximum price per share which may be paid is the highest 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; and
 - 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 2024, the share capital of the Company amounted to 497,147,601 euros (2023: 497,147,601 euros), divided into 4,971,476,010 shares (2023: 4,971,476,010 shares) of the same class and series and with a nominal value of €0.10 each (2023: €0.10 each), fully subscribed and paid for.

As at 31 December 2024, the Company owned 117,836,928 shares as 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 2024 the equivalent of 31,884,274 shares were held in ADR form (2023: 40,547,684 shares).

Company's share capital

During the year there were no changes to the share capital.

The significant shareholders of the Company as at 31 December 2024, calculated according to the Company's share capital as at the date of this report and excluding positions in financial instruments, were:

Name of shareholder	Number of direct shares	Number of indirect shares	Name of direct holder	Total shares	Percentage of capital
Qatar Airways (Q.C.S.C.)	1,242,630,613	-		1,242,630,613	24.995 %
Capital Research and Management Company		248,648,015	Collective investment institutions managed by Capital Research and Management Company	248,648,015	5.001 %

On 14 February 2025 Europacific Growth Fund notified the Spanish CNMV the acquisition of a 3.036% interest in the Company.

Shareholders' meeting

The quorum required for the constitution of the 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 26 June 2024 in Madrid and was held in person with the option for shareholders to attend and participate in the meeting remotely.

The Shareholders' Meeting Regulations, which establish the operating rules of the 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.

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
Peggy Bruzelius	16 June 2022
Margaret Ewing	28 January 2021
Heather Ann McSharry	31 December 2020

Dear shareholder

On behalf of the Nominations Committee, I am delighted to present the Nominations Committee Report for the year ended 31 December 2024.

The report provides an overview of the key areas of responsibility of the Nominations Committee and its key activities during the year.

As indicated in my introductory letter to this report as Chair of the Board, Giles Agutter stepped down from the Board and therefore from this Committee at the 2024 Annual Shareholders' Meeting in June. As with the Board, I would like to thank him for his contribution as a member of this Committee.

The role of this Committee is crucial in guaranteeing that we have a Board equipped with the appropriate mix of skills and capabilities, as well as an executive team that can effectively implement and deliver our strategy.

In June 2024, we welcomed a new proprietary director, Bruno Matheu. He was appointed at the proposal of Qatar Airways, our largest shareholder. This appointment was managed by the Committee during the first half of the year. As reported to the Annual Shareholders' Meeting at the time of the proposal, his addition to the Board strengthens the expertise in the aviation industry, bringing with him extensive experience in several airline groups in both executive and non-executive roles.

At the Committee's proposal, Bruno Matheu was also appointed to the Safety, Environment and Corporate Responsibility Committee.

We believe that orderly succession planning is a fundamental responsibility of this Committee. To this end, the Committee is currently engaged in a number of search processes in order to effectively plan for succession in the

coming years. At the meeting held in October 2024, we reviewed the Board timetable and its skill matrix and identified the relevant skills and attributes for future appointments in line with our strategic objectives and the needs of the Board and the business.

We also continue to review succession planning for the leadership teams at the Group's operating companies. This year, the Committee considered and recommended to the Board the appointment of Marco Sansavini as Chair and CEO of Iberia, and the appointment of Carolina Martinoli as Chair and CEO of Vueling. Both of them had already played a crucial role in IAG's transformations, and the Committee and the Board are confident that they will achieve outstanding results in their new positions.

We also continued to build our diversity strategy and framework, which are guided by the Board of Directors Selection and Diversity Policy and by the Equity, Diversity and Inclusion Policy, dated 2022. In this regard, we are satisfied that the Board continues to meet the ethnic diversity and female representation targets set out in the UK, European and Spanish Listing Rules.

However, we still have progress to make to achieve the goal of having 40% of senior leadership roles occupied by women by 2025. At the end of 2024, we had 36% of women in those roles. We are dedicated to this objective and to fostering an environment that promotes inclusion and equal opportunities.

This year, the annual performance evaluation of the Board and its Committees was for a second year internally facilitated, following the external evaluation conducted in 2022. The outcome of the evaluation was very positive, reaffirming our satisfaction with the effectiveness of the Board and its Committees 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 as last amended on 27 February 2025. 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 of the Company and IAG 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 change to the composition of the Nominations Committee in 2024 was the departure of Giles Agutter, proprietary director, who did not stand for re-election at the 2024 Shareholders' Meeting.

The Committee's responsibilities

The responsibilities of the Nominations Committee under the Regulations in force in 2024 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.
- Reporting to the Board on the appointment and removal of senior executives (which includes all of the IAG Management Committee).
- Ensuring that non-executive directors receive appropriate induction programmes.
- Setting diversity targets (gender, ethnicity and other criteria) both within the senior management population and the succession pipeline.
- Ensuring that plans are in place for orderly succession of senior management positions while safeguarding the achievement of agreed diversity targets.
- Establishing a target for female and minority ethnicity representation on the Board that is in line with the Company's Directors Selection and Diversity Policy.
- Coordinating the annual evaluation of the performance of the Board and its Committees.

The Committee's activities in 2024

The Committee met six times during 2024, with three scheduled and three special meetings called to discuss management changes or appointments to the Group company boards. Directors' attendance at these meetings can be found in the Corporate Governance section. The Group CEO was invited to attend the Committee's meetings as and 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.
- Management succession plans.
- Format of the annual Board evaluation process, as well as that of the Nominations Committee evaluation.
- Changes to Group company boards.
- 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 planning for succession relating to any areas that could require strengthening from a skills and succession perspective.

In October 2024, 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. In 2024, the Committee considered the appointment of Eva Castillo as Chair of the Audit and Compliance Committee, succeeding Margaret Ewing in this role, as well as the appointment of Bruno Matheu to the Safety, Environment and Corporate Responsibility Committee.

The Committee has also initiated a number of search processes in order to adequately plan for succession in the coming years in line with the Board's succession schedule.

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 definition set out by the Spanish Companies Act and with that of 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 2024 the Nominations Committee considered the proposal for the re-election of directors ahead of the Annual Shareholders' Meeting, except with regard to Giles Agutter, who did not stand for re-election. Bruno Matheu was considered by the Committee to fill this vacancy, at the proposal of Qatar Airways Group.

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 2024, the Committee considered and recommended to the Board the following appointments to the IAG Management Committee, effective from the beginning of April 2024:

- Marco Sansavini as Chair and CEO of Iberia, moving from his role as CEO of Vueling.
- Carolina Martinoli as Chair and CEO of Vueling, moving from her role as IAG Chief People, Corporate Affairs and Sustainability Officer.

Diversity

The procedure for the appointment of directors follows the principles established in the Directors Selection and Diversity Policy which has as its objective, the recognition of the importance of Board 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 2024 reporting period was completed in January 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, including a mix of skills, experience, professional and industry backgrounds, age and ethnicity, while ensuring that any appointment is made on merit. 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, while preserving the general diversity and merit-based appointment principles established in the policy. The Board's policy is to consider candidates from a wide variety of backgrounds, without discrimination based on gender, race, colour, age, social class, beliefs, religion, sexual orientation, disability or other factors. 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). Additionally, the Nominations Committee ensures that the Board appointment 'long' and 'short' lists provided in the search process are inclusive according to the widest definition of diversity.

Female directors currently represent 45% of the Board, ahead of the target of at least 40%, and 63% of the independent non-executive directors (including the Chairman). In addition to this, three of the four Board advisory committees are chaired by women: the Audit and Compliance, the Remuneration and the Safety, Environment and Corporate Responsibility committees. Lastly, the Senior Independent Director is a woman. From an ethnic minority perspective, the IAG Board has met its target to have one director from an ethnic minority group.

As at 31 December 2024 the Board met the UK Listing Rules and FTSE Women Leaders Review targets. Our gender identity and ethnicity data reported in accordance with Listing Rule 9.8.6R(10) is set out below. Disclosure is based on self-identification through information-gathering process where individuals were provided with the requirements and categories for confirmation of classification. The information is reported at 31 December 2024 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	6	55 %	2	7	70 %
Women	5	45 %	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.

Diversity and inclusion remained a priority during 2024. 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 valued. Beyond gender and ethnicity, the Management Committee is composed of individuals with 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 Board diversity is included in the Corporate Governance section.

The Board and the Nominations Committee are committed to improving diversity, including gender diversity, across the Group, encouraging and supporting management actions in this regard. IAG has a target of 40% of senior leadership roles to be held by women by 2025. At the end of 2024, IAG had 36% of women in those roles, broadly in line with year end 2023. We remain committed to achieving our 40% ambition. Further, in 2023, we set a Group-wide ambition for 10% of the Group's UK senior leadership to be minority ethnic by end 2027, which we shared as part of our response to the UK Parker Review. In 2024, 11% of our UK senior leaders group self-disclosed as ethnically diverse (compared to 6% in 2023). 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 equity, diversity and inclusion.

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 section.

Committee annual evaluation

The annual performance evaluation of the Board and its Committees was for a second year internally facilitated, following the external evaluation conducted in 2022, and as set out in the Corporate Governance report.

The evaluation concluded that the Committee operated effectively during the year. In 2025, the Committee will continue to prioritise its focus on Board succession to ensure that there is a planned refreshment of the Board covering the identified areas of expertise and to oversee the work on management succession planning, in particular considering talent retention and development plans.

Report of the Safety, Environment and Corporate Responsibility Committee



Nicola Shaw

Safety, 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
Emilio Saracho	25 February 2021

Dear shareholder

I am delighted to introduce the Safety, Environment and Corporate Responsibility Committee report for the year ended 31 December 2024. This report highlights some of the work and activities carried out by this Committee during the year.

In 2024, we welcomed Bruno Matheu to the Committee, replacing Giles Agutter who retired from the Board at the 2024 Annual Shareholders' Meeting. I would like to thank Giles for his contribution as a member of this Committee.

During 2024, the Committee continued to assist the Board in a dual role. Firstly, it provided high-level oversight of the Group's safety activities and resources, while promoting the sharing of knowledge and best practice across the Group. Secondly, it provided guidance and direction on IAG's sustainability programmes and corporate responsibility ambitions, ensuring alignment with the Group's sustainability strategic priorities and supporting the Board in its oversight of this important area.

The Board approved the review of its regulations and those of its advisory committees on 27 February 2025 and agreed that this Committee will henceforth focus on environmental and corporate responsibility matters (renamed the Environmental and Corporate Responsibility Committee). The Board also agreed that the oversight of the safety risk management framework of the Group's various airlines, together with the overall oversight of the Group's enterprise risk management framework, will be the responsibility of the Audit and Compliance Committee. The new responsibilities of both Committees are detailed in the respective Committee Regulations which are available on the Company's website.

In the area of safety, the Group's airline safety managers revised their reporting framework to the Committee in 2024 in order to homogenise and simplify the issues reported and to improve comparability and sharing of best practice across the Group.

In addition to the standard review of the Group's airline safety reports, the Committee considered other special matters in 2024, including relevant international safety incidents, airline safety policies on drug and alcohol testing, and the operational risk of 5G telecommunications networks at US airports.

In terms of sustainability, good progress was made in 2024. On carbon emissions reduction, IAG performed strongly in 2024, improving its annual carbon intensity by 3% to 78.1gCO₂/pkm, ahead of its 2025 target of 80gCO₂/pkm. The Group's airlines used more than 162,000 tonnes of SAF, representing a 203% increase on the 2023 volume. This usage represented a reduction in IAG's net emissions of more than 469,000 tonnes of CO₂, alongside ongoing operational and in-flight efficiency efforts which contributed a further reduction of 114,000 tonnes of CO₂. Please refer to the Sustainability statement for more information.

The Committee was kept informed of the various regulatory initiatives relevant to this field. In particular, the Committee focused on alignment with the new EU Corporate Sustainability Reporting Directive (CSRD), which becomes effective for reporting from 2025 after transposition into national law, which is relevance of this new directive, a specific training session was provided to the full Board in July by a strategic consultancy specialising in sustainability and impact.

In order to prepare for compliance with the CSRD, management's proposal regarding the double materiality impact assessment and the timetable for the preparation of the first CSRD compliant sustainability report was reviewed by this Committee at a special joint meeting with the Audit and Compliance Committee in October.

Also at the May meeting, the Committee was briefed on policy developments relating to SAF. In particular, the Committee considered the SAF mandate published by the UK Government on 25 April 2024, which came into force on 1 January 2025, and the UK Government's consultation on a proposed revenue certainty mechanism to support investment in SAF production in the UK. Both are regulatory measures that we welcome and support in order to scale the supply and use of SAF at a fair cost for airlines.

I would like to highlight in this letter the meeting we had on gender pay and pilot diversity, which included representatives from the people and operations functions of the Group's main airlines. We had the opportunity to discuss the challenges facing the industry in terms of female representation and the actions our airlines are taking to increase the diversity of their pilot populations.

On social matters, the Committee dealt with two other important issues in 2024. Firstly, at our December meeting, we reviewed the Group's compliance with social practices and policies and our progress against key metrics, including an insightful discussion on the Group's social impact. Secondly, the Committee reviewed and submitted to the Board for approval a new Group Third Party Code of Conduct (replacing the former Supplier Code of Conduct), which extends IAG's shared values to our value chain, and a new Human Rights Policy, which underlines our commitment to respect and promote human rights throughout our operations and value chain. The Human Rights Policy is aligned with international standards and covers key principles such as diversity, equal opportunities, labour standards, freedom of association, forced and child labour, modern slavery and human trafficking.

I would like to thank my colleagues on the Committee for their work and commitment this year and look forward to continuing to chair this Committee in its new focus as the Environmental and Corporate Responsibility Committee.

Nicola Shaw
Safety, Environment and Corporate
Responsibility Committee Chair

The Safety, Environment and Corporate Responsibility (SECR) 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 SECR Committee would continue as the Environmental and Corporate Responsibility (ECR) Committee, concentrating its work in these two areas.

During 2024, the Committee operated under the Regulations approved by the Board in 2021, which are the ones referred to in this report.

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 the Chief People, Corporate Affairs and Sustainability Officer. Senior managers with responsibility for safety matters and others 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 on matters relating to safety, environment and corporate responsibility. Through the Committee, IAG has an overall view of the safety performance of each airline and of any major issues that may affect the industry, but responsibility for safety matters rests with the Group's airlines as holders of the Airline Operating Licence (AOC).

In the areas of environment and corporate responsibility, the SECR 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, supporting IAG's vision to be a world-leading airline group in sustainability.

Under the Regulations in force in 2024, the Committee's remit included:

- To exercise a high-level overview of safety activities and resources.
- To receive significant safety information about IAG's subsidiaries, franchise, codeshare or wet-lease providers used by any member of the Group.
- To review the Group's strategy and policies on social and environmental sustainability.
- To evaluate that the Company's environment and social practices are in accordance with the established strategy and policies.
- To review the Group's global environment and climate risk mitigation strategy, the implementation of sustainability programmes and any climate-related financial disclosure.
- To review the content of the non-financial information statement or any such sustainability report the Company may produce from time to time.
- To monitor and evaluate the Company's interaction with its stakeholder groups, including the workforce.
- Periodically review the principal environmental, social and reputational risks to monitor that they are adequately identified, managed and disclosed.
- To review the general diversity and inclusion policies.
- Receive information regarding the inclusion of the Group in sustainability indexes.

The Committee's activities during the year

During 2024, the Committee held four meetings. Directors' attendance at these meetings is detailed in the Corporate Governance report.

The Committee's activities during the year included:

- 2023 non-financial information statement and other sustainability reporting;
- Significant safety and security issues report;
- Group airlines safety and security reviews;
- Review of policies regarding drugs and alcohol testing;
- Update on the Alaska Airlines/Boeing incident;
- Sustainability trends update and benchmark, including overview of SAF projects;
- Regulatory update focusing on SAF policy;
- Stakeholder engagement review;
- 2023 update to the Modern slavery and human trafficking statement;
- Review of gender pay and pilot diversity;
- Update on turbulence incidents;
- Update on 5G operation risk in USA airports;
- Comparison of deferred items across the Group's airlines; and
- Safety governance review, including the role of the board of directors' committees.

Safety

Key topics discussed for each airline under their regular safety review include information on safety risk management, safety culture, operational risks, occupational injury risks, as well as reported data on aircraft damage. This year, the safety managers of each of the Group's airlines revised their reporting framework to this Committee, in order to homogenise and simplify the issues reported by the different airlines and to enhance comparability and sharing of best practices within the Group. In addition to this, the Committee considered some specific topics, including an update on the Alaska Airlines/Boeing incident, a review on drugs and alcohol testing and an update on 5G operation risk in USA airports.

Market trends and EU and national ESG consultations

In 2024, 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.

Gender pay and pilot diversity session

The Committee reviewed the context, the Group's ambitions and planned actions regarding the recruitment of female pilots in the Group's various airlines, hearing directly from representatives of the Group's main airlines. The meeting addressed the Group's position on gender pay and the diversity of the Group's pilot population. Particular emphasis was placed on initiatives to increase the number of female pilots, including sponsored cadet programmes and the review of recruitment processes. Aer Lingus is one of the world's top three airlines for pilot gender diversity, with IAG above the global industry average. However, it was highlighted that while the proportion of female pilots has increased by 45% over the last six years, significant challenges remain for the industry to improve diversity, with IAG airlines playing a leading role.

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 for its submission to the Board of Directors.

CSRD

IAG is expected to comply with the EU Corporate Sustainability Reporting Directive (CSRD) (Directive 2022/2464/EU). The CSRD is currently being transposed into national law by EU Member States. IAG's 2024 'Sustainability statement' complies with Spanish Law 11/2018 and has been prepared under the transitional requirements set out in the joint communication of the CNMV and the Spanish Instituto de Contabilidad y Auditoría de Cuentas (ICAC), published on 27 November 2024. The CSRD was adopted with the aim of improving sustainability reporting and its comparability across the European Union. In July, the Board of Directors received special training on the importance and implications of this new directive, provided by a consultancy firm specialising in sustainability.

The CSRD requires the adoption of a double materiality approach, which assesses both the impact of companies on the environment and people, and the financial impact of that impact on the company's business. To this end, the Committee held a special joint meeting with the Audit and Compliance Committee in October 2024 to review the results of the double materiality impact assessment carried out by management in preparing the first sustainability report under the CSRD, which was subsequently presented to the Board. These conclusions were revisited during the review of the draft Sustainability statement in order to assess the various topics included and the disclosure provided

Sustainability risks

As in previous years, the Committee reviewed the Group sustainability risk assessments for the business plan period 2025 to 2027 and to 2030, which helped the Committee understand the physical, policy, market and technology risks that the Group has considered could impact its sustainability ambitions. Further information regarding risks is set out in the Risk section.

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. In 2024, the Committee held a special meeting to review the Group's social impact strategy, with a particular focus on Iberia's approach and activities.

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 indexes.

Third Party Code of Conduct and Human Rights policy

The Committee reviewed and endorsed the Board's approval of a new Group Third Party Code of Conduct, which updates and replaces the former Group Supplier Code of Conduct, and a new Human Rights Policy, which are two important elements of the Group's social responsibility framework.

Committee annual evaluation and priorities for 2025

The annual performance evaluation of the Committee was again internally facilitated, following the external review completed in 2022. The feedback received was very positive and supportive of the Committee's work.

However, following an analysis of the Group's overall governance of safety matters, and in particular the oversight already exercised by the management and board structures of each of the Group's airlines, the Board considered that it would be more appropriate for the Audit and Compliance Committee to provide overall oversight of the enterprise risk management and safety risk management frameworks, and to further enhance the sharing of experience and best practice across the Group's airlines through a committee that includes the Group's airline safety directors.

In relation to its environmental and corporate responsibility remit, the Committee agreed to review its plan of activities for 2025 and agreed on proposed areas of interest for further training and support.

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
Peggy Bruzelius	31 December 2020
Maurice Lam	17 June 2021

Dear shareholder

I am pleased to present my first report as Chair of the Audit and Compliance Committee. I would like to thank Margaret Ewing for her service as Chair during these last four years and for her continued support as part of this Committee.

The Audit and Compliance Committee continues to play a key role in IAG's governance, overseeing risk management, internal controls, financial and non-financial reporting, compliance and internal and external audit.

This report highlights the key matters considered in 2024 and how the Committee fulfilled its responsibilities to ensure the integrity and reporting compliance of the 2024 Annual Report and Accounts.

The Committee held six scheduled meetings and one special meeting to consider the new Group Ethics and Compliance Charter and plans, and to review the update to the IAG 'Speak Up' policy. Key discussion points and focus areas are detailed in this report.

Throughout the year, Margaret and, since 1 August, I have engaged with all Committee members, management and the internal and external auditors.

The Committee's Regulations were updated on 27 February 2025 to bring them into line with the updated Technical Guidance on Audit Committees approved by the Spanish CNMV. In addition, the Board agreed that the Audit and Compliance Committee will retain overall oversight of the Group's risk management frameworks, including the safety risk management of each of the Group's airlines, and the Group's enterprise risk management.

The Committee works to ensure reliable financial reporting, non-financial reporting and compliance with laws and regulations, through oversight of the Group's internal control framework, including its mature Internal Control over Financial Reporting (ICFR) and risk management frameworks.

During the year, the Committee closely monitored management's proposed implementation of the revised UK Corporate Governance Code, the UK Economic Crime and Corporate Transparency Act 2023 and the Corporate Sustainability Reporting Directive (CSRD) (directive 2022/2464/EU). The Committee also maintained its focus on IT and cybercrime, with regular updates on the implementation of the Group's new IT operating model and progress in key IT projects and IT transformation programmes.

An internally facilitated evaluation of the Committee's effectiveness was completed in 2024, following an external evaluation in 2022. The findings, shared with the Board, confirmed that the Committee operated effectively during the year. As a priority for 2025, the Committee will continue to focus on the monitoring and execution of management's compliance programme, supported by Internal Audit.

I hope that you find this report informative and that it provides assurance in relation to the activities of the Committee during 2024 and planned for 2025.

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. Following the publication of the updated UK Corporate Governance Code and related guidance in 2024, as well as the publication of the updated Technical Guidance on Audit Committees by the CNMV, the Board reviewed and updated the Committee's regulations in February 2025. 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 retained 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 Margaret Ewing and Maurice Lam 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 Head of Group Internal Audit (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 processes and fraud prevention and detection. 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 2024 and until the date of this report is overleaf.

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; and • Consideration of the process for confirming and recommending to the Board that the 2024 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 (ICFR)	<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; and • 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 (ERM)	<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, given the recovery in demand and significant volatility in fuel prices, and ensuring its continued appropriateness in managing these risks; and • Overseeing tax risk management, in an environment of increased challenge, investigation and audit by tax authorities across the globe, 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 heat maps, regulatory developments, issues identified during the year or still live from previous years and key programme activities during 2024 and priorities for 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; and • 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 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 changes to the Group's cyber governance model and IT operating model, lessons learned from recent third-party supplier data breaches, third-party risk management review (TPRM) and subsequent enhancement of approach to TPRM, visibility of trend analysis and benchmarking external data to better understand the Group's progress in implementing its improvement plans; • In May, the Committee received a briefing on AI risk management and governance from an external expert to prepare for its oversight of the Group's AI approach.
Non-financial information	<ul style="list-style-type: none"> • Reviewing management's preparations to comply with the Corporate Sustainability Reporting Directive (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; and • Understanding the phased programme towards readiness for reasonable assurance for non-financial information in respect of key and required sustainability and people/workforce measures and monitoring the significant progress achieved, leveraging the Group's established methodology for implementing internal controls frameworks and defining the controls, accountability and governance essential to achieve effective reasonable assurance.
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 and recommending to the Board the adoption of amendments to relevant policies; and • Considering and planning for the implications of any changes in European, Spanish or UK corporate governance requirements within the remit of the Committee, including the passing of the UK Economic Crime and Corporate Transparency Act 2023 and the release of associated guidance.

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 2024 Annual Report and Accounts.

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 2024 (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. 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 and 2024 on the progress of HMRC's substantive review into whether VAT should have been and should be payable on the issuance of Avios, including the consideration of the impacts of the decision letter issued by HMRC on 29 October 2024.</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. As a result, the Committee also agrees with management's approach in the 2024 consolidated financial statements in that the matter is disclosed as a contingent liability and no provision is recorded for this exposure.</p> <p>The Committee is satisfied that the disclosure made in the 2024 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 had identified the VAT matter in IAG Loyalty as a key audit matter.</p>
Loyalty revenue recognition	<p>The Committee focused on IAG Loyalty's breakage and other assumptions driving loyalty revenue recognition.</p> <p>The Committee is satisfied that the estimates relating to loyalty revenue recognition are appropriately supported by reasonable management assumptions and those of an independent expert third party. The Committee also considered the conclusions of the external auditor, who had identified loyalty revenue recognition as a key audit matter.</p>
Voucher revenue recognition	<p>The Committee continued to focus on management's assumptions in relation to revenue recognition relating to vouchers issued in relation to conditions during and immediately after the COVID-19 pandemic, including issuances, redemptions, refunds and the amounts recognised as breakage.</p> <p>The Committee is satisfied that the breakage assumptions applied 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 2024 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 2024 assessment and update of its three-year forecasts as part of the financial plan through to 31 December 2027. 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 political and economic influences, ongoing conflicts and geopolitical tensions, which drive market uncertainty and the prolonged impacts of supply chain disruption.</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 2024 half-year interim results announcement and the 2024 Annual Report and Accounts, as well as the Viability Statement for inclusion in the 2024 Annual Report and Accounts.</p>

Matter	Action taken by the Committee and outcome/future actions
<p>Fraud procedures</p>	<p>The Committee examined management’s report on 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 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>Management updated the Committee following the November 2024 release of the implementation guidance for the UK Economic Crime and Corporate Transparency Act 2023. The Committee will oversee management’s response to the guidance, particularly regarding reasonable procedures to prevent fraud and any necessary enhancements to the Group’s fraud prevention framework.</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>
<p>CNMV letters and enquiries</p>	<p>During the course of 2023, the Company received a number of enquiries from the CNMV, requesting information and clarifications relating to the Company’s accounting policies for major maintenance events for both owned and leased aircraft. In forming its responses, management incorporated: (i) detailed analysis of its current accounting policies; (ii) benchmarking of peer accounting policies; (iii) consideration of industry guidance; and (iv) consideration of alternative accounting policies. The Committee reviewed and concurred with management’s responses to the aforementioned enquiries.</p> <p>During the course of 2024 and through to the date of this report, the Company has received no further correspondence from the CNMV in relation to this, or any other matter.</p>
<p>Corporate governance and audit reform</p>	<p>Throughout 2024, the Committee closely monitored developments in and emerging guidance in respect of the UK’s Revised Corporate Governance Code and the UK Economic Crime and Corporate Transparency Act 2023. In May, the Committee challenged management’s initial approach to the implementation of provision 29 of the revised code. Management agreed to monitor emerging industry practice throughout 2024 and 2025 to further improve and refine the approach.</p> <p>The Committee believes management is well placed to adopt the new provisions as a result of the existing control frameworks implemented across the Group. Throughout 2025, the Committee will be reviewing management’s implementation of the provisions to ensure full compliance and appropriate assurance provision for the Board in accordance with the relevant regulatory and legal timetable.</p>
<p>Sustainability statement and CSRD</p>	<p>The Committee is pleased with management’s progress in preparing for the disclosure of material data points required under the Corporate Sustainability Reporting Directive (CSRD) (directive 2022/2464/EU) as well as the continued progress on designing and documenting internal controls over non-financial reporting (ICNFR) across the Group to ensure there are robust processes and controls in place to obtain reliable data.</p> <p>In June, the IAG Board received training on the CSRD and double materiality assessment from an external expert to prepare for its responsibilities in approving the Group’s double materiality assessment.</p> <p>The Committee held a joint session with the Safety, Environment and Corporate Responsibility (SECR) Committee in October, to jointly review and challenge management’s approach and conclusions regarding the CSRD double materiality assessment. In addition, both Committees reviewed the draft Sustainability statement in advance of the year end.</p> <p>At the request of the Committee, additional non-financial information process and control internal audits were undertaken in 2024 to inform management’s drive to improve the ICNFR framework and to provide the Committee with assurance that the newly-implemented controls are operating effectively. In 2025 the Committee will, jointly with management, determine the appropriate level of ongoing assurance required over the ICNFR framework.</p>
<p>Compliance</p>	<p>The Committee recognises the critical role of compliance in upholding the highest ethical standards across the Group. Throughout 2024, the Committee has closely monitored management’s plans to address the recommendations of the independent assessment of the Group’s ‘Speak Up’ programme and ethics and compliance maturity assessment completed in December 2023. This has included the review and challenge of the Group’s three-year compliance plan, receiving regular updates on the implementation of the first year of the plan as well as the review and approval of the IAG Ethics and Compliance Charter and the revised IAG ‘Speak Up’ policy.</p> <p>The Committee is pleased with the progress made and compliance will remain a key area of focus for the Committee during 2025 and 2026.</p>

The Committee will continue to receive regular updates on all the above matters in 2025.

Internal Control over Financial Reporting

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 responsibility for the development of effective controls to the Group Chief Executive Officer 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, Iberia 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.

In 2024, 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 2024 in relation to the Internal Audit function included:

- Reviewing and agreeing the internal audit 2024 plan and 2025 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 2024 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 Head of Group Audit and the external audit partners, as well as ensuring the Head of Group Audit 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 stakeholders in December 2024.

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).

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 2024 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 on the issuance of Avios discussed in the significant financial reporting matters section above;
- Performing an assessment of the effectiveness and independence of KPMG, including the quality of the 2024 audit (throughout the year) and reviewing and approving KPMG's fees and terms of reference; and
- Reviewing and approving 2024 non-audit services expenditure against policy and previously determined limit guidance. Reviewing and approving non-audit services limit guidance and expectations for 2025.

External audit scope, materiality and execution

In May, 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 passenger, cargo and customer loyalty programme revenue recognition, accounting for VAT, accounting for aircraft maintenance, restoration and hand-back costs, and how these were to be considered in the audit approach.

The auditor confirmed that 100% (2023: 100%) of the Group's forecast revenue and 97% (2023: 95%) of the Group's forecast total assets would be subject to a full scope audit. 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 2024 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.

In addition to the annual evaluation, the Committee undertook an ongoing assessment of external audit quality and effectiveness including, but not limited to, the following indicators:

- the Committee oversaw formal terms of engagement with the auditor and agreed the audit fee;
- reports from the external auditor were reviewed during Committee meetings in 2024 and again in the February 2025 Committee meeting, covering: the conclusions of the review of the Group's results for the half year; audit planning updates; interim audit findings

(including those of the review of the relevant key IT general controls); progress update for year end matters; and final report for year end matters;

- KPMG attended all six of the scheduled Committee meetings and one special meeting during the year to answer any questions the Committee had beyond these formal updates; and
- consideration of the FRC's most recent Audit Quality Review conclusions relating to KPMG as a firm and any specific findings relating to audits led by the lead audit partners with IAG.

Taking all aspects of the assessment throughout the year into consideration, the Committee concluded that it is satisfied that the KPMG audit was probing, challenging and robust and the approach provided a reliable audit opinion with a reasonable expectation of detecting material errors, irregularities and material fraud. The Committee considered the external audit to have been effective and of a high quality.

External audit tender and transition

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 appointment of new external (KPMG) audit Spanish lead partner to sign off on the 2026 financial year	To comply with the Spanish Act 22/2015, 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 2024. The Committee considered and recommended to the Board the reappointment of KPMG for 2025.

External auditor non-audit services and independence

Non-audit service spend in 2024 is within the total target maximum and was €2,000,000. 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.								
	<table border="1"> <thead> <tr> <th>Value</th> <th>Pre-approver</th> </tr> </thead> <tbody> <tr> <td>More than €100,000</td> <td>Audit and Compliance Committee Chair and Chief Financial and Sustainability Officer</td> </tr> <tr> <td>Between €30,000 and €100,000</td> <td>Chief Financial Officer and Sustainability Officer and Head of Group Audit</td> </tr> <tr> <td>Less than €30,000</td> <td>Head of Group Audit</td> </tr> </tbody> </table>	Value	Pre-approver	More than €100,000	Audit and Compliance Committee Chair and Chief Financial and Sustainability Officer	Between €30,000 and €100,000	Chief Financial Officer and Sustainability Officer and Head of Group Audit	Less than €30,000	Head of Group Audit
Value	Pre-approver								
More than €100,000	Audit and Compliance Committee Chair and Chief Financial and Sustainability Officer								
Between €30,000 and €100,000	Chief Financial Officer and Sustainability Officer and Head of Group Audit								
Less than €30,000	Head of Group Audit								
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 2024 of €2.6 million with an additional allowance of up to €1.6 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 €100,000 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
Emilio Saracho	20 June 2019
Nicola Shaw	1 January 2018

Dear shareholder

On behalf of the Board, I am pleased to present our 2024 Directors' Remuneration Report, where, we set out our key considerations and the remuneration decisions we have reached in 2024 both for the executive director of IAG and for its management team. I have also outlined details of the review we are currently conducting in respect of our Remuneration Policy.

Business performance

This has been a year of very strong performance for IAG, consolidating the Group's post-pandemic recovery. We have announced a strong set of financial results as we have continued to deliver our strategy, which is underpinned by our transformation ambition, ensuring we are even better placed to deliver on our purpose of connecting people, businesses and countries. We have delivered significant shareholder value through our continued strong share price performance, and achieved the important milestone of a return to dividends and the launch of a €350 million share buyback programme in late 2024.

Highlights include:

- Operating profit before exceptional items of €4,443 million;
- Increase in operating margin by 1.9% percentage points to 13.8%;
- Surpassed pre-pandemic capacity and over 122 million passengers flown;
- Increased profitability has supported significant free cash flow generation, investment and an increasingly strong balance sheet;
- €350 million share buyback programme announced;
- Grew closer to our 10% sustainable aviation fuel goal as IAG continues to lead the industry on sustainability.

Remuneration Policy review

In light of the economic and business context and the Group's return to strong sustainable performance, under the leadership of our CEO, the Committee continued to review the long-term incentive framework, including that for the CEO (the only Executive Director) during 2024. Shareholders may recall we had signposted this as an area of focus for us in our 2023 Directors' Remuneration Report.

Following review and discussions over the recent months, the Committee has concluded that it is appropriate to propose a change to the CEO's long-term remuneration, to ensure that it continues to adequately incentivise the delivery of our ambitious strategic growth plans, reinforces our high-performance culture and unifies the remuneration framework for all of our management team.

Since 2021, the Restricted Share Plan (RSP) has played an effective and important role in incentivising, engaging and retaining our valuable leadership team, demonstrating its relevance and value even beyond a period of maximum uncertainty such as the pandemic period. Also in 2021, an additional plan, the Full Potential Incentive Plan (FPIP) was introduced on a one-off basis, for our top 250 executives below the Board. This plan, with an exceptional stretch target of 2024 operating profit, has been instrumental in motivating our management team to drive the transformation of the business and to deliver world-class financial performance and a substantial increase in IAG's shareholder value over the past three years.

We are now seeking to build on the effectiveness of the combination of the RSP/ FPIP long-term incentive framework below the Board, and will introduce a new Stretch Performance Incentive Plan (SPIP) in 2025 to operate alongside the RSP. As before, this will be awarded to IAG's 300 senior leaders as a follow-on to the 2021 FPIP. A single grant will be made in 2025, with a three-year performance period.

The new SPIP scheme is once again designed to incentivise our senior leaders to achieve stretch performance targets ahead of our strategic plan targets through to the end of 2027, to maintain the focus on transforming the business and to further reinforce our high-performance culture.

Our CEO did not participate in the original FPIP scheme, as the Board did not consider it appropriate to put this proposal to shareholders in 2021 given the economic and business context we were in at the time. In consultation with our CEO, it was decided to introduce this plan without his involvement.

We now consider it important for him to participate in this new stretch incentive plan, to ensure alignment and consistency of the remuneration framework and long-term performance targets across the leadership team, and ultimately fairness in remuneration outcomes.

The Committee is therefore consulting with shareholders on a potential change to the Policy, to allow the CEO to participate in this plan. At the time of finalising this report the consultation is ongoing. If, at the conclusion of that process, we determine that the Policy should be amended, this will be proposed in our upcoming Notice of Annual Shareholders' Meeting.

2024 annual incentive outcome

Our annual incentive framework is based on a combination of financial and non-financial measures. There were no changes to the measures for 2024, which continue to reflect the Group's key focus on delivering robust financial performance, an excellent customer experience and strong progress towards our sustainability and other strategic goals. 60% of the annual incentive was based 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 85.7% of the maximum opportunity, largely driven by financial performance against our stretching operating profit targets. Due to fleet modernisation and sustainable aviation fuel (SAF) we continue to deliver against our carbon targets, with stretch performance achieved again in 2024. Performance against the customer measure was between threshold and target (with a 4.4pts improvement versus 2023). The Board and management team are committed to improving our customer propositions and actively mitigate disruptions with continued investment in the customer experience.

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

Vesting of the 2022 Restricted Share Plan (RSP)

The restricted share award granted to IAG's executive director in 2022 is due to vest in March 2025. 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.

The Committee has an established framework for assessing whether the performance underpin has been satisfied over the three financial years of the award, to ensure that the RSP vesting outcome is appropriate in the context of overall business performance and that there is no payment for failure. In assessing the 2022 award at its February 2025 meeting, 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 2022 RSP award for the IAG CEO will vest in full in March 2025. The estimated value of the award is included in this year's report and reflects the increase in IAG's share price over the plan period, with IAG leading the FTSE in 2024 for shareholder value creation. The award is subject to a two-year holding period.

Salary increases for 2025

The CEO's salary is reviewed annually, taking into account salary increases in the wider Group, the external market environment and the experience of shareholders and other stakeholders. We seek to balance these factors with the need to ensure that the CEO's salary remains competitive in IAG's core talent markets. After careful consideration, the Committee approved a salary increase of 3% for the IAG CEO for 2025, which is no more than the average increase for the wider workforce.

Workforce experience

The Committee continues to evaluate management's remuneration within the context of remuneration of our wider workforce. In accordance with IAG's business model, the operating companies are responsible for their own reward frameworks and terms and conditions and seek to ensure that the work performed by employees is appropriately reflected in their remuneration, is aligned to local markets, and competitive in attracting the best talent.

The Committee has received regular updates on our workforce initiatives, including the investments made by our operating companies, for example in improving the portfolio of flexible benefits offered to ensure IAG remains attractive and competitive, and to support the health and well-being of employees. 85% of our employees are covered by collective bargaining agreements, which seek to ensure fair, competitive and sustainable pay, providing stability for our business and employees.

All members of the Committee participate in the Board workforce engagement programme, which provides an opportunity to engage with employees on a broad range of matters including remuneration. The Committee has used these insights to ensure decisions regarding executive remuneration give appropriate consideration to our approach for the wider workforce and reflect the expectations of all our stakeholders.

On behalf of the Committee, I would like to take this opportunity to thank our employees across the Group for their continued effort, commitment, dedication and hard work which have been key to the success achieved by IAG this year.

Conclusion

This year the Remuneration Committee has again sought to take a considered and balanced approach to executive remuneration, taking into account our overall performance, the experience of our employees, shareholders, customers and other key stakeholders in the period. The Committee considers that the Directors' Remuneration Policy operated as intended during 2024, and the remuneration outcomes described in this report are appropriate in the context of the very strong performance achieved in the period.

If proceeding with a Policy change proposal post completion of our shareholder consultation, we will follow up to provide full details as soon as possible.

I would like to take this opportunity to thank our shareholders for their support at our 2024 Shareholders' Meeting, both for the renewal of our Remuneration Policy, which received 92% of shareholder votes in favour, and for the implementation of our previous Policy in 2023, which was supported by 94% of shareholder votes.

We hope that our Directors' Remuneration Report receives your support at our 2025 Shareholders' Meeting (and 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

IAG Chief Executive Officer

Purpose and link to strategy features	Outcomes for 2024	Implementation in 2025
Fixed remuneration		
Base salary		
To attract and retain talent to help achieve our strategic objectives.	From 1 January 2024: £886,912 (€1,044,782) (an increase of 4% from 2023).	Following a review, an increase of 3% has been awarded. From 1 January 2025: £913,519 (€1,076,126).
Takes account of factors such as role, skills and contribution.	Below the average increase for the majority of the wider workforce.	No more than 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 2024 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 85.7% of maximum, and thus the 2024 bonus amount of £1,520,000.	No change to the scorecard measures and weightings for 2025.
	As the IAG CEO has met the 350% 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).	The targets for 2025 are commercially sensitive and will be disclosed in the 2025 remuneration report.
Long-term incentive (RSP)		
Incentivises long-term shareholder value creation, and retention.	The second Restricted Share Plan award comprised two awards, one in March 2022 and another in October 2022, both of which are due to vest in March 2025. 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.	In line with IAG's Remuneration Policy, a Restricted Share Award of 150% of salary will be granted to the IAG CEO in 2025.
	More detail on the Committee's assessment can be found later in this report.	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.
		As mentioned earlier the Committee is consulting with shareholders on a potential change to the Policy. At the time of finalising this report the consultation is ongoing. If, at the conclusion of that process, we determine that the Policy should be amended, this will be proposed in our upcoming Notice of Annual Shareholders' Meeting.
Shareholding requirement		
Provides long-term alignment with shareholders.	The CEO of IAG is required to build up and maintain a shareholding of 350% of base salary.	As at 31 December 2024 the IAG CEO had a shareholding of 643% 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 2024.

2024 performance and pay outcomes summary

Business performance

Key strategic highlights

- Strong operating profit and financial performance
- Strengthen our balance sheet and reinvested in the business
- 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
- Surpassed pre-pandemic capacity
- Continued to build a sustainable business (as we continue to renew our fleet and to invest in SAF)

Key statistics

How we performed in 2024:

- Operating profit before exceptional items €4,443 million (+€936 million vly)
- Net debt €7,517 million and total liquidity €13,362 million (-€1,728 million and +€1,738 million vly)
- Net Promoter Score (NPS¹) 21.0 (+4.4 vly)
- Carbon intensity 78.1 gCO₂/pkm (-3% vly)
- SAF use (tonnes CO₂ saved) exceeded 469,000 tonnes

Performance outcomes

Annual Incentive Plan

	Threshold	Target	Stretch
Financial (60%)	[Bar chart showing 100% achievement]		
Customer (20%)	[Bar chart showing 100% achievement]		
Carbon (10%)	[Bar chart showing 100% achievement]		
Strategic and role-specific (10%)	[Bar chart showing 100% achievement]		

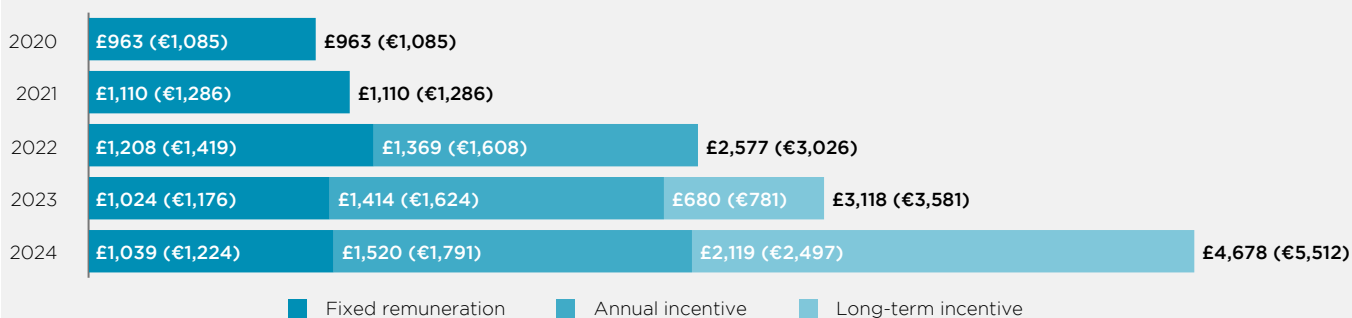
Long-Term Incentive Plan

The Committee undertook an assessment of the performance underpin attached to the restricted share awards made in 2022 and agreed that, based on this assessment, the conditions set out in the underpin had been satisfied. As a result it is expected that the award will vest in full in March 2025.

85.7% Formulaic outcome (% of maximum)	- Committee judgement - no adjustments	85.7% Final outcome (% of maximum)
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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 2022, 2023, and 2024.

IAG Chief Executive Officer remuneration history (£'000)



2020: current IAG CEO appointed in September 2020.

2023: the value shown for long-term incentive has been restated this year using the share price at vesting in June 2024, which was 164 pence. The vesting of the 2021 RSP award was provided in last year's report based on an estimated share price of 152 pence based on a three-month average share price from 1 October 2023 to 31 December 2023.

2024: the value shown for long-term incentive represents the estimated value of the total 2022 RSP awards granted, expected to vest in full in March 2025. The estimate is based on a three-month average share price from 1 October 2024 to 31 December 2024 of 243 pence.

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 2024.

Remuneration report

Introduction

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

The Company's current policy on directors' remuneration was approved by shareholders at the Shareholders' Meeting held on 26 June 2024, following consultation with major shareholders.

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 opportunity provided by the Spanish CNMV for allowing companies to prepare free-format reports. 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 Spanish legislation 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

Key elements of pay executive directors

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 Policy, which was approved by shareholders on 26 June 2024, 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 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) relating 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 executive 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 an executive 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 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 RSP shares, subject to the underpin being met, in accordance with the plan rules. The pro-rating 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 usual performance assessment and typically paid in the normal manner following the year end.

In the event of an executive director's termination by 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. In accordance with UK practice, 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 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 2024.

When setting executive directors' remuneration, the Committee considers the factors set out in Provision 40 of the UK 2018 Corporate Governance Code. IAG operates a simple and clear remuneration framework, and the policy illustrates the potential outcomes under various performance scenarios. Safeguards are in place to mitigate risk, such as malus and clawback and the Committee's ability to apply discretion when determining incentive outcomes. The variable pay elements ensure that outcomes are proportionate to performance, with measures chosen that support the strategy and reinforce IAG's values and culture.

Annual Remuneration report

The Annual Remuneration report sets out how the Directors' Remuneration Policy (as approved by shareholders at the Shareholders' Meeting on 26 June 2024) was put into practice in 2024 and how it will be implemented in 2025.

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 Senior Independent Director. 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 2018 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 culture.

Statement of voting

The table below shows the consultative vote on the 2023 Annual Directors' Remuneration report and the Directors' Remuneration Policy approval at the 2024 Shareholders' Meeting:

	Number of votes cast	For	Against	Abstentions
2023 Annual Directors' Remuneration report	2,429,999,757 (100)%	2,276,435,642 (93.68)%	23,412,358 (0.96)%	130,151,757 (5.36)%
2024 Directors' Remuneration Policy	2,429,999,757 (100)%	2,232,389,109 (91.87)%	65,902,288 (2.71)%	131,708,360 (5.42)%

The Committee's activities during the year

In 2024, the Committee met eight times (four scheduled meetings and four extraordinary meetings held in June, July, October and December) and discussed, among other things the following matters:

Meeting	Agenda items discussed
January	<ul style="list-style-type: none"> Review of IAG executive directors' Remuneration Policy 2023 Directors' Remuneration Report and Non-Financial Information Statement Management Committee pay benchmarking review IAG CEO 2024 base salary review Approval of grants under the Restricted Share Plan (RSP)
February	<ul style="list-style-type: none"> Validated the report in relation to the proposal to amend the Directors' Remuneration Policy Review of the 2023 annual incentive outturn Initial assessment of the vesting outcome of the 2021 Restricted Share Plan (RSP) award Approval of the 2023 Directors' Remuneration Report Approval of the 2024 Annual Incentive Plan 2024 Management Committee role-specific objectives Approval of share awards for senior executives and delegation of authority for future awards Share ownership update: review of executive holdings, share awards authority and dilution limits
May	<ul style="list-style-type: none"> Market update on executive remuneration trends Executive director remuneration Review of long-term incentives vehicles: incentivising stretch performance 2024 Annual Incentive Plan update Authorisation for the allotment of shares for IAG share plans
June	<ul style="list-style-type: none"> Vesting outcome of the 2021 Restricted Share Plan (RSP) award
July	<ul style="list-style-type: none"> Review of market trends and feedback from investors after the 2024 AGM Long-term performance incentive approach Executive director remuneration (including benchmarking review)
October	<ul style="list-style-type: none"> Approval of termination payment for IAG Management Committee member
November	<ul style="list-style-type: none"> Market perspective on long-term incentive structures Update on 2024 Annual Incentive Plan and FPIP potential outturns Workforce remuneration update Remuneration strategy for 2025 (including long-term performance incentive scheme)
December	<ul style="list-style-type: none"> Consideration of the long-term incentive model

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 2024 were £156,440 (€184,286), 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 2024. 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 2024.

Consideration of shareholder views

The Company consults regularly with its major investors on all matters relating to executive remuneration. The Company will engage in an extensive investor consultation exercise whenever there are any significant changes to Remuneration Policy.

The Committee discusses each year the issues and outcomes from the Annual Shareholders' Meeting, and determines any appropriate action required as a result.

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 2024. An explanation of how the figures are calculated follows the table.

	CEO: Luis Gallego			
	£'000 ¹		€'000 ¹	
	2024	2023	2024	2023
Base salary	887	853	1,045	980
Benefits	41	64	49	74
Pension	111	107	131	122
Total fixed remuneration	1,039	1,024	1,224	1,176
Annual incentive	1,520	1,414	1,791	1,624
Cash	1,216	707	1,433	812
Deferred into shares for three years	304	707	358	812
Long-term incentive ^{2,3}	2,119	680	2,497	781
Total variable remuneration	3,639	2,094	4,287	2,350
Single figure of total remuneration⁴	4,678	3,118	5,512	3,581

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

2 2024 long-term incentive: the value shown in this table represents the estimated value of the 2022 RSP awards granted in March and October 2022, which are expected to vest in full in March 2025. The estimate is based on a three-month average share price from 1 October 2024 to 31 December 2024 of 243 pence.

3 2023 long-term incentive: the value for the vesting of the 2021 RSP award was provided in last year's report based on an estimated share price of 152 pence based on a three-month average share price from 1 October 2023 to 31 December 2023. This has been restated this year using the share price at vesting in June 2024, which was 164 pence.

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.

Additional explanations in respect of the single total figure table for 2024

Only the current IAG CEO, Luis Gallego, served as an executive director in 2024. 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 2024, an increase of 4% was awarded. This was below the average increase for the wider workforce, which was more than 5%.

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 2024, 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 85.7% of maximum. The outcomes of the performance conditions and outcomes that determined the award are described in detail later in the report.

Under the current Policy, as the IAG CEO has met the 350% 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 be deferred into shares for three years).

For 2023, the bonus outcome was 82.9% of maximum. Under the previous policy, half of the annual incentive was deferred into shares for three years; these will vest in March 2027.

Long-term incentive vesting

In 2021 the then-existing Performance Share Plan was replaced with a Restricted Share Plan (RSP). The second Restricted Share Plan award comprised two awards, one in March 2022 and another in October 2022, both of which are due to vest in March 2025.

The Committee undertook an assessment of the performance underpin attached to the restricted share awards made in 2022 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 2025.

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

Share price appreciation and depreciation

The share price at grant was 141 pence and the estimated share price at vest is 243 pence, representing a growth of 102 pence per share. The overall value of the vesting of the 2022 RSP awards that is attributable to share price growth is, therefore, £889,619.

The Committee has not exercised any discretion as a result of share price appreciation or depreciation for any of the remuneration in the above table.

Life insurance

The Company provides life insurance and accidental death cover for executive directors. For the year ended 31 December 2024 the Company paid life insurance premium contributions of €17,847 (2023: €17,050).

Exchange rate for 2024

For the year to 31 December 2024, the £:€ exchange rate applied is 1.1780 (2023: 1.1486).

Variable pay outcomes

2024 Annual Incentive Plan

The IAG Annual Incentive Plan supports the business strategy through 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 2024, 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 2024 it was considered that operating profit continued to be the most appropriate financial KPI in aligning shareholder interest with the Company
20% customer	Group Net Promoter Score by relevance (NPS)	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 2024
10% IAG-specific carbon efficiency measure	Group grammes of CO ₂ per passenger kilometre (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

IAG CEO Annual Incentive Plan – performance against targets

Under the Policy, the IAG CEO has a maximum annual incentive opportunity of 200% of contractual salary. The table below details the approved 2024 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% pay-out)	(50% pay-out)	Max pay-out (100%)				
Financial measures 2024	Operating profit before exceptional items (€m)	60%	2,418	3,455	4,491	4,443	97.7%	58.6%	£1,039
Description of performance									
In 2024, the Group benefited from strong demand for travel across our core markets. Capacity growth was particularly strong in LACAR which grew 12% versus 2023, while Domestic (Spain and UK) and North Atlantic grew 6% and 3% respectively. All of our airlines developed their networks and grew capacity versus last year, with increased load factors. IAG also benefited from lower fuel unit costs with increased capacity offset by reduced average commodity fuel prices during the year. The result was a strong operating profit before exceptional items for the year of €4,443 million, versus a target of €3,455 million.									
Customer 2024	NPS ¹	20%	17.14	22.85	28.56	21.0	40.4%	8.1%	£144
Description of performance									
The outcome for 2024 was 21.0 (4.4pts higher than 2023) vs a target of 22.85. Disruptions, stemming from diverse factors such as air traffic control and fleet and supply chain challenges, impacted negatively our NPS. To mitigate this impact our airlines have invested in fleet, IT, customer propositions and operational resilience aimed at improving on-time performance, communication and support during disruptions and all baggage-related processes, among others. Positive impacts to our NPS can be attributed to substantial investment in our cabins and cabin product, digitalisation and personalising the customer journey and rewarding customers through loyalty programmes and benefits. NPS continues to be a key area of focus for both management team and the Board.									
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 2024.									
Carbon 2024	gCO ₂ /pkm	10%	81.5	80.2	78.9	78.1	100.0%	10.0%	£177
Description of performance									
The outcome for 2024 was 78.1 vs a target of 80.2. IAG is targeting net zero emissions by 2050 across its Scope 1, 2, and 3 emissions. IAG's interim targets are an 11% improvement in fuel efficiency 2019-2025, a 20% drop in net Scope 1 and 3 emissions 2019-30, and 10% SAF in 2030.									
IAG achieved in 2024 its 2025 target, and is on track to deliver its 2030 and 2050 climate targets by carrying out emission reduction initiatives, working in collaboration with key stakeholders and proactively advocating for supportive government policy and technology development. Key measures to reduce emissions are fleet modernisation, sustainable aviation fuel (SAF), market-based measures including the UK and EU ETS and CORSIA, and carbon removals.									
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%	£160
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 2024, 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%						85.70%	£1,520

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 2024 the CEO of IAG had a shareholding of 643% of basic salary, meeting the 350% shareholding guideline, therefore, 80% of the annual incentive award will be paid in cash with 20% deferred into shares for three years.

2024 CEO performance annual incentive award outcome

Formulaic scorecard outcome	Remuneration Committee judgement	Final scorecard outcome as % of maximum	85.70%
85.70%	–		X
% of maximum	No adjustment		
		Maximum bonus opportunity (% of base pay)	200%
			X
		Base pay (£'000)	£887
			=
		2024 Annual Incentive Award (£'000 shown in single figure table)	£1,520 €1,791

IAG Restricted Share Plan (RSP) awards

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.

2022 Restricted Share Plan (RSP) award vesting

The second Restricted Share Plan award comprised two awards, one in March 2022 and another in October 2022, both of which are due to vest in March 2025. The Committee undertook an assessment of the performance underpin which 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 2022, 2023, and 2024. 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.

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 2022 RSP awards will vest in full in March 2025. The award is subject to a two-year holding period.

2022 RSP (number of shares awarded)	872,860
	X
Estimated share price¹	£2.43
	=
Award shown in the single figure table (£'000)²	£2,119 €2,497

1 Value shown represents the estimated value of the 2022 RSP award vesting in March 2025. The estimate is based on a three-month average share price from 1 October 2024 to 31 December 2024.

2 When reviewing the vesting outcome for the 2022 RSP, the Committee was mindful that the share price has increased 72% 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 2024 Restricted Share Plan (RSP)

Type of award	Company shares
Basis of determination of the size of 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
Date of grant	March 2024
Grant price	£1.52 ¹
Vesting period	Three years: March 2024 to March 2027
Holding period	Two years: March 2027 to March 2029
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 2024, 2025 and 2026 of the Company (i.e. 1 January 2024 to 31 December 2026). 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 2024 and 12 March 2024

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 2024 to 31 December 2024). He received cash in lieu of contributions of £110,864. This value is equivalent to 12.5% of base salary paid during the financial year and is comparable to the rate for the majority of the UK workforce.

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 Group's shareholding guidelines, the IAG CEO is required to build up and maintain a shareholding of 350% of salary and other executive directors would be required to build up and maintain a shareholding of 200% of basic salary.

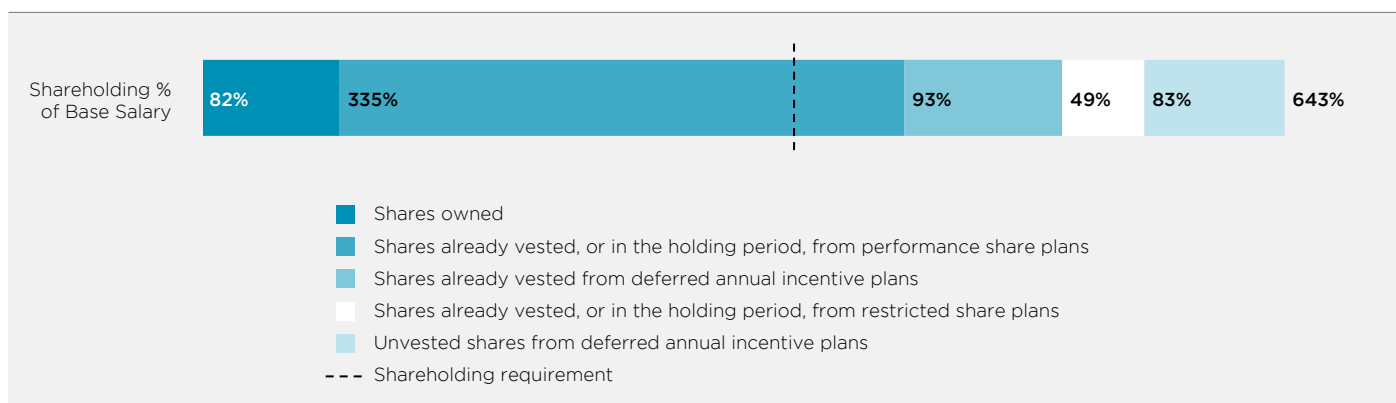
In addition, executive directors are required to retain all shares received via incentive plans until 100% of their shareholding requirement is attained.

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		3.5 times salary
	Actual		6.43 times salary (2,069,660 shares)

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

The chart and table below summarise current executive directors' interests as of 31 December 2024:



Executive director	Shareholding requirement	Shares owned	Shares already vested, or in the holding period, from performance share plans	Shares already vested from deferred annual incentive plans	Shares already vested, or in the holding period, from restricted share plans	Unvested shares from deferred annual incentive plans	Total qualifying shares held ¹	Consequence of a +/- €0.5 share price change (€)
Luis Gallego	350 % of salary	403,834	684,908	277,619	219,926	483,374	2,069,660 (643% of salary)	1,034,830

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 their date of termination. 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 2024 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
2015	Willie Walsh	£6,455,000	80.00 % of maximum	100.00 % of maximum
2016		£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		£3,118,000	82.9 % of maximum	- ¹
2024		£4,678,000	85.7 % of maximum	- ¹

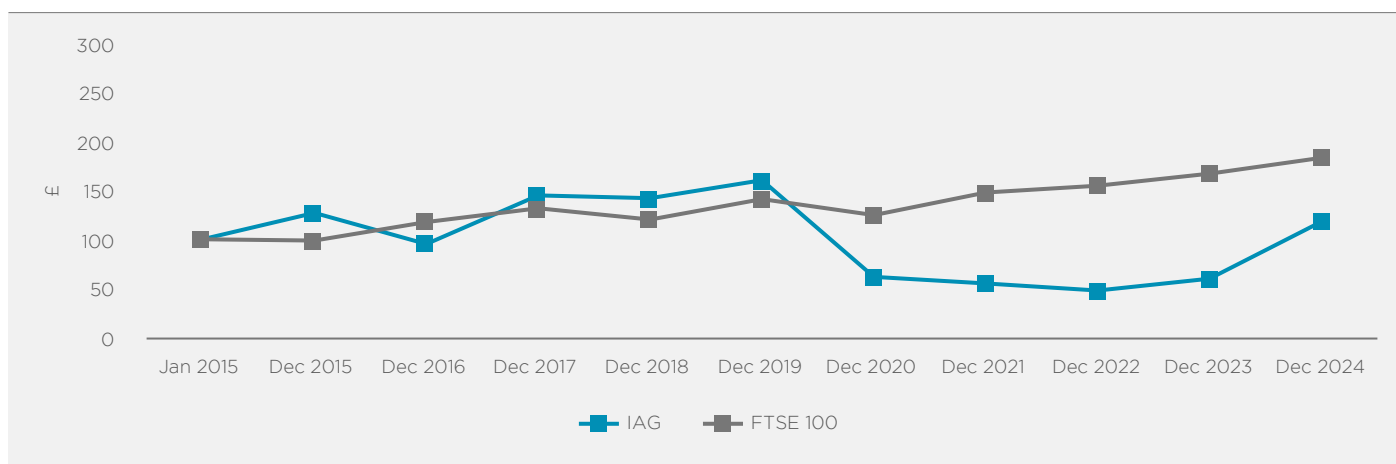
¹ 2023 and 2024 long-term incentives: from 2021, restricted share awards were granted to the IAG CEO which have no performance conditions and vest subject to the satisfaction of performance underpins. The values of the restricted share awards are included in the single total figure table in the relevant 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 (TSR) performance compared to the FTSE 100

The chart below shows the value by 31 December 2024 of a hypothetical £100 invested in IAG shares on 1 January 2015 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 spot share price has been taken on the date of listing, and 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.



In 2024 IAG was the top performing FTSE stock.

Non-executive directors

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

Role	2024 fee	2025 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 Safety, Environment and Corporate Responsibility Committee	€20,000	€20,000
Additional fee for Senior Independent Director	€30,000	€30,000

1 The Chairman of the Board chairs the Nomination 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 will remain unchanged for 2025, as it has been since 2011.

However, the Board, following a recommendation from the Remuneration Committee, agreed that from 1 January 2024, the additional fee for chairing a Committee would increase to €30,000 for the Chair of the Audit and Compliance Committee and Chair of the Remuneration Committee. This more closely reflects the complexity and time commitment of 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 2024 and 31 December 2023 is set out in the table below.

Director (€'000)	2024			2023		
	Fees	Taxable benefits	Total	Fees	Taxable benefits	Total
Javier Ferrán	645	23	668	645	8	653
Heather Ann McSharry ¹	180	10	190	170	3	173
Giles Agutter ²	59	-	59	120	-	120
Peggy Bruzelius	120	1	121	120	4	124
Eva Castillo ^{1,3}	133	23	156	120	2	122
Margaret Ewing ^{1,3}	138	10	148	140	4	144
Maurice Lam	120	23	143	120	9	129
Bruno Matheu ⁴	62	-	62	-	-	-
Robin Phillips	120	15	135	120	18	138
Emilio Saracho	120	13	133	120	11	131
Nicola Shaw	140	-	140	140	4	144
Total (€'000)	1,837	118	1,955	1,815	63	1,878

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.

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

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

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

Each 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 2024, the £:€ exchange rate applied is 1.1780 (2023: 1.1486).

Directors' interests in shares

	Total shares and voting rights	Percentage of capital
Javier Ferrán	774,750	0.016 %
Luis Gallego	1,366,361	0.027%
Peggy Bruzelius	-	- %
Eva Castillo	-	- %
Margaret Ewing	18,750	- %
Maurice Lam	-	- %
Bruno Matheu	-	- %
Heather Ann McSharry	55,000	0.001 %
Robin Phillips	-	- %
Emilio Saracho	-	- %
Nicola Shaw	4,285	- %
Total	2,219,146	0.045 %

There have been no changes to the shareholdings set out above between 31 December 2024 and the date of this report.

Payments to past directors

Travel benefits were received during 2024 by the following former non-executive directors:

Former non-executive directors	Value
Alberto Terol	€20,000
Patrick Cescau	€32,000
Maria Fernanda Mejia	€28,000
Kieran Poynter	€13,000
Dame Marjorie Scardino	€6,000
James Lawrence	€29,000

Wider workforce in 2024

A key area of focus for the Committee over 2024 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.
- 85% 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 British Airways staff travel), mental health and physical health offerings (e.g. implementation of EAPs (employee assistance programmes) and free menopause support) 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	Workforce remuneration	Gender pay
<p>All 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.</p> <p>The key themes from the 2024 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 is set out in the Stakeholder engagement section of the Corporate Governance report.</p>	<p>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.</p> <p>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.</p>	<p>Operating companies have implemented a range of initiatives to support gender equality, including reviewing recruitment processes to ensure diverse shortlists and interview panels; setting up mentoring and networking opportunities for women; and providing educational programmes for girls and young women considering career paths in aviation.</p> <p>In 2024, as the Group continued to expand its workforce, particularly in customer service, airport supervisory and other corporate roles, the composition of the workforce evolved, resulting in changes to the median pay point for both men and women compared to 2023. The result is that at Group level, there has been a year-on-year reduction in the median salary gap from 8.4% in 2023 to 5.1% in 2024.</p> <p>Further details of the gender pay gap is set out in the Sustainability Statement section of the report.</p>

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 2024: £886,912 (€1,018,707) (an increase of 4% from 2023). Below 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>85% 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 2024 base salary increases of the IAG CEO against the UK workforce in 2024, of the 35,408 employees present in both 2023 and 2024, the average salary increase awarded was 5.5% 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 2024, 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>Under the current Policy, as the IAG CEO has met the 350% 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 be deferred into shares for three years).</p>	For eligible employees incentive plans were in place against objectives designed to focus on financial, customers, carbon efficiency and personal targets. Opportunities vary by role and outturns and payments against these plans were managed at a local level.
Long-term incentives	<p>Maximum restricted share plan 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>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 incentives is deemed critical to retention.</p>

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
2024	4,678	Option A	89:1	74:1	48:1
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
2024²	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
2022	Basic salary (£'000)	27.7	40.9	62.4
	Total remuneration (£'000)	43.4	57.1	90.5

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 42,066 employees who were in the Group for the whole of or some of 2024.

2 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 2024, payable to employees later in 2025, are modelled on an employee-by-employee basis against agreed frameworks. This approach enables fair and accurate comparison to the IAG CEO 2024 single total figure of remuneration.

The increase in the UK employee remuneration in 2024 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 2024 Annual Incentive Plan and under the Restricted Share Plan.
- Changes to the size and composition of the UK workforce between years, with pay for 40,248 employees being reported for 2023 and 42,066 for 2024.

The change in the IAG CEO's remuneration between 2023 and 2024, is due to:

- An increase of 4% in basic salary for 2024, below the average increase of the wider workforce (4% increase in 2023 was 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 2022 RSP awards, which will vest in full in March 2025, and be released at the end of the normal two-year holding period.

The median pay ratio for 2024, 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 2021 to 2024.

Director	2023 to 2024			2022 to 2023			2021 to 2022		
	Salary or fees	Taxable benefits	Annual incentive	Salary or fees	Taxable benefits	Annual incentive	Salary or fees ¹	Taxable benefits	Annual incentive
Luis Gallego ²	7 %	(34)%	10 %	2 %	(78)%	1 %	13 %	3 %	100 %
Javier Ferrán	- %	188 %		- %	60 %		13 %	25 %	
Heather Ann McSharry ³	6 %	233 %		16 %	(50)%		36 %	100 %	
Giles Agutter ⁴	(51)%	- %		- %	- %		11 %	(100)%	
Peggy Bruzelius	- %	(75)%		- %	100 %		11 %	- %	
Eva Castillo ⁵	11 %	1050 %		- %	- %		11 %	100 %	
Margaret Ewing ⁶	(1)%	150 %		- %	33 %		11 %	100 %	
Maurice Lam ⁷	- %	156 %		- %	(25)%		107 %	500 %	
Bruno Matheu ⁸	100 %	100 %		- %	- %		- %	- %	
Robin Phillips	- %	(17)%		- %	350 %		11 %	100 %	
Emilio Saracho	- %	18 %		- %	- %		11 %	57 %	
Nicola Shaw	- %	(100)%		- %	(67)%		14 %	100 %	
All UK employees^{9,10}	10 %	- %	30 %	6 %	- %	93 %	3 %	- %	(37)%

1 The comparison of fees for all directors in respect of 2021 and 2022, reflects a 10% COVID-19 related reduction operated for the full year in 2021.

2 Luis Gallego: An increase of 4% in basic salary for 2024 (below the average increase for the wider workforce). The comparison of 2021 vs 2022 reflects the first year since appointment in 2020 receiving full contractual salary and the first Annual Incentive Award since 2019.

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

4 Giles Agutter: stepped down from the Board in June 2024, and his fees reflect a part year of service.

5 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.

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

7 Maurice Lam: the comparison of 2021 vs 2022 reflects a part year of director service in 2021 versus a full year in 2022.

8 Bruno Matheu was appointed in June 2024.

9 The All UK employees 2023 and 2024 salary medians underlying the 10% uplift in median salary are taken from UK employee earnings published in the 2024 CEO pay ratio section.

10 The reported change in the median value of all UK employee annual incentives from 2023 to 2024 (30%) reflects the strong financial performance of the Group in the year.

Relative importance of spend on pay

The table below shows, for 2024 and 2023, total remuneration costs, operating profit before exceptional items and dividends for the Company.

	2024	2023
Total employee costs, IAG ¹	€6,356,000,000	€5,423,000,000
Total remuneration, directors (including non-executive directors)	€4,612,800	€4,678,000
IAG operating profit before exceptional items	€4,443,000,000	€3,507,000,000
Dividend declared	€147,000,000	-
Dividend proposed	€288,000,000	-

1 Total employee costs are before exceptional items.

Supplementary information – directors' share options and shares

The following table details the nil-cost options over ordinary shares of the Company granted to the current IAG CEO under the IAG PSP as at 31 December 2024:

Director	Date of grant	Number of options at 1 January 2024	Exercise price	Options exercised during the year	Options lapsed during the year	Options granted during the year	Exercisable from	Expiry date	Number of options at 31 December 2024
Luis Gallego	May 2015	131,242	1,4290	131,242	-	-	1/1/2020	31/12/2024	-
	March 2016	98,001	1,4290	98,001	-	-	1/1/2021	31/12/2025	-
	March 2017	174,504	1,4290	174,504	-	-	1/1/2022	31/12/2026	-
Total nil-cost options over ordinary shares		403,747		403,747	-	-			-

The value attributed to the Company's ordinary shares in accordance with the Plan rules on the date of the PSP awards was 2017: 546 pence; 2016: 541 pence; and 2015: 550 pence.

The following table details the conditional awards over ordinary shares granted under the Restricted Share Plan (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 2024	Number of vested conditional shares at 31 December 2024
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	-
Total conditional share awards (RSP)		2,998,002				2,583,048	414,954

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 2024: 152 pence (2023: 153 pence, both awards in 2022: 141 pence and 2021: 198 pence).

Incentive Award Deferral Plan (IADP)

Under the current Policy, if the IAG CEO has met the 350% 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 and 31 December 2023.

Executive director	Performance year award relates to ¹	Date of award	Number of shares at 1 January 2024	Awards released during the year	Date of vesting	Awards lapsing during the year	Awards made during the year	Number of unvested shares at 31 December 2024
Luis Gallego	2022	March 2023	447,341	-	March 2026	-	-	447,341
	2023	March 2024		-	March 2027	-	464,685	464,685
Total			447,341	-		-	464,685	912,206

¹ For the performance period ended 31 December 2024 the award is expected to be made in March 2025.

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: 2024 award: 152 pence and 2023 award: 153 pence.