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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 the single total figure of remuneration 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%)			
Customer (20%)			
Carbon (10%)			
Strategic and role-specific (10%)			

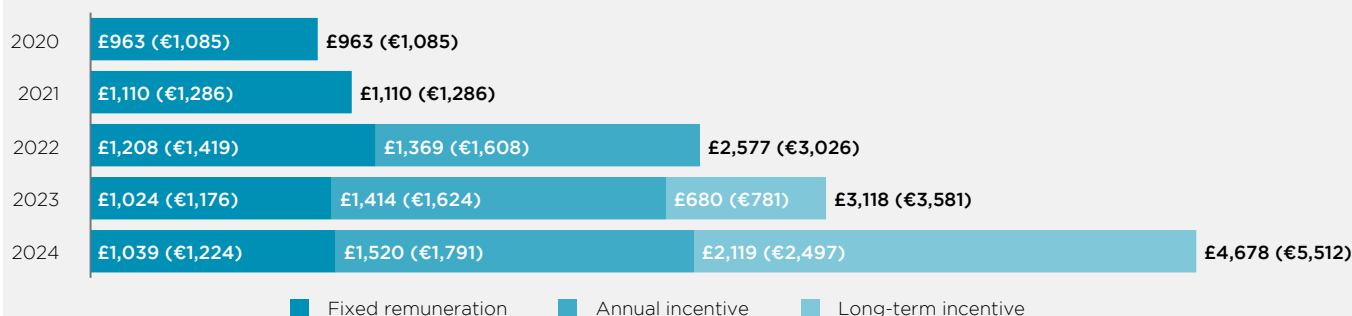
Long-Term Incentive Plan

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%	-	85.7%
Formulaic outcome (% of maximum)	Committee judgement – no adjustments	Final outcome (% of maximum)

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	Operating profit before exceptional items (€m)	60%	2,418	3,455	4,491	4,443	97.7%	58.6%	£1,039
2024									
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	NPS ¹	20%	17.14	22.85	28.56	21.0	40.4%	8.1%	£144
2024									
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	gCO ₂ /pkm	10%	81.5	80.2	78.9	78.1	100.0%	10.0%	£177
2024									
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 price ¹	£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.

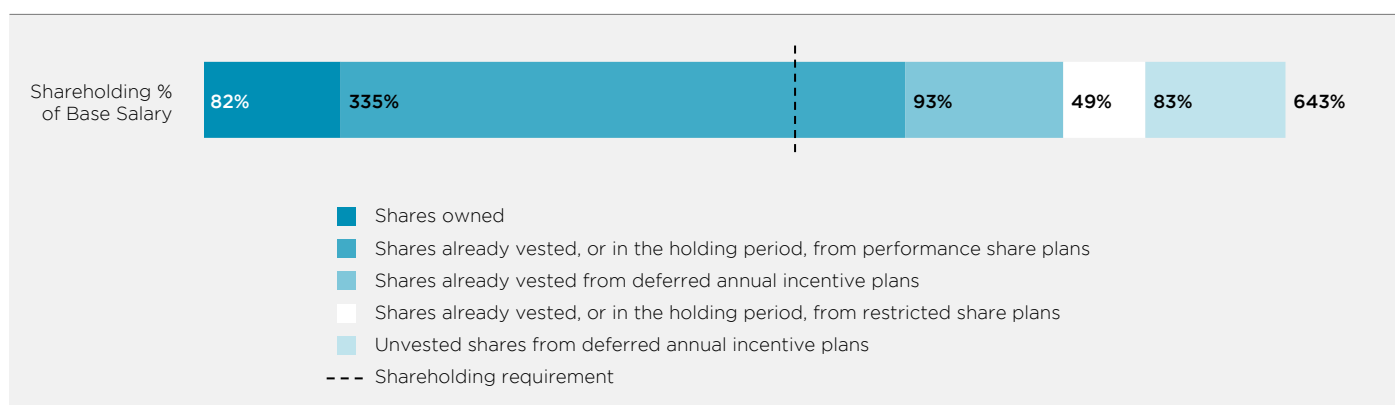
In addition, executive directors are required to retain all shares received via incentive plans until 100% of their shareholding requirement is attained.

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	<div style="width: 350%;"></div>	3.5 times salary
	Actual	<div style="width: 643%;"></div>	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

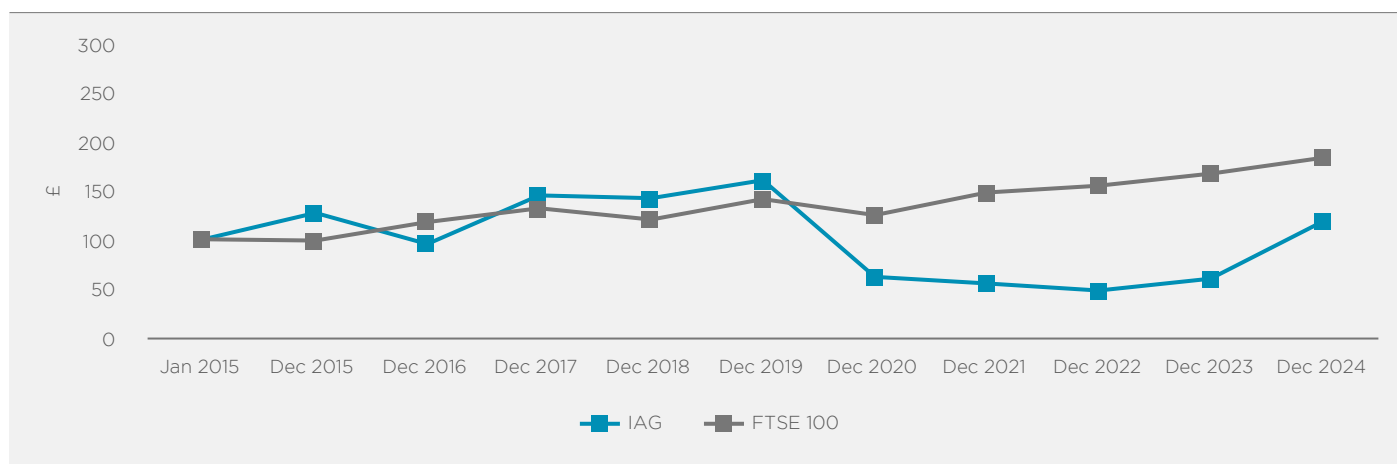
¹ 2023 and 2024 long-term incentives: from 2021, restricted share awards were granted to the IAG CEO which have no performance conditions and vest subject to the satisfaction of performance underpins. The values of the restricted share awards are included in the single total figure table in the relevant 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
<ul style="list-style-type: none">• 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>	<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.</p>
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.

ANNEX III. STATISTICS RELATING TO THE ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE

TAX ID (CIF)

2024/12/31

A-85845535

Company name:

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

Registered office:

El Caserío, Iberia Zona Industrial, nº 2 (La Muñoza), Camino de la Muñoza, s/n, 28042 Madrid

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED**B4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:**

	Number	% of total
Votes cast	2,429,999,757	100.00
	Number	% of votes cast
Votes against	23,412,358	0.96
Votes in favour	2,276,435,642	93.68
Blank ballots	0	0
Abstentions	130,151,757	5.36

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year n
Javier Ferrán	Independent Chair	From 01.01.2024 to 12.31.2024
Luis Gallego	Executive Director	From 01.01.2024 to 12.31.2024
Giles Agutter	Proprietary Director	From 01.01.2024 to 26.06.2024
Peggy Bruzelius	Independent Director	From 01.01.2024 to 12.31.2024
Eva Castillo	Independent Director	From 01.01.2024 to 12.31.2024
Margaret Ewing	Independent Director	From 01.01.2024 to 12.31.2024
Maurice Lam	Independent Director	From 01.01.2024 to 12.31.2024
Bruno Matheu	Proprietary Director	From 26.06.2024 to 12.31.2024
Heather Ann McSharry	Independent Director	From 01.01.2024 to 12.31.2024
Robin Phillips	Proprietary Director	From 01.01.2024 to 12.31.2024
Emilio Saracho	Independent Director	From 01.01.2024 to 12.31.2024
Nicola Shaw	Independent Director	From 01.01.2024 to 12.31.2024

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Javier Ferran	645	-	-	-	-	-	-	23	668	650
Luis Gallego	-	-	-	1,045	1,433	-	-	180	2,658	1,988
Giles Agutter	59	-	-	-	-	-	-	-	59	120
Peggy Bruzelius	120	-	-	-	-	-	-	1	121	120
Eva Castillo	120	-	13	-	-	-	-	23	156	122
Margaret Ewing	120	-	18	-	-	-	-	10	148	143
Maurice Lam	120	-	-	-	-	-	-	23	143	132
Bruno Matheu	62	-	-	-	-	-	-	-	62	-
Heather Ann McSharry	120	-	60	-	-	-	-	10	190	153
Robin Phillips	120	-	-	-	-	-	-	15	135	124
Emilio Saracho	120	-	-	-	-	-	-	13	133	131
Nicola Shaw	120	-	20	-	-	-	-	-	140	152

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares (€)	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Luis Gallego	Share performance plan – PSP 2015	131,242	131,242	–	–	131,242	131,242	2	214	–	–	–
	Share performance plan – PSP 2016	98,001	98,001	–	–	98,001	98,001	2	160	–	–	–
	Share performance plan – PSP 2017	174,504	174,504	–	–	174,504	174,504	2	285	–	–	–
	Restricted share award – RSP 2021	414,954	414,954	–	–	–	–	–	–	–	414,954	414,954
	Restricted share award – RSP 2022	872,860	872,860	–	–	–	–	–	–	–	872,860	872,860
	Restricted share award – RSP 2023	835,751	835,751	–	–	–	–	–	–	–	835,751	835,751
	Restricted share award – RSP 2024	–	–	874,437	874,437	–	–	–	–	–	874,437	874,437
	Incentive award deferral plan – IADP 2023	447,341	447,341	–	–	–	–	–	–	–	447,341	447,341
	Incentive award deferral plan – IADP 2024	–	–	464,685	464,685	–	–	–	–	–	464,685	464,685

Long-term savings schemes

N/A

iii) Details of other items

Name	Concept	Amount of remuneration
Luis Gallego	Life Assurance, Personal Injury and Accidental Death Cover premium costs	18

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

N/A

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

N/A

iii) Long-term savings schemes

N/A

iv) Details of other items

N/A

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year n	% variation n/n-1	Year n-1	% variation n-1/n-2	Year n-2	% variation n-2/n-3	Year n-3	% variation n-3/n-4	Year n-4
Executive directors									
Luis Gallego	3,335	55.33	2,147	-9.06	2,361	55.33	1520	223.4	470
External directors									
Javier Ferrán	668	2.3	653	0.46	650	12.65	577	419.82	111
Giles Agutter	59	-50.83	120	-	120	7.14	112	273.33	30
Peggy Bruzelius	121	-2.42	124	3.33	120	11.11	108		-
Eva Castillo	156	27.87	122	-	122	12.96	108		-
Margaret Ewing	148	2.78	144	0.7	143	13.49	126	13.51	111
Maurice Lam	143	10.85	129	-2.27	132	120	60		-
Bruno Matheu	62	-							
Heather Ann McSharry	190	9.83	173	13.07	153	41.67	108		-
Robin Phillips	135	-2.17	138	11.29	124	14.81	108	260	30
Emilio Saracho	133	1.53	131	-	131	13.91	115	6.48	108
Nicola Shaw	140	-2.78	144	-5.26	152	23.58	123	19.42	103
Company results¹									
(IAG operating profit/loss), less exceptional items)	4,443,000	26.69	3,507,000	186.29	1,225,000		-2,970,000	31.96	-4,365,000
Average employee remuneration	86	10.26	78	2.63	76	43.40	53	-3.64	55

This annual remuneration report was approved by the Board of Directors of the company in its meeting of February 27, 2025.

Indicate whether any director voted against or abstained from approving this report.

No