



# **Governance and Sustainability System Iberdrola España, S.A.U.**

24 July 2024



Published: July / 2024

Publisher: IBERDROLA ESPAÑA, S.A.U.

Spain

© 2024 Iberdrola España, S.A.U All rights reserved.

For purposes of the provisions of Section 32 of the restated text of the Intellectual Property Law, approved by Royal Legislative Decree 1/1996, of 12 April, Iberdrola, S.A. expressly opposes any commercial use of the contents of this publication without the express authorization thereof, including, in particular, any reproduction, alteration, registration, copying, exploitation, distribution, communication, transmission, sending, reuse, publication, treatment or any other total or partial use of this publication by any means and in any manner or format.

Any reproduction, distribution, public communication or transformation of this work may only be carried out with the authorization of IBERDROLA, S.A. except as otherwise provided by Law.



# Introduction to the Governance and Sustainability System



## 1. The Identity of Iberdrola España, S.A. (Unipersonal)

1. Iberdrola España, S.A.U. (“**Iberdrola España**” or the “**Company**”) is the sub-holding company of the Iberdrola Group that owns and consequently has a projection over those companies of the group that carry out their activities and businesses essentially in Spain.
2. “IBERDROLA, S.A.” is the parent company of a group of leading companies in the production, transmission, distribution and supply of electricity in different geographical areas. It is a company with registered office in Bizkaia, with international scope, which is independent and listed on the stock market and participates in the capital of companies.
3. The origin of the various companies owned by Iberdrola or the various companies in which it holds an interest, has a long history, starting on both sides of the Atlantic. It dates back to 1840 in the United States of America - with the incorporation of “Hartford City Light Co”, which was in charge of lighting cities by gaslight, and to 1901, on the other side, in Spain and the United Kingdom, with the founding of “Hidroeléctrica Ibérica, S.A.” in Bilbao, in order to meet the growing demand for electricity power in the main industrial regions in the north of Spain, and “Clyde Valley Electrical Power Co.” in Glasgow, to generate and sell electricity to engineering companies in the area.
4. The companies that are part of Iberdrola Group focus their activities on the energy sector, an essential commodity for millions of users and customers, through the use of environmentally-friendly sources and technologies and promoting digital transformation.
5. The development of the Company’s corporate object and all its business activity is focused on the achievement of a purpose and certain values, which make up the corporate ideology and identity sustaining the group of companies that make up the Iberdrola Group, its reason and way of being.

The purpose of the companies of the Iberdrola Group, adopted by the Company, its *raison d’être*, is to “*continue building a more electric, healthy, and accessible energy model together every day*”, which contributes to the Sustainable Development Goals (SDGs) approved by the United Nations (UN) (especially those relating to universal access to electricity, the supply of affordable and clean energy and climate action), protects and responds to the most demanding standards and requirements in terms of environmental protection, social commitment, and good governance (“ESG”), within the general framework of respect and protection of human rights, the social market economy and the ethical principles generally accepted in its sphere of action.

Its corporate values which distinguish the way it functions are summarized as “*sustainable energy*”, “*integrating force*” and “*driving force*”, fundamental notions, orientations and guidelines which, together with the purpose described above, constitute the ideological and axiological basis of the Company and of its business enterprise.

6. By adopting the aforementioned purpose and values, as part of the Iberdrola Group, the Company consolidates itself as one whose purpose is not limited to the achievement of economic benefits, but rather, is guided by its own *raison d’être* and through the pursuit of its corporate purpose, aspiring to the creation of sustainable business value, the achievement of results and benefits that are broader than simply financial ones which can remunerate the capital contributors as well as all other Stakeholders, and which carries out its activity by means of the so-called social dividend, which its *By-Laws* legitimize.
7. With this projection, the Company shares IBERDROLA, S.A.’s corporate interest focused on creating shared sustainable value, in accordance with and in line with its purpose and distinctive values and the commitments undertaken in its *Code of Ethics* based on them.

Similarly, the Company does not view its Stakeholders as third parties separate to its identity, as they are necessary for the performance of its business enterprise as members of an integrated company that are effectively part of all of them, to which it is open and bound, and which it shares the generated value with through the *social dividend*.

8. Both because of its size and significance and because of the basic and essential nature of the energy it produces and distributes for the economy and for society, the business activities and the scope and dimension of the purpose and values of the Iberdrola Group are not exhausted, not even within the broad framework of its Stakeholders as a whole, but rather they transcend and extend to the countries and territories in which it is present and in which it carries out its activities.

From this perspective, the Company recognizes and reaffirms its vocation as an actor and driving force, to assume, in compliance with its purpose and values, the leadership that corresponds to it in the creation of a balanced and advanced society, in the collective effort to achieve its global and sustainable development and progress.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



9. The Company's identity is also based on its own internal rules, which are configured around three main vectors: environmental performance and reaction to climate change, social commitment and the application of best corporate governance practices. Corporate governance acts as an instrument of organization for all of its members to achieve its purpose and the corporate interest and social dividend, as well as to materialize its values and to guarantee its enterprise, identity and independence.
10. In sum, the Company aspires to be an institutional company that enriches its purely corporate and private dimension, that is open and committed to its Stakeholders, and that adds the material legitimacy conferred by the plural and comprehensive business action (economic, social, environmental and governance) that it undertakes and carries out to its formal legitimacy.

## 2. The corporate and governance structure of the Iberdrola Group

11. IBERDROLA, S.A., and the companies making up Iberdrola Group are present in Spain, Portugal, other EU member States, the United Kingdom, the United States of America, Australia, Mexico and Brazil, amongst other countries.
12. The Iberdrola Group does not have its own legal personality separate from that of each of the companies that comprise it, nor does it have its own management bodies or positions.

References in the Governance and Sustainability System to “**Iberdrola**” or to the “**Iberdrola Group**” or to the “**Group**” refer to IBERDROLA, S.A. and to the companies belonging to the group of which IBERDROLA, S.A. is the controlling entity, within the meaning established by law, which operate autonomously under a common purpose and values, in a coordinated manner and within a corporate and governance structure designed on three levels to best further the corporate object and the achievement of the corporate interest of each of the companies that comprise it.

13. As regards the corporate organization of the Iberdrola Group, IBERDROLA, S.A. is a *holding* company owing the equity stakes of the Company and the other *subholding* companies –established in the territories in which the various subsidiaries operate - which in turn group together the equity stakes in the head of business companies. The governance model is governed by certain principles that differentiate the functions of strategy, supervision, organization and coordination (attributed to the *holding* company), strengthening these three latter functions in relation to the territories or countries or to the businesses (through the *subholding* companies), and those of day-to-day administration and effective management of each business (the purview of the head of business companies).
14. Said corporate and governance structure of the companies that are part of Iberdrola operates jointly with the Group's business model, which enables global integration of the businesses, seeks to achieve maximum operational efficiency of the various units and ensures dissemination, implementation and monitoring of the general strategy, the basic management guidelines established for each of the businesses and best practices.

This business Model combines a decentralized decision-making structure that is inspired by the -principle of “subsidiarity,” with robust coordination mechanisms that ensure global integration of the businesses developed by the companies making up Iberdrola, all based on an effective checks-and-balances system, which prevents management power from being concentrated within a single governance body or a single person.

## 3. The Governance and Sustainability System and the Compliance System of the Company

15. The Company's Governance and Sustainability System constitutes its internal regulatory framework, which is established in the exercise of the corporate autonomy that the law supports to ensure that its purpose and values are materialized through its rules and that its business aims and goals are achieved.
16. These internal regulations are made up of a set of rules approved by the Company's governing bodies, as well as another set of rules with projection over the Iberdrola Group that are approved either by the Board of Directors of IBERDROLA, S.A., in the exercise of its duties as a *holding* company for the approval and definition of the organizational model of the Iberdrola Group, and have been approved by the Company, as a *subholding* company within the Group's corporate and governance structure, incorporating them into its own Governance and Sustainability System, which stands as the regulatory framework that supports and ensures its purpose and development].

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Additionally, the Company has a Compliance System which is intended to ensure that the Company acts in accordance with ethical principles, the law, and internal rules, particularly the Governance and Sustainability System, to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the directors, professionals or suppliers thereof within the organisation. The Company's Compliance Unit proactively and autonomously oversees the implementation and effectiveness of its Compliance System, which is under continuous review in order to adopt the most advanced international practices and new requirements in this area.

IBERDROLA, S.A., remaining *subholding* companies and head of business companies have their own Compliance Systems, which, the application and effectiveness of which must be proactively and autonomously monitored by their respective compliance units, without prejudice to the appropriate coordination carried out at all levels of the Group.

17. The Governance and Sustainability System is based on the *By-Laws*, a rule approved by IBERDROLA, S.A., in its capacity as the sole shareholder of the Company, which represents the maximum expression of the Company's corporate autonomy and is the primary source of its internal regulations.

The *By-Laws* and particularly the preliminary title thereof, expand the usual content of these corporate rules and contain the purpose and values, the definition of the Company's project, the specific concept of the corporate interest focused on creating shared sustainable value, the commitment to the social dividend and engagement with Stakeholders and its vocation as a corporate pioneer, and determining the essential bases and the most important foundations and aspects of its corporate organization; this means that ultimately they outline the master lines that define the fundamental features of the identity and uniqueness of the Iberdrola Group and of its business enterprise.

18. The *By-Laws* are based on, and should be interpreted in accordance with, the provisions of the *Iberdrola Group Purpose and Values*, which reports the orientation and organization, guides the strategy and presides over the activity of all the companies that it comprises, as well as their initiatives and decisions.
19. The *Purpose and Values of the Iberdrola Group* are also the basis of the *Code of Ethics*, which develops and specifies its content and is applicable to the administrators, professionals and suppliers of IBERDROLA, S.A., and the other companies comprising Iberdrola. It aims to promote a culture based on ethics and commitment to sustainable development, shared by all the agents participating in the group's value creation chain.
20. As a regulatory instrument, the corporate policies are characterised by their function of linking and solidifying ideas and values into modes, patterns and standards of conduct, rationalising management decisions in various areas and on various issues that so require due to the nature thereof. To that same extent, they entail a positive limitation of the necessary discretion that the directors and professionals of the Company and of the other companies in the Iberdrola Group must have in the performance of their duties. As a result of this, they define secure guidelines for conduct, which, if adhered to, can lead to the prima facie presumption of conformance and suitability of the corresponding actions to the Company's purpose, values and corporate interest, to the materialisation and fulfilment of which they contribute.
21. Consistent with the *Purpose and values of the Iberdrola Group* and its resulting commitment to contributing to the achievement of the Sustainable Development Goals (SDGs), approved by the United Nations (UN) and **ESG** (*Environmental, Social and Governance*) requirements, the Governance and Sustainability System differentiates, with respect to corporate policies, those that may be called general or key policies (such as the *General Sustainable Development Policy* and the *Stakeholder Relations Policy*) and those of a more specific or particular nature.
22. Environmental policies, aligned with the goals and the path established by the Paris Agreement and the 2030 Agenda for Sustainable Development, of the United Nations (UN), constitute Iberdrola's response to environmental challenges such as climate change and biodiversity loss, while helping to identify and take advantage of the opportunities arising from the energy and ecological transition. In line with the *Iberdrola Group Purpose and Values* and its sustainable development strategy, they reflect Iberdrola's commitment to combating climate change, to green recovery and to the environment in all its other manifestations, while seeking to generate value for its customers, shareholders and its other Stakeholders.
23. Along these lines, the policies regarding its social commitment reflect the link of the Company and remaining companies of Iberdrola Group to human rights, the development of professional relationships based on diversity, inclusion and a sense of belonging, which are essential for promoting equal opportunity and ensuring non-discrimination in managing people, all within the framework of the Company's sustainable development strategy.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



24. In addition, of particular significance in the Company's internal rules and regulations are, the corporate governance and compliance policies and rules, which incorporate best practices in these areas and position the Company at the forefront, thereof, and which fall into four categories: (i) corporate governance and regulatory compliance policies; (ii) resiliency, innovation and transformation policies; (iii) risk policies; and (iv) rules on governance of the corporate decision-making bodies and other internal functions.
25. Within the framework of the law, ethical principles and the *By-Laws*, the corporate governance and regulatory compliance policies define, the directives and guidelines for conduct in which the *Purpose and Values of the Iberdrola Group* and its sustainable development strategy are specified, and which guide the actions of the shareholders, directors, and professionals of the Company and remaining companies of Iberdrola Group. These policies, inspired by the business and ethical ideas, principles and values making up the Company's ideological and axiological foundation, contain the detailed guidelines and directives on conduct ensuring that the Group's strategy is consistent therewith, favouring the strengthening and enrichment of the reality and identity of the Iberdrola Group and the countries and territories within which it operates. They also reflect the Company's firm commitment to the *Purpose and Values of the Iberdrola Group*, to ethical principles, and to the ongoing monitoring and penalisation of improper conduct and acts that are illegal or contrary to law or to the Governance and Sustainability System.
26. The resiliency, innovation and transformation policies establish rules and develop instruments that enable IBERDROLA, S.A. and the other companies of the Group to continue to be leaders in innovation within the energy sector, as well as to strengthen their competitiveness through efficiency and to reinforce their sustainable growth model, in addition to establishing the main principles and guides of conduct that are to govern within the boundary of the Group in terms of security and operational resiliency.
27. In turn, the risk policies are intended to establish the basic principles and general framework for the control and management of risks facing the different companies of Iberdrola Group, particularly including both corporate risks and the specific risks of the various businesses.
28. The governance rules of the corporate decision-making bodies and of other internal functions include regulations and procedures that establish, among other things, the composition, powers and rules of operation thereof, as well as the duties and obligations of their members.
29. Consistent with the content described above, the Governance and Sustainability System is formally organised into five books: (i) Book One, which contains the *By-Laws*; (ii) Book Two, referring to the Corporate Purpose, which includes the *Iberdrola Group Purpose and Values*, the *Code of Ethics*, the *General Sustainable Development Policy* and the *Stakeholder Engagement Policy*; (iii) Book Three, on the environment and climate action, which groups together the environmental policies; (iv) Book Four, referring to social commitment, which contains the social policies; and (v) Book Five, on corporate governance, which contains the corporate governance and regulatory compliance policies, risk policies, rules on governance of the corporate decision-making bodies.
30. The Company aspires to ensure that the Governance and Sustainability System benefits from the highest possible levels of compliance and dissemination, with particular emphasis on harnessing the most advanced and environmentally friendly technologies and on the principles of regulatory transparency. Therefore, the full text and a summary of the documents it is made up of are available in Spanish and English on the Company's corporate website ([www.iberdrolaespana.com](http://www.iberdrolaespana.com)).
31. The Governance and Sustainability System is subject to a process of continuous review to ensure that it is always suitable and conforms to the facts and circumstances for which it is needed and includes the best guidelines and practices in this area. The Governance and Sustainability System is subject to a process of continuous review to ensure that it is always suitable and conforms to the facts and circumstances for which it is needed and includes the best practices in this area.

Bilbao, 13 March 2024.

The Board of Directors of Iberdrola España S.A.U.



NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





# The Driving Ideas of the Governance and Sustainability System



Leadership in corporate governance and transparency is one of the hallmarks of the Company's identity. The Board of Directors therefore regularly reviews the Governance and Sustainability System, keeping it updated and including therein the good governance recommendations and best practices generally accepted in international markets.

In order to disseminate the content thereof and to assist in searching by subject matter, symbols are included together which each norm that identify the main "driving ideas" contained therein:



SDGs

The Company is committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN). It not only contributes decisively to meeting objectives seven and thirteen relating to the supply of affordable and clean energy and the fight against climate change, but in its daily activities also considers the seventeen goals as guidance in its decision-making processes, the principles of which inform its conduct and its daily tasks, rejecting actions that contravene them or hinder the achievement thereof.



Climate Action

Nowadays climate change is one of the most important challenges that humanity must address. The Company recognises the contribution of its activities to climate objectives and is committed to taking a leading role in the fight against climate change, as well as in the protection of the environment and diversity.



Diversity and Inclusion

The Company has established the development of professional relationships based on diversity, inclusion and a sense of belonging, equal opportunities and non-discrimination and managing people as a strategic objective. In particular, it regards the achievement of gender equality within the Company to be one of the organisation's essential values.



Decentralised Structure

Iberdrola Group's corporate and governance structure is based on a recognition of its multinational character, which is diversified, efficiently and coordinated around Iberdrola, as the holding company, the Company and the other sub-holding companies and head of business companies, subject to basic common guidelines and the principle of subsidiarity, which seeks to obtain a balance between decentralised management and harnessing the synergies that arise from belonging to the Group.



Compliance

The Company promotes a preventive culture based on the principle of "zero tolerance" towards improper conduct and acts that are illegal or contrary to the law or the Governance and Sustainability System, on the one hand, and on the other the application of ethical principles and principles of responsible behavior that should govern the conduct of all members of the management decision-making bodies, professionals and suppliers of the Company. This culture inspires its effective, autonomous, independent and robust Compliance system, which is under continuous review in order to adopt the most advanced international practices and trends and new regulatory requirements in this area.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Content

<b>Book One - By-Laws</b>		<b>15</b>
By - Laws		18
<b>Book Two - Purpose</b>		<b>41</b>
Introduction to Book Two - Purpose		43
1. Purpose and Values of the Iberdrola Group		45
2. Code of Ethics		49
3. General Sustainable Development Policy		72
4. Stakeholder Engagement Policy		84
<b>Book Three - Environment and Climate Action</b>		<b>89</b>
Introduction to Book Three - Environment and Climate Action		91
1. Sustainable Management Policy		93
2. Environmental Policy		96
3. Climate Action Policy		99
4. Biodiversity Policy		103
<b>Book Four - Social Commitment</b>		<b>107</b>
Introduction to Book Four - Social Commitment		109
1. Policy on Respect for Human Rights		111
2. People Management Policy		114
3. Diversity and Inclusion and Anti-Harassment Policy		122
4. Selection and Hiring Policy		126
5. Knowledge Management Policy		128
<b>Book Five - Corporate Governance</b>		<b>131</b>
Introduction to Book Five - Corporate Governance		135
<b>Part I. Corporate Governance and Regulatory Compliance Policies</b>		<b>138</b>
1. Corporate Governance Policy		139
2. Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation		151
3. Brand Policy		157
4. Statutory Auditor Contracting and Relations Policy		159
5. Iberdrola Group Financial Information Preparation Policy		165

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



6. Iberdrola Group Non-Financial Information Preparation Policy			168
7. Compliance and Internal Reporting and Whistleblower Protection System Policy			171
8. Anti-Corruption and Anti-Fraud Policy			178
9. Competition Law Compliance Policy			181
10. Corporate Tax Policy			184
11. Personal Data Protection Policy			188

**Part II. Resiliency, Innovation and Transformation Policies 192**

1. Operational Resiliency Policy			193
2. Innovation Policy			196
3. Quality Policy			199
4. Policy on the Responsible Development and Use of Artificial Intelligence Tools			201
5. Corporate Security Policy			204

**Part III. Risk Policies 207**

1. General Risk Control and Management Policy			208
2. Corporate Risk Policies			213
Corporate Credit Risk Policy			213
Corporate Market Risk Policy			213
Operational Risk in Market Transactions Policy			213
Insurance Policy			214
Investment Policy			214
Financing and Financial Risk Policy			214
Treasury Share Policy			215
Risk Policy for Equity Interests in Listed Companies			215
Purchasing Policy			215
Information Technology Policy			216
Cybersecurity Risk Policy			216
Reputational Risk Framework Policy			217
Occupational Safety and Health Policy			217

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



3. Specific Risk Policies for the Various Group Businesses	220
Risk Policy for the Networks Businesses of the Iberdrola Group	220
Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group	221
Risk Policy for the Real Estate Business	222

**Part IV. Governance Rules of the Corporate Decision-Making Bodies and other Functions and Internal Committees** **223**

1. Regulations of the Audit and Compliance Committee of Iberdrola España, S.A.U.	  224
2. Basic Regulations for the Internal Audit Function	  236
3. Regulations of the Compliance Unit of Iberdrola España, S.A.U.	  244
4. Code of Incompatible Activities of Iberdrola Group Spain Companies with Regulated Activities	  257

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Book One - By-Laws

# Content

<b>Preamble</b>	<b>19</b>
<b>TITLE I. GENERAL PROVISIONS</b>	<b>19</b>
Article 1. Name and Identity	19
Article 2. Corporate Purpose	19
Article 3. Duration of the Company	20
Article 4. Registered Office	20
Article 5. The Company within the Iberdrola Group	20
Article 6. Corporate Interest	20
Article 7. Social Dividend	20
Article 8. Applicable Legal Provisions, Governance and Sustainability System and Compliance System	21
Article 9. Stakeholder Engagement, Corporate Website, Presence on Social Media and Digital Transformation	21
Article 10. Conduct before Government Authorities	22
<b>TITLE II. SHARE CAPITAL AND SHARES</b>	<b>22</b>
Article 11. Share Capital and Representation of Shares	22
Article 12. Transfer of Shares	22
Article 13. Sole Shareholder Status	22
<b>TITLE III. GOVERNANCE OF THE COMPANY</b>	<b>22</b>
<b>Chapter I. Decisions by the Sole Shareholder in the Exercise of the Powers of Shareholders Acting at a General Shareholders' Meeting.</b>	<b>22</b>
Article 14. Exercise by the Sole Shareholder of the Powers of Shareholders Acting at a General Shareholders' Meeting	22
Article 15. Documentation, Conversion into a Public Instrument and Registration of the Decisions of the Sole Shareholder	23
<b>Chapter II. Management of the Company</b>	<b>23</b>
<b>Section 1. General Provisions</b>	<b>23</b>
Article 16. Structure of Management and Representation of the Company	23
Article 17. Main Principles of Conduct	23
<b>Section 2. Board of Directors</b>	<b>24</b>
Article 18. Powers of the Board of Directors	24
Article 19. Composition of the Board of Directors	26
Article 20. Types of Directors	27
Article 21. Chair and Vice-Chair	27
Article 22. Chief Executive Officer	28
Article 23. Secretary and Deputy Secretary	28
Article 24. Meetings of the Board of Directors	29
Article 25. Quorum for the Meeting and Majorities Required to Adopt Resolutions	30
Article 26. Formalisation of Resolutions	30
<b>Section 3. Committees within the Board of Directors</b>	<b>30</b>
Article 27. Committees of the Board of Directors	30
Article 28. Audit and Compliance Committee. Internal Audit and Risk Division and Compliance Unit	31

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



<b>Section 4. Rules Applicable to Directors</b>	<b>33</b>
Article 29. General Duties of Directors	33
Article 30. Duty of Confidentiality	33
Article 31. Duty Not to Compete	34
Article 32. Conflicts of Interest	34
Article 33. Use of Corporate Assets	35
Article 34. Non-Public Information	35
Article 35. Business Opportunities	35
Article 36. Related-Party Transactions	35
Article 37. Duty to Disclose Information	37
Article 38. Term of Office, Resignation and Cessation of Office	37
Article 39. Director Remuneration	37
Article 40. Powers of Information and Inspection	38
Article 41. Assistance of Experts	38
<b>TITLE IV. FINANCIAL YEAR AND FINANCIAL AND NON-FINANCIAL INFORMATION</b>	<b>38</b>
<b>Chapter I. Financial Year</b>	<b>38</b>
Article 42. Financial Year	38
<b>Chapter II. Financial Information</b>	<b>38</b>
Article 43. Preparation	38
Article 44. Verification	38
Article 45. Approval	39
Article 46. Allocation of Profits/Losses	39
<b>Chapter III. Non-Financial Information</b>	<b>39</b>
Article 47. Preparation and Verification	39
Article 48. Approval	39
<b>TITLE V. DISSOLUTION AND LIQUIDATION</b>	<b>39</b>
Article 49. Dissolution	39
Article 50. Liquidation	39

# By - Laws

24 July 2024

Revised text approved by the sole shareholder of Iberdrola España, S.A.U. on 24/07/2024.



## Preamble

This Preamble forms part of the *By-Laws* of Iberdrola España, S.A.U. (the “**Company**”), inspiring their content while also serving as the basis for their interpretation, application and development, thus expanding the typical text of these corporate rules.

The Company is part of an international industrial group of which IBERDROLA, S.A. is the listed parent holding company (the “**Group**”), which combines, based on its multi-level corporate structure, a decentralised decision-making system, inspired by the principle of subsidiarity, with robust coordination mechanisms that ensure the global integration of the businesses of the Group’s companies and the management of their risks, in accordance with a Business Model geared towards maximising the collective value of said businesses in the interest of all of the companies within the Group, maintaining an effective system of checks and balances and a clear separation of functions and responsibilities.

Based on the foregoing, the Company constitutes the subholding company of the Group *in Spain*, taking on the duty of organisation, supervision and strategic coordination in relation to the head of business companies in which it has an interest, respecting the required corporate autonomy thereof with respect to the day-to-day and effective management of the businesses that constitute the corporate objects thereof and the resulting responsibility for their day-to-day control.

This Preamble also seeks to expressly state the Company’s commitment to the Purpose (*to continue building together each day a healthier, more accessible energy model, based on electricity*) and to the Values (*sustainable energy, integrating force and driving force*) of the Iberdrola Group, as well as to its *Code of Ethics*, which, as the foundation of its corporate philosophy and ethical principles, govern the Company’s activity constituting its corporate object and guide its business strategy and enterprise.

The Company also shares the corporate interest of IBERDROLA, S.A. focused on the creation of comprehensive and sustainable value by engaging in the activities included in the corporate object, taking into consideration the Stakeholders related to its business activity and consistently with the institutional reach of the Group, sharing with them the social dividend generated by its activities, particularly by means of contribution to the achievement of the Sustainable Development Goals (SDGs) adopted by the United Nations (UN), which, in sum, characterises it as a company and an institutional reality, an actor in the economic and social environment in which it carries out its activities, in accordance with the aforementioned *Purpose and Values of the Iberdrola Group* and with the commitments made in the *Code of Ethics*.

The *By-Laws* contemplate the Company’s Governance and Sustainability System, that is, its own set of internal regulations, developed under corporate autonomy for the achievement and implementation of the *Purpose and Values of the Iberdrola Group*, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the social dividend that it shares with all of its Stakeholders.

Similarly, the *By-Laws* establish the Company’s own well-developed Compliance System, which is intended to prevent and manage the risk of regulatory or ethical violations or violations of the Governance and Sustainability System.

To the extent applicable thereto, these *By-Laws*, of which this Preamble forms a part, govern the conduct of the Company’s governance bodies, of senior management and of other professionals within the Company, who shall have the duty to comply and the right to demand compliance herewith.

## TITLE I. GENERAL PROVISIONS

### Article 1. Name and Identity

1. The name of the Company is Iberdrola España, S.A.U.
2. The Company is an independent company, the only shareholder of which is IBERDROLA, S.A., which shall be noted as provided by law.

### Article 2. Corporate Purpose

1. The Company’s Corporate Purpose is:
  - a. To carry out all manner of activities, works and services inherent in or related to the business of production, transmission, switching and distribution or supply of electric power or electricity by-products and applications thereof and the raw material or energy needed for the generation thereof; energy, engineering, information-technology, telecommunications and internet-related services; water treatment and distribution; the provision of a full range of urban and gas supply services, as well as other gas storage, regasification, transportation or distribution activities, which will be carried out indirectly through the ownership of shares or equity interests in other companies that will not engage in the supply of gas.
  - b. The distribution, representation and marketing of all manner of goods and services, products, articles, merchandise, software programs, industrial equipment and machinery, tools, utensils, spare parts and accessories.

- c. The investigation, study and planning of investment and corporate organisation projects, as well as the promotion, creation and development of industrial, commercial or service companies.
  - d. The provision of services to assist or support other companies, particularly its dependent companies, for which purpose it may provide appropriate guarantees and bonds in favour thereof.
2. The aforementioned activities shall be carried out primarily in Spain, and may be performed, in whole or in part, either directly by the Company or through the ownership of shares or equity interests in other companies with the same or a similar object, subject in all cases and at all times to applicable legal provisions for each industry, especially the electricity industry, ensuring in particular compliance with the regulations on the separation of regulated activities

### Article 3. Duration of the Company

The duration of the Company is indefinite, its operations having commenced on the date of formalisation of its deed of incorporation.

### Article 4. Registered Office

1. The registered office of the Company is in Bilbao (Biscay), at Plaza Euskadi number 5.
2. The registered office may be transferred to another location within the same municipal area by resolution of the Board of Directors.

### Article 5. The Company within the Iberdrola Group

1. The Company is the subholding company in Spain of the group of companies of which IBERDROLA, S.A. is the parent holding company, within the meaning established by law.
2. The Company is included within the Group's decentralised corporate structure as a subholding company, with the duty of complementing the strategic supervision, organisation and coordination carried out by IBERDROLA, S.A., as holding company, in relation with the head of business companies in which the Company has an interest, disseminating, implementing and ensuring compliance with policies, strategies and general guidelines with projection at the Group level, in view of the characteristics and unique aspects of the respective territories, countries and businesses in which said head of business companies are present, contributing to their global integration within the Group and within its Business Model.
3. In this regard, the Company shall be responsible for specifying, within its purview, the content of the general policies, strategies and guidelines established by IBERDROLA, S.A. as the holding company of the Group, promoting and supervising the implementation thereof, without prejudice to observing the required autonomy of day-to-day administration, effective management and day-to-day control of each of the businesses corresponding to the head of business companies in which it has an interest, with due respect for applicable legal provisions, ensuring in particular compliance with the regulations on the separation of regulated activities
4. The Company and the head of business companies in which the Company has an interest have their own Governance and Sustainability Systems, approved within the framework of the performance of their responsibilities and in the exercise of their powers, which systems constitute their internal regulations, along with their own Compliance functions, which have sufficient material and human resources to manage their respective Compliance Systems.

### Article 6. Corporate Interest

The Company shares with IBERDROLA, S.A. the concept of the corporate interest, which is understood as the common interest of all persons owning shares of an independent company, with its own distinct bylaw-based identity, focused on creating comprehensive (economic, environmental, social and governance) and sustainable value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and consistently with its institutional reach, in accordance with the *Purpose and Values of the Iberdrola Group* and with the commitments made in its *Code of Ethics*.

### Article 7. Social Dividend

1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the *Purpose and Values of the Iberdrola Group* and with the commitments made in its *Code of Ethics*.
2. The Company, as the subholding company in Spain / in México, contributes to the social dividend of the Group consisting of the direct, indirect or induced contribution of value that its activities represent for all Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) adopted

by the United Nations (UN) and its commitment to best environmental, social and corporate governance (ESG) practices.

In this regard, the Company will collaborate with the Iberdrola España Foundation in the promotion and execution of activities related to sustainable development policies in Spain, through the signing of the corresponding collaboration agreements in order to promote and implement activities carried out in relation to sustainable development policies within its scope of activities.

3. The Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with all of its Stakeholders, make up the non-financial information of the Company. The Company shall promote the public dissemination of its social dividend generated, especially among its Stakeholders.

### **Article 8. Applicable Legal Provisions, Governance and Sustainability System and Compliance System**

1. The Company shall be governed by the legal provisions relating to companies (*sociedades anónimas*) and other applicable laws and regulations, as well as by its Governance and Sustainability System established by its governance bodies in the exercise of corporate autonomy.
2. The Governance and Sustainability System is the Company's internal system of rules, which is configured in accordance with applicable law in the exercise of corporate autonomy supported thereby; it is intended to ensure through rule-making the best implementation of the corporate contract that binds its sole member, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.
3. The Governance and Sustainability System is made up of these By-Laws, of other governance and compliance rules approved by the governance bodies of the Company, and of the set of rules covering the Group that have been approved by IBERDROLA, S.A.'s Board of Directors in the performance of its duties as a holding company in the definition of the organisational model of the Iberdrola Group as adopted by the Company, thus including them within its Governance and Sustainability System (the *Purpose and Values of the Iberdrola Group*, its *Code of Ethics*, and those governance and regulatory compliance policies and rules that have been adopted by the Company) and ensuring proper coordination and consistency with the Governance and Sustainability System of Iberdrola, S.A.
4. The Company's Governance and Sustainability System embraces and responds to the *Purpose and Values of the Iberdrola Group*, which constitutes the ideological and axiological basis of its corporate enterprise, which, due to its size and its importance, is a focal point for many Stakeholders and for the environmental, social and economic environment in which the entities of the Group do business.
5. The sole shareholder and the Company's Board of Directors, within their respective purviews, configure, develop, apply and interpret the rules making up the Company's Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.
6. Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.
7. Within the framework of the Governance and Sustainability System, the Company has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself, as well as to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest.
8. The application and further development of the Company's Compliance System is the responsibility of the Compliance Unit, a collective, internal and permanent body that is configured in accordance with the highest standards of independence and transparency and that is linked to the Audit and Compliance Committee, the body of the Company that is responsible for proactively and independently endeavouring to ensure the implementation, effectiveness and management of the Compliance System.

### **Article 9. Stakeholder Engagement, Corporate Website, Presence on Social Media and Digital Transformation**

1. The Company seeks the engagement of all Stakeholders in its activities in accordance with an engagement policy based on the principles of transparency and active listening, which allows it to continue to respond to their legitimate interests, with the Company being responsible for the effective dissemination of information regarding the activities thereof.
2. The Company's corporate website, its presence on social media and, in general, its digital innovation strategy, contributes to the Group's digital communication strategy, which is focused, among other ends, on strengthening

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

the engagement and identification of all Stakeholders, boosting the Iberdrola brand and favouring the development of the Company's activities and its digital transformation.

3. The Company promotes the accessibility of its corporate website as an expression of its commitment to transparency and communication with the various Stakeholders and with society in general, which in turn serves as a basis for generating credibility and mutual trust.

#### **Article 10. Conduct before Government Authorities**

The Company may take action before Government Authorities on behalf of other natural persons or legal entities, including those not belonging to the Group, on the terms established by law.

## **TITLE II. SHARE CAPITAL AND SHARES**

### **Article 11. Share Capital and Representation of Shares**

1. The share capital is 2,921,234,214.60 euro, represented by 3,245,815,794 ordinary registered shares having a nominal value of 0,9 euro each, numbered consecutively from 1 to 3,245,815,794, both inclusive, belonging to a single class and series, which are fully subscribed and paid up.
2. Shares shall be registered in a book-entry register of registered shares, and the Company's Board of Directors shall have authority to issue a multiple share certificate covering all shares owned by the sole shareholder.

### **Article 12. Transfer of Shares**

1. Shares of the Company may be transferred to any person in accordance with applicable legal provisions.
2. If the transfer of shares involves the loss of status as a single-member company, there must be a simultaneous adjustment of these *By-Laws*.

### **Article 13. Sole Shareholder Status**

1. A share confers upon its legitimate holder the status of shareholder, and vests such holder with the rights and obligations established by law and by these *By-Laws*, with those particular features deriving from the status of a single-member company.
2. The ownership of shares by the sole shareholder entails consent to the Company's Governance and Sustainability System and the duty to respect and comply with decisions of the governance bodies thereof made in accordance with applicable law and its Governance and Sustainability System.

## **TITLE III. GOVERNANCE OF THE COMPANY**

### **Chapter I. Decisions by the Sole Shareholder in the Exercise of the Powers of Shareholders Acting at a General Shareholders' Meeting.**

#### **Article 14. Exercise by the Sole Shareholder of the Powers of Shareholders Acting at a General Shareholders' Meeting**

1. The sole shareholder shall decide on the matters assigned by law or these *By-Laws* to shareholders acting at a General Shareholders' Meeting, and particularly regarding the following:
  - a. The appointment of directors of such class as may be appropriate pursuant to Article 20 of the *By-Laws* and removal thereof.
  - b. The appointment and removal of statutory auditors and of liquidators.
  - c. The approval of the annual financial statements, the directors' report, the allocation of profits or losses and corporate management, within the first six months of each financial year.
  - d. The approval of the Company's statement of non-financial information, if any, prepared by the Board of Directors, within the period and in accordance with the provisions of applicable law and the Governance and Sustainability System.
  - e. The payment of interim dividends.
  - f. An increase or reduction in share capital, with the ability to delegate to the Board of Directors, if appropriate, within the deadlines provided by law, the power to carry out a previously-made decision to increase share capital, or the power to approve an increase in share capital on one or more occasions, upon the terms established by law.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

- g. The issue of debentures and other negotiable securities and the delegation to the Board of Directors of the power to issue them, upon the terms established by law.
  - h. The authorisation of Related-Party Transactions in an amount or with a value equal to or greater than that determined by law.
  - i. The amendment of the *By-Laws*.
  - j. The acquisition, transfer or contribution of key assets from or to another company, upon the terms established by law.
  - k. The merger, split-off, overall assignment of assets and liabilities, and transformation of the Company.
  - l. The dissolution of the Company and the approval of the final liquidating balance sheet.
  - m. Any matter that is submitted by the Board of Directors to a decision thereof.
2. The sole shareholder must immediately notify the chair of the Board of Directors of any decisions made in the exercise of the powers of shareholders acting at a General Shareholders' Meeting.

### **Article 15. Documentation, Conversion into a Public Instrument and Registration of the Decisions of the Sole Shareholder**

1. The powers of shareholders acting at a General Shareholders' Meeting shall be exercised by way of decisions made by the sole shareholder, which shall be recorded in minutes bearing the signature thereof or of the representative thereof, which may be carried out and formalised by the sole shareholder itself, by the Board of Directors, or by any person to whom the Board of Directors may delegate powers or grant a power of attorney.
2. The documentary record of the decisions made by the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, the conversion thereof into a public instrument, and the registration thereof with the Commercial Registry shall be carried out in accordance with the provisions of law and the *Regulations of the Commercial Registry*.
3. In this regard, the secretary of the Board of Directors shall manage and keep the minute book containing the decisions of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting.

## **Chapter II. Management of the Company**

### **Section 1. General Provisions**

#### **Article 16. Structure of Management and Representation of the Company**

1. The Company is managed by a Board of Directors, which may delegate any or all of the powers that can be delegated under law and the *By-Laws* to a chief executive officer (*consejero delegado*).  

The Board of Directors may create as many internal committees as it deems appropriate with consultative or advisory duties or for the purpose of compiling reports or drafting proposals, as determined by the Board of Directors itself, but it must have a permanent Audit and Compliance Committee.
2. The Company is represented by the Board of Directors and, where applicable, by the chief executive officer.  

The Board of Directors shall act collectively in the exercise of its powers of representation. The chief executive officer shall act in an individual capacity.
3. The resolutions of the Board of Directors shall be carried out by the secretary thereof, by a director, or by any third party named in the resolution.

#### **Article 17. Main Principles of Conduct**

The Board of Directors and, where appropriate, the chief executive officer, shall perform their duties and exercise their powers with unity of purpose, independent judgement and loyalty to the corporate interest, in accordance with the *Purpose and Values of the Iberdrola Group* and its *Code of Ethics*, acting in observance of applicable legal provisions, and therefore, in compliance with the regulations on the separation of regulated activities, the Company's Governance and Sustainability System and, particularly with respect to the Board of Directors, the rules of organisation and internal operation established thereby within the framework of its power of self-organisation.

## Section 2. Board of Directors

### Article 18. Powers of the Board of Directors

1. The Board of Directors has the power to adopt resolutions regarding all matters not assigned by law or the *By-Laws* to the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, and shall have the broadest powers to manage, direct, administer and represent the Company.
2. The following are specific and non-delegable powers of the Board of Directors of the Company as the subholding company of the Group in Spain:
  - a. Disseminate, implement and ensure that the general policies, strategies and guidelines established by IBERDROLA, S.A. as a holding company in the interest of all companies of the Group are followed by the head of business companies in which the Company has an interest, taking into account the nature and particularities of the territories or countries within their purview, as well as the businesses carried out by the head of business companies and respecting the autonomy thereof to engage in the effective management and day-to-day administration of their business, as well as their responsibility for the day-to-day control thereof.
  - b. Approve the consolidated annual budget of the Company and its directly or indirectly controlled companies, taking into account the budgetary forecasts thereof and pursuant to the budgetary guidelines of IBERDROLA, S.A. as the holding company of the Group.
  - c. Approve the financial information relating to the Company and its directly or indirectly controlled companies, following a report from the Audit and Compliance Committee and after any review by the statutory auditor.
  - d. Approve the non-financial information of the Company and directly or indirectly controlled companies, which shall be included in the consolidated statement of non-financial information of the Iberdrola Group, in accordance with these *Bylaws*, and following a report from the Audit and Compliance Committee.
  - e. Prepare proposals for the distribution of dividends that will be submitted for a decision of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting in accordance with the policy established by IBERDROLA, S.A. as the holding company of the Group.
  - f. Promote and supervise, as the subholding company of the Group in Spain, the strategy regarding engagement with its respective Stakeholders, in accordance with the policy and model established in this regard at the Group level, and in particular approving any frameworks of collaboration with foundations related to the Iberdrola Group to promote and carry out activities relating to sustainable development policies within its purview.
  - g. Endeavour to ensure that the Company and its directly or indirectly controlled companies comply with the legal provisions on the protection of personal data in accordance with the policies established in this regard at the Group level. In this regard, the Company's Data Protection Officer will report to the Board of Directors or, where appropriate, to the Audit and Compliance Committee.
  - h. To enforce compliance with the regulations on the separation of regulated activities in Spain and, therefore, to exercise the general function of economic supervision and management of the companies that carry out such regulated activities, respecting their legal and functional separation, in order to guarantee the independence of the ordinary management and direction of the same and of those responsible for their management; the Company may not in any case give instructions to regulated companies on their ordinary activities.
  - i. On these bases, it is the responsibility of the Company's Board of Directors to approve the annual financial plan of the regulated companies in which it participates and to establish the limits on its level of indebtedness, without prejudice to the fact that the regulated companies may annually submit to the Company the proposals they consider most appropriate to ensure that they have sufficient resources to carry out their activities.
  - j. Establish, along with IBERDROLA, S.A., as the holding company of the Group, the mechanisms allowing for the exchange of information between the Company and its head of business companies required for strategic coordination at the Group level in the interest of all the companies in the Group, without undermining the autonomy of the Company and the companies in which it holds an interest or the requirements imposed by law on the directors thereof.
  - k. Ensure the proper use of the Iberdrola brand as an expression of the *Purpose and Values of the Iberdrola Group* and its commitment to the *Code of Ethics*.





- m. Approve or propose to the sole shareholder for approval, as appropriate, Related-Party Transactions (as defined in these *By-Laws*) for which approval has not been delegated based on the provisions of section 8 of Article 36 below, and decide on any approval or waiver of obligations arising from the duty of loyalty, all upon the terms established by law and the Governance and Sustainability System, without prejudice to any powers in this regard of the Board of Directors of IBERDROLA, S.A. as the holding company of the Group.
- n. Approve and review on an annual basis the basic terms that, in order to safeguard the corporate interest, must be observed in transactions between the Company and its subsidiaries and the other companies of the Iberdrola Group.
- o. Approve the disposition of essential assets of the Company and, in general, investments or transactions of any kind that are strategic in nature to the Company due to the large amount or special characteristics thereof (and whose approval, as provided by law and these *By-Laws*, does not correspond to the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting), including industrial, commercial or financial transactions that have a particular significance or pose a particular risk to the Company, establishing any position of the Company with respect to its controlled companies, within the meaning of Article 42 of the Commercial Code, on the aforesaid matters and transactions.

The foregoing shall be understood to be without prejudice to the power of the Board of Directors to request of the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, the approval of the decisions contemplated in the preceding paragraph.

- p. Take account of mergers, spin-offs, concentrations or global transfers of assets and liabilities that affect any of the companies directly dependent on the Company.
  - q. To approve the *Code for the Separation of Activities of the Companies of the Iberdrola España Group with Regulated Activities* and its amendments, at the proposal of the director of Compliance and following a report from the Company's Audit and Compliance Committee.
  - r. Approve, after a report from the Audit and Compliance Committee, the creation or acquisition of equity interests in special purpose entities or entities registered in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, might diminish the transparency of the Group.
  - s. Supervise the effective operation of the Audit and Compliance Committee and of any other consultative committees that may have been created, and the conduct of the delegated decision-making bodies and of any officers that have been appointed.
  - t. Approve the appointment of the members of the Compliance Unit, upon a proposal of the Audit and Compliance Committee, considering the capacities to comply the tasks which may be required in accordance with the activities developed by the Company.
  - u. Approve and, if appropriate, amend the Regulations of the Compliance Unit, upon a proposal of the Audit and Compliance Committee.
  - v. Identify the principal risks of the Company and organise appropriate internal control and information systems, as well as carry out the regular monitoring of such systems, taking into account the Group's general risk policy for these purposes.
  - w. Make decisions regarding any other matter within its authority that the Board of Directors believes to be in the interest of the Company.
4. Without prejudice to the non-delegable powers referred to in sections 2 and 3 above, the Board of Directors shall entrust the day-to-day management and administration of the Company to the chief executive officer, if any, and to the members of management, promoting and supervising the management of the Company, and particularly compliance with the guidelines and objectives established by the Board of Directors.
5. Powers reserved by law or the *By-Laws* to be directly exercised by the Board of Directors may not be delegated.

#### Article 19. Composition of the Board of Directors

1. The Board of Directors shall be composed of a minimum of three and a maximum of ten directors, who shall be appointed by decision of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting in compliance with applicable provisions of law and the *By-Laws*. At least one of the directors shall be classified as external in accordance with the provisions of Article 20.3 of these *By-Laws*.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

2. The sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, shall determine the number of directors between the minimum and maximum limits referred to in the preceding section. Without prejudice to the foregoing, the Board of Directors must propose to the sole shareholder the number of directors that is most appropriate for the effective operation of the body, in accordance with the circumstances affecting the Company and taking into account the maximum and minimum numbers set out in the preceding section.

### Article 20. Types of Directors

1. Directors shall be classified in accordance with the following categories:
  - a. Executive directors: those who perform management duties within the Company, whatever the legal relationship the director maintains therewith.
  - b. Proprietary directors: those who represent the sole shareholder and who are not executive directors.
  - c. External directors: those who do not perform management duties within the Company or represent the sole shareholder.
2. External directors shall be appointed by the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, after a report from its Appointments Committee.
3. Within the framework of issuing this report, the Appointments Committee shall evaluate, based on their personal and professional qualities, whether the director can carry out the duties thereof without being constrained by relationships with the Company, with any other company of the Group, or with the directors, significant shareholders or members of management thereof.
4. The classification of the director shall not affect the autonomy with which the director must perform the duties of the position and therefore compliance with the director's duties of diligence, loyalty and faithfulness to the Company.
5. The Company shall provide new members of the Board of Directors with an *Orientation Programme*, which shall be intended to facilitate their active participation from the outset, and shall develop a regular training plan to ensure the refreshment of their knowledge.

### Article 21. Chair and Vice-Chair

1. The Board of Directors shall elect from among its members a chair who shall exercise the powers that correspond thereto in accordance with law and the Company's Governance and Sustainability System, and particularly the following:
  - a. Call and preside over meetings of the Board of Directors, setting the agenda for the meetings and directing the discussion and debate.
  - b. Bring to the Board of Directors those proposals that the chair deems appropriate for the efficient running of the Company, particularly those corresponding to the operation of the Board of Directors itself.
  - c. Ensure, with the collaboration of the secretary of the Board of Directors, that the directors receive in advance sufficient information regarding the items on the agenda.
  - d. To stimulate the debate and active participation of the directors during meetings, safeguarding their freedom to take positions.
  - e. Drive the work of the consultative committees of the Board of Directors and endeavour to ensure the efficiency thereof in the performance of their duties and responsibilities, as well as the availability of required material and human resources.
  - f. Invite to the meetings of the Board of Directors all those persons who may contribute to improving the information contemplated by the directors during the decision-making portion of the meetings.
2. The Board of Directors shall, if it so decides, elect a vice-chair upon a proposal of the chair. If the Board of Directors has elected a vice-chair, the vice-chair shall temporarily replace the chair of the Board of Directors in the event of vacancy, absence, illness or incapacity. In the absence of a vice-chair, the chair shall be replaced by the director with the longest length of service in office, and in case of equal length, by the oldest.
3. The chair and any vice-chair of the Board of Directors who are re-elected as members of the Board of Directors by a decision of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting shall be eligible for re-election.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

Meeting shall continue to hold said positions within the Board of Directors without the need for a new election and without prejudice to the Board of Directors' power of revocation with respect to said positions.

### Article 22. Chief Executive Officer

1. The Board of Directors, upon a proposal of the chair thereof, and with the favourable vote of two-thirds of the directors, may appoint from among the directors a chief executive officer (*consejero delegado*) with the powers it deems appropriate and which may be delegated pursuant to law and these *By-Laws*.
2. The position of chief executive officer may also be held by the chair of the Board of Directors.
3. The chief executive officer, if any, shall be responsible for the day-to-day management and administration of the Company under the supervision of the Board of Directors, and particularly the following:
  - a. Promote the application of the general corporate policies and management guidelines of the Group within the scope of the Company's activities, in accordance with the guidelines established by the Company's Board of Directors.
  - b. Apply the strategy and policies approved by the Board of Directors within the scope of its activities and in accordance with the basic management guidelines of the Group.
  - c. Propose annual objectives to the Board of Directors and the budget required for the achievement thereof.
  - d. Endeavour to ensure that the head of business companies in which the Company has an interest are aware of the recommendations relating to technological and operational practices and, in turn, apply and develop the innovation and digital transformation strategy, which, in accordance with the global guidelines and strategy, can be carried out by the committees established in accordance with the Business Model to favour synergies that will contribute to maximising the value of the businesses of the Group.
  - e. Establish the institutional relationships required within the scope of the Company's activities.

### Article 23. Secretary and Deputy Secretary

1. The Board of Directors, upon a proposal of the chair, shall appoint a secretary, who need not be a director, and who shall perform the duties assigned thereto by law and the Company's Governance and Sustainability System, and particularly the following:
  - a. Maintain a minute book of the decisions of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, while also ensuring the maintenance and custody of said minute book. Without prejudice to the foregoing, the secretary shall inform the secretary of the Board of Directors of the sole member of the minutes recording the decisions of the sole member that are adopted.

The secretary shall also inform the Board of Directors of the decisions that the Company has made as sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting of the companies in which it has the status of sole shareholder.
  - b. Maintain the register of contracts between the sole member and the Company, ensuring the maintenance and custody of said register.
  - c. Maintain the minute book of the Board of Directors and any other management decision-making bodies in which he or she holds the position of secretary, duly reflecting therein the proceedings of the meetings, and also ensuring the maintenance and custody of said registers and of the corporate documentation generated in relation to the operation of said management decision-making bodies.
  - d. Maintain the registers referred to in paragraphs a), b) and c) above upon the terms and for the periods established by the Board of Directors, and in any event for the minimum periods provided by law. Upon leaving office, the secretary must transfer to the incoming secretary the corporate documents that the secretary has maintained and kept in custody on the terms and for the periods referred to above.
  - e. Ensure the formal and substantive legality of the actions of the Board of Directors and other management decision-making bodies in which he or she holds the position of secretary, as well as the compliance of such actions with law and the Company's Governance and Sustainability System, taking into account for this purpose, among others, any orders issued by regulatory bodies.
  - f. Advise the Board of Directors in relation to the development and updating of the Company's Governance and Sustainability System in accordance with the provisions of these *By-Laws*.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



of Directors may be cancelled or suspended, or the date, agenda or place thereof changed, using the same procedure. Otherwise, it shall be sent to the e-mail address that the director has provided to the Company when accepting the position, with the director being required to notify the Company of any change in this regard, without prejudice to mandatory restrictions regarding the use by the directors of the systems, applications and information technology and remote access elements made available thereto by the Company.

6. Without prejudice to the foregoing, the Board of Directors shall be deemed to have validly met without the need for a call to meeting if all of the directors are present in person or by proxy and unanimously agree to hold the meeting as a meeting of all directors without notice and to the items of the agenda to be dealt with thereat.
7. On an exceptional basis, based on the circumstances in each case, the chair of the Board of Directors may authorise the attendance at the meeting of one or more directors by using remote connection systems that permit the recognition and identification thereof, permanent communication therewith during the meeting, and their participation therein and the casting of votes, all in real time, for which purpose the procedures referred to in section 3 above shall be adopted, if appropriate. Directors connected remotely shall be deemed for all purposes to have attended the meeting of the Board of Directors.
8. The chair may invite all those who can help improve the information provided to the directors to attend the meetings of the Board of Directors, while avoiding the attendance thereof during the decision-making portion of the meetings. The chair may authorise the remote attendance thereof if the chair deems it appropriate, based on the provisions of section 7 above. The secretary shall record in the minutes the entries and exits of guests at each meeting.

#### **Article 25. Quorum for the Meeting and Majorities Required to Adopt Resolutions**

1. A valid quorum for meetings of the Board of Directors shall be established with the attendance at the meeting, in person or by proxy, of a majority of the directors.
2. All of the directors may cast their vote and give their proxy in favour of another director. The proxy granted shall be a special proxy for the meeting of the Board of Directors in question, and may be communicated to the chair or to the secretary by any of the means provided for calls to meeting.
3. Resolutions shall be adopted by absolute majority of the directors present at the meeting in person or by proxy, unless other majorities are provided by law or the Governance and Sustainability System. In the event of a tie in voting, the chair of the Board of Directors shall have the tie-breaking vote.
4. Voting by the Board of Directors may occur in writing without a meeting provided that no director objects thereto. In this instance, the directors may deliver to the secretary of the Board of Directors, or to whomever assumes the duties thereof in each case, their votes and the considerations they wish to have recorded in the minutes, using any method allowing for receipt thereof, without prejudice to the security and privacy protocols established by the Company. Resolutions adopted using this procedure shall be recorded in minutes prepared pursuant to the provisions of law.

#### **Article 26. Formalisation of Resolutions**

The deliberations and resolutions of the Board of Directors shall be included in a minute book, and the minutes shall be signed by the chair and the secretary, or by the person(s) acting in place thereof, and shall be approved at the end of the meeting or at the next meeting. In this latter case, any portion of the minutes may be approved at the end of the corresponding meeting, provided that the text to which it refers has been made available to the directors prior to the meeting of the Board or has been read aloud prior to the adjournment of the meeting.

### **Section 3. Committees within the Board of Directors**

#### **Article 27. Committees of the Board of Directors**

1. The Board of Directors may create as many internal committees as it deems appropriate with consultative or advisory duties or for the purpose of compiling reports or drafting proposals, as determined by the Board of Directors itself, but must in any case create an Audit and Compliance Committee.
2. The committees shall be governed on a supplementary basis, to the extent not incompatible with the nature thereof, by the provisions of these *By-Laws* regarding the operation of and adoption of resolutions by the Board of Directors.

Any director, officer or professional of the Company may be asked to attend meetings of the committees upon request of their respective chair, who may also approve the attendance at its meetings of guests who can help its members be better informed for the performance of their duties.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

### Article 28. Audit and Compliance Committee. Internal Audit and Risk Division and Compliance Unit

1. The Board of Directors shall create a permanent Audit and Compliance Committee, which shall be composed of a minimum of three (3) and a maximum of five (5) directors appointed by the Board of Directors, with at least one of the directors being classified as external pursuant to Article 20.3 of these *By-Laws*.
2. The Audit and Compliance Committee shall have a chair and a secretary, who should not have the status of director, appointed by the Board of Directors, with the secretary being responsible for the maintenance, conservation and custody of the minute book of the Committee and of the corporate documentation generated in connection with the operation thereof.
3. Unless otherwise resolved by the Board of Directors, directors who are members of the Audit and Compliance Committee shall remain in office for as long as their appointment as directors of the Company remains in effect. The renewal, re-election and removal of the members of the Audit and Compliance Committee shall be governed by resolution of the Board of Directors.
4. The Audit and Compliance Committee shall in any event have the power to:
  - a. Supervise the Internal Audit and Risk Division of the Company, which shall functionally report to the Audit and Compliance Committee.
  - b. Know and review the internal control systems relating to the risks of the Company and its controlled companies and endeavour to ensure, pursuant to the general risk control policy of the Group, that the main financial and non-financial risks (including operational, technological, cybersecurity, data protection, legal, social, environmental, political, reputational and corruption-related risks) are identified, managed and adequately disclosed.
  - c. Together with the statutory auditors, analyse significant weaknesses in the internal control system detected during the audit, all without infringing upon the independence thereof. To this end, if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding follow-up period.
  - d. Supervise the process of preparing and presenting mandatory financial information relating to the Company and its directly or indirectly controlled companies. The Committee shall evaluate any proposed changes to accounting policies and practices, and may submit recommendations and proposals to the Board of Directors aimed at protecting the integrity of the implementation of accounting policies and practices.
  - e. Supervise the process for preparing and presenting as well as the clarity and integrity of the non-financial information of the Company and its directly or indirectly controlled companies.
  - f. Supervise the Company's actions relating to sustainable development, and particularly whether its environmental and social practices conform to the global strategy and policies of the Iberdrola Group as well as any policies approved by the Company's Board of Directors within the framework of its powers, and report thereon to the Board.
  - g. Establish appropriate relationships with the statutory auditors to receive information regarding matters that might entail a threat to the independence thereof, for examination by the Audit and Compliance Committee, and any other matters related to the audit procedure, as well as such other communications as are provided for in the laws on auditing of accounts and in other legal provisions on auditing, reporting to the Board of Directors when so provided by law or the Company's Governance and Sustainability System.

In any event, it must receive written confirmation from the statutory auditors on an annual basis of their independence in relation to the Company or entities directly or indirectly related thereto, as well as a detailed breakdown of information on additional services of any kind provided to and the corresponding fees received from such entities by such statutory auditors or persons or entities related thereto, pursuant to the legal provisions governing the auditing of accounts.
  - h. On an annual basis and prior to the audit report, issue a report setting forth an opinion on whether the independence of the statutory auditors has been compromised. This report shall contain a reasoned assessment of the provision of each and every one of the additional services other than the legal audit referred to in the preceding letter, considered individually and as a whole, and in relation to the rules on independence or the legal provisions regarding the auditing of accounts.
  - i. Report on Related-Party Transactions (as this term is defined in Article 36) prior to the approval thereof by the sole shareholder or the Board of Directors pursuant to the provisions of said Article 36 and without prejudice

to the exceptions set out therein, and oversee the internal procedure for periodic reporting and control established by the Board of Directors regarding those for which approval has been delegated.

- j. Report to the Board of Directors regarding the creation or acquisition of equity interests in special purpose entities or entities registered in countries or territories that are considered to be tax havens or territories included in the EU blacklist of non-cooperative jurisdictions, as well as any other transactions of a similar nature that, due to their complexity, might diminish the transparency of the Group.
  - k. Receive information from the Compliance Unit in relation to any significant issue regarding regulatory compliance and the prevention and corrections of improper conduct and acts that are illegal or contrary to law or the Governance and Sustainability System.
  - l. Use the Compliance Unit to review the Company's internal policies and procedures in order to verify the effectiveness thereof in preventing improper conduct and identifying policies or procedures that may be more effective in promoting the highest ethical standards, for submission to the Board of Directors.
  - m. Review and validate the annual budget of the Compliance Unit for submission to the Board of Directors and approve the annual activities plan thereof, securing for the Compliance Unit the material and human resources needed to perform its duties, endeavouring to ensure the independence and effectiveness thereof, and issue its opinion annually regarding compliance with the activities plan and the performance of the Unit, submitting it to the Board of Directors.
  - n. Issue its opinion on the annual report of the Unit evaluating the effectiveness of the Company's Compliance System, as well as on the annual report of the Unit evaluating the effectiveness of the Compliance Systems of the Company and the head of business companies controlled thereby, and in turn submit such Unit's reports to the Board of Directors.
  - o. Have direct access, in accordance with the provisions of the *Regulations of the Compliance Unit*, to grievances or reports submitted through the internal reporting channels provided by the Company that might have a material impact on the financial statements or internal control thereof and, if it so deems necessary, propose appropriate actions to reduce the risk of future occurrences thereof.
  - p. Propose to the Board of Directors the appointment of the members of the Compliance Unit in accordance with the provisions of the Regulations of such Unit.
  - q. Issue a preliminary opinion on reports prepared on the separation of regulated activities, and particularly regarding the report referred to in Article 20 of the *Code for the Separation of Activities of Companies of the Iberdrola España Group with Regulated Activities* prepared by the Compliance Unit and submit it for the information of the Company's Board of Directors.
  - r. Report in advance on the amendments to the *Code for the Separation of Activities of the Companies of the Iberdrola España Group with Regulated Activities*.
  - s. Report in advance on resolutions for the appointment and removal of the directors of the regulated companies of the Group in Spain, endeavouring to ensure the suitability of the proposed candidates for the effective independence of management of said regulated companies.
  - t. Any other powers that may be vested therein by the Board of Directors.
5. The Company's Audit and Compliance Committee, as well as the Internal Audit and Risk Division and the Compliance Unit, shall perform their duties with full autonomy, without prejudice to the establishment of a suitable framework of reporting and cooperation regarding the performance of their duties with the Audit and Risk Supervision Committee, the Sustainable Development Committee, the Internal Audit and Risk Division and the Compliance Unit of IBERDROLA, S.A. as the holding company of the Group.
  6. The organisation and operation of the Audit and Compliance Committee shall be governed not only by the provisions of this article but also by the *Regulations of the Audit and Compliance Committee*, the approval or amendment of which is within the purview of the Company's Board of Directors, upon a proposal of the chair thereof or the chair of the Committee.



## Section 4. Rules Applicable to Directors

### Article 29. General Duties of Directors

1. The directors must carry out their office and comply with the duties imposed by law and the Company's Governance and Sustainability System with the diligence of a prudent businessperson, taking into account the nature of the office and the duties assigned to each of them.

The directors must also carry out their office with the loyalty of a faithful representative, acting in good faith and to protect the corporate interest, in any case giving priority to the interest of the Company over their own interests.

2. In particular, a director shall be required to:
  - a. Properly prepare the meetings of the Board of Directors and, if applicable, of the committees of which the director is a member, for which purposes the director must diligently become apprised of the running of the Company and the matters to be discussed at such meetings.
  - b. Attend the meetings of the Board of Directors and of the committees of which the director is a member and actively participate in the deliberations in order that the director's opinion may be an effective contribution to decision-making. If the director is unable to attend the meetings to which the director has been called due to justified reasons, the director must give instructions to the director that is to represent him or her.
  - c. Fulfil any specific obligation that is entrusted to the director by the Board of Directors, by the chair thereof or by the chief executive officer, if any, and that reasonably falls within the director's scope of dedication.
  - d. Inform the Board of Directors of any irregularities in the management of the Company of which the director may have had notice, and monitor any situation of risk.
  - e. Propose a call to an extraordinary meeting of the Board of Directors or the inclusion of new matters in the agenda for the next meeting to be held, in order that deliberations may be conducted on such issues as the director deems advisable.
  - f. Oppose resolutions that are contrary to law, the Company's Governance and Sustainability System or the corporate interest, request that such opposition be recorded in the minutes, and pursue the challenge of said resolutions.
3. The secretary, even if not a director, and the deputy secretary of the Board of Directors, if any, shall be responsible for fulfilling those obligations of the directors that apply thereto due to the nature of their office.

### Article 30. Duty of Confidentiality

1. A director shall keep confidential the information and deliberations of the Board of Directors and of any committees of which the director is a member, and shall generally endeavour to ensure the confidentiality thereof, shall not disclose any information, data, reports or background information to which the director may have had access while in office, and shall not use any of the foregoing for the director's own benefit or for the benefit of any other third party, without prejudice to the duties of transparency and information imposed by applicable law.
2. A director must also observe the restrictions established for the use of the systems, applications, and information technology and remote access elements made available thereto by the Company.
3. A director's duty of confidentiality shall survive even after the director no longer holds such position, except in those cases allowed or required by law.
4. Said duty shall not obstruct the normal flow of information between the Company and the other companies of the Group within the framework of the general strategic and management guidelines established by IBERDROLA, S.A. as a holding company in the interest of all companies within the Group, without prejudice to the obligations arising from applicable legal provisions, without prejudice to the obligations arising from the regulations on the separation of regulated activities in Spain and, in particular, the protection of commercially sensitive information, and always within the legal limits and without prejudice to the autonomy of the Company and the companies in which it holds an interest.
5. Directors who cease to hold office must return all corporate documentation to which they have had access in the performance of their duties, including information stored in any corporate or personal medium or device, and must expressly confirm at the request of the Company that they have complied with this obligation.

### Article 31. Duty Not to Compete

1. A director may not be a director or member of management of, or provide services to, another company whose object is similar, in whole or in part, to the object of the Company or which is a competitor thereof. Excepted from the foregoing restriction are the duties that may be performed and the offices that may be held without prejudice to compliance with the applicable regulations on the separation of regulated activities: (i) in companies belonging to the Group; (ii) in companies in which the director acts as a representative of the interests of the Group; (iii) in companies in which any of the companies belonging to the Group has an interest and in which the director does not act as a representative of the interests of the Group, unless the Board of Directors finds that the corporate interest is compromised; and (iv) those other instances in which the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, when so required by law, or the Board of Directors in other cases, waives the foregoing restriction based on a finding that the corporate interest is not compromised or no damage to the Company can be expected, of if so expected, will be offset by the benefits that are expected to be obtained from the waiver.
2. A non-executive director who ceases to hold the office to which the director was appointed or who for any other reason ceases to act as such, may not be a director or member of management of, or provide services to, any entity whose object is similar, in whole or in part, to that of the Company or which is a competitor of the Company, for a term of two (2) years, unless it is an entity within the Group. The executive directors' duty not to compete shall be as determined in their respective contracts. The Board of Directors may, if it deems it appropriate, relieve the outgoing director from this restriction or reduce it to a shorter period.

### Article 32. Conflicts of Interest

1. Directors must adopt the measures necessary to avoid entering into conflicts of interest pursuant to the provisions of law.
2. A conflict of interest shall be deemed to exist in those situations provided by law, and particularly when the interests of the director, either for their own or another's account, directly or indirectly conflict with the interest of the Company or of companies within the Group and with their duties to the Company.

An interest of the director shall exist when the matter affects the director or a person connected thereto.

3. Without prejudice to the provisions of section 1 above, conflicts of interest shall be governed by the following rules:

- a. Communication: once a director becomes aware of being in a situation of conflict of interest, the director must give written notice of the conflict to the Board of Directors, in the person of the secretary thereof, as soon as possible.

The notice shall contain a description of the situation giving rise to the conflict of interest, with a statement as to whether it is a direct conflict or an indirect conflict through a connected person, in which case the latter person must be identified.

The description of the situation must include, as applicable, the subject matter and the principal terms of the transaction or the planned decision, including the amount thereof or an approximate quantification thereof.

Any question as to whether a director might be involved in a conflict of interest must be forwarded to the secretary of the Board of Directors, and the director must refrain from taking any action until it is resolved.

- b. Abstention: if the conflict arises from a transaction or circumstance that requires any kind of operation, report, decision or acceptance, the director must refrain from taking any action until the Board of Directors studies the case and adopts and informs the director of the appropriate decision, without prejudice to the exceptions established by law.

To this end, the director shall leave the meeting during the deliberation and voting on those matters in which the director is affected by a conflict of interest, and shall not be counted in the number of members attending for purposes of the calculation of a quorum and the majorities required for approval of resolutions.

At each meeting of the Board of Directors and of the committees thereof, the secretary shall remind the directors, before dealing with the agenda, of the communication and abstention rule established in this article.

- c. Transparency: whenever required by law, the Company shall report any cases of conflict of interest in which the directors have been involved during the financial year in question and of which the Company is aware by reason of notice given thereto by the director affected by such conflict or by any other means.

4. The secretary of the Board of Directors shall prepare a register of the conflicts of interest reported by the directors, which shall be continuously updated. The information contained in said register shall have a level of detail allowing for a sufficient understanding of the scope of each of the situations of conflict.

### Article 33. Use of Corporate Assets

1. A director may not use the Company's assets or profit from the director's position in the Company in order to obtain any financial benefit, unless arm's length consideration has been paid and it is a standardised service.
2. On an exceptional basis, the director may be relieved from the obligation to provide such consideration, but in any such case the financial benefit shall be deemed remuneration in kind and must be authorised by the Board of Directors.

### Article 34. Non-Public Information

A director may use non-public information of the Company for private purposes only if the following conditions are satisfied:

- a. That such information is not applied with respect to transactions for the purchase or sale of securities or financial instruments of the issuer to which the information directly or indirectly refers.
- b. That it does not place the director in a position of advantage vis-à-vis third parties, including suppliers and customers.
- c. That the use thereof does not cause any harm to the Company.
- d. That the Company does not own proprietary rights in, or have a similar legal position with respect to, the information that the director wishes to use.

### Article 35. Business Opportunities

1. A director may not take advantage of a business opportunity of the Company, either for the director's own benefit or for the benefit of connected persons, unless the investment or transaction has previously been offered to the Company, the Company has chosen not to take advantage of it without any pressure from the director, and the director has been authorised by the Board of Directors to profit from the transaction.
2. For purposes of the preceding section, a business opportunity shall be deemed to be any possibility of making an investment or a business transaction that has arisen or has been discovered in connection with the director's performance of duties as such, or through the use of means and information belonging to the Company, or in circumstances such that it is reasonable to believe that the third party's offer was in fact addressed to the Company.
3. Likewise, a director shall not use the Company's name and shall not invoke the position thereof as director of the Company in order to carry out transactions for the director's own account or for the account of connected persons.

### Article 36. Related-Party Transactions

1. "Related-Party Transactions" shall be those transactions carried out by the Company or its controlled companies with their directors, with Members of Senior Management or with their respective Related Parties, as well as transactions carried out by the Company with other companies of the Iberdrola Group subject to a conflict of interest.
2. For purposes of these *By-Laws*, the following shall be deemed to be "Related Parties" of the directors and of Members of Senior Management:
  - a. The spouse of a director and of Members of Senior Management or persons connected thereto by a like relationship of affection.
  - b. The ascendants, descendants and siblings of the director and of Members of Senior Management or the spouse thereof.
  - c. The spouses of the ascendants, descendants and siblings of the director and of Members of Senior Management.
  - d. Companies or entities in which the director and the Members of Senior Management directly or indirectly holds, including through an intermediary, an interest that gives them significant influence, or companies or entities, or the controlling company thereof, in which they hold a position on the management body or within the senior management thereof. For these purposes, it is assumed that any interest equal to or greater than

10% of the share capital or voting rights or based on which it has been possible to obtain representation on the company's management body, in fact or by law, provides a significant influence.

- e. The shareholders represented by the director on the Board of Directors.
3. By way of exception to the provisions of section 1, the following shall not be deemed to be a Related-Party Transaction: (i) transactions entered into by the Company with its sole shareholder or with its wholly-owned controlled companies; (ii) transactions carried out by the Company with its controlled companies or investees unless any of its directors or Members of Senior Management or their respective Related Parties is in turn a significant shareholder in the controlled company or investee; (iii) transactions carried out on standard terms for customers and that are not significant, understood as those whose reporting is not necessary to give a true and fair view of the assets and liabilities, financial position and results of the Company; and (iv) the approval by the Board of the terms and conditions of the contract to be entered into between the Company and any director who is to perform executive duties, including the chief executive officer and the Members of Senior Management, and the determination by the Board of the specific amounts or remuneration to be paid under such contracts.
4. Related-Party Transactions must be approved by the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, in the instances provided by law, and particularly if they relate to a transaction having a value of more than ten per cent of the corporate assets.
5. In other situations in which the law does not require the approval of the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, Related-Party Transactions shall be subject to the approval of the Board of Directors.
6. A prior report of the Audit and Compliance Committee shall be required in both cases.
7. The Board of Directors, through the Audit and Compliance Committee, shall endeavour to ensure that Related-Party Transactions are fair and reasonable from the viewpoint of the Company.
8. Without prejudice to the provisions of section 5 above, the Board of Directors may delegate the approval of Related-Party Transactions entered into by the Company when so allowed by law, and particularly those of the Company with other companies controlled thereby belonging to the Group and subject to a conflict of interest, provided that they are transactions entered into in the ordinary course of business, which shall include those resulting from the execution of a master agreement or contract and concluded on arm's-length terms.

The approval of the delegated Related-Party Transactions referred to in this section shall not require a prior report from the Audit and Compliance Committee, but the Board of Directors must establish a regular internal reporting and control procedure in relation thereto, in which the Audit and Compliance Committee must participate, which Committee shall verify the fairness and transparency of such transactions and compliance with any criteria for allowing the delegation.
9. The execution of a Related-Party Transaction puts the director engaging in said transaction or who is connected to the person engaging in the transaction in a conflict of interest, for which reason, to the extent applicable and subject to the provisions of law, the provisions of Article 32 above shall apply.
10. The directors must give written notice to the secretary of the Board of Directors, on an annual basis, within the first quarter of each year, regarding the Related-Party Transactions in which they or persons connected to the Company relating thereto have engaged during the immediately preceding period. The Members of Senior Management must do so through the director of Compliance, who must forward the information received to the secretary of the Board of Directors.

Without prejudice to the foregoing, directors must immediately inform the Board of Directors in writing of any Related-Party Transaction relating to them or to their Related Parties that must be approved by the Board of Directors or by the sole shareholder pursuant to the provisions of Articles 32 and 37 or the provisions of law.

The notice of Related-Party Transactions must include the following information: (i) object and nature of the transaction; (ii) date on which it originated; (iii) main terms and conditions, including the value or the amount of the consideration and the terms and conditions of and periods for payment; (iv) identity of the persons who participated in the transaction and the relationship, if any, with the director; and (v) other aspects, such as pricing policies, guarantees, and any other feature of the transaction that allows for a proper assessment thereof, particularly including such information as allows for verification that it is fair and reasonable from the viewpoint of the Company.
11. The secretary of the Board of Directors shall prepare a register of Related-Party Transactions, except with respect to the Related-Party Transactions of the Members of Senior Management, which shall be prepared by the director of Compliance.

12. The Board of Directors, through its secretary, shall report to the sole shareholder regarding Related-Party Transactions on an annual basis.

### Article 37. Duty to Disclose Information

1. A director must notify the Company, through the secretary of the Board of Directors, of any holdings in the capital of any company with an activity that is the same, similar or complementary to the activity constituting the corporate object, and the positions or duties performed therein, as well as the performance on the director's own behalf or on behalf of others of any type of activity that is complementary to the activity constituting the corporate object of the Company. This disclosure shall be included in the notes to the annual financial statements as required by law.
2. A director must also disclose to the Company:
  - a. All positions the director holds at and services the director provides to other companies or entities, other than those within the Group, as well as the director's other professional commitments. In particular, the director must inform the Board of Directors before accepting office as director or member of management at another company or entity (except for the positions the director is called upon to hold at companies belonging to the Group or at other companies in which the director represents the interests of the Group).
  - b. Any substantial change in the director's professional status that may affect the condition or capacity by virtue of which the director may have been appointed as such.
  - c. Any judicial, administrative or other proceedings instituted against the director which, because of their significance or characteristics, may seriously reflect upon the reputation of the Company. In particular, every director must inform the Company, through its chair, in the event that the director is subject to an investigation or if an order for further prosecution or an order for commencement of an oral criminal trial is issued against the director for the commission of any of the crimes set out in Section 213 of the restated text of the Companies Act. In such instance, the Board of Directors shall review this circumstance as soon as practicable and shall adopt the measures it deems fit taking into account the interests of the Company, such as opening an internal investigation, requesting the resignation of the director or proposing the removal thereof.
  - d. In general, any fact or event that may be relevant to the holding of office as a director of the Company.

### Article 38. Term of Office, Resignation and Cessation of Office

1. Directors shall serve in their position for a term of four (4) years, so long as the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, does not resolve to remove them and they do not resign from their position. In particular, directors must submit their resignation from the position and formally resign upon the occurrence of any of the instances of disqualification or prohibition against performing the duties of director provided by law.
2. Directors may be re-elected to one or more terms of four (4) years.

### Article 39. Director Remuneration

1. The sole shareholder, in exercise of the powers of shareholders acting at a General Shareholders' Meeting, shall establish fixed remuneration for the external directors for belonging to the Board of Directors and to any committees thereof, and may adjust the amount of such remuneration based on the duties or positions assigned thereto.
2. Said amounts, determined by the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, shall remain in force for as long as they are not modified by a new decision of the sole shareholder.
3. Executive directors shall only be remunerated for executive duties, in accordance with the provisions of the following section.
4. The remuneration of directors who perform executive duties and in relation to said duties shall be set by the Board of Directors upon the terms provided by law, within the limit established by the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, which limit shall remain in force for so long as the sole shareholder does not approve a change thereto. This remuneration shall include a fixed allocation, variable remuneration that will depend on meeting certain objectives pre-established by the Board of Directors, severance pay, and the savings or retirement schemes that the Board of Directors deems appropriate.

5. All rights and duties arising from membership on the Board of Directors shall be compatible with all other rights, duties and severance payments to which the director may be entitled by reason of any other employment or professional relationships that such director may have with the Company.
6. The premiums corresponding to liability, legal defence and life insurances that the Company may obtain for the benefit of the directors in relation to the exercise of the functions of the position of director will form part of the remuneration.

#### **Article 40. Powers of Information and Inspection**

1. A director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine its books, records, documents and other background information on corporate transactions, to inspect all of its facilities and to communicate with the members of senior management of the Company, without prejudice to the limitations arising from any applicable legal provisions without prejudice to the limitations that arise from the regulations on the separation of regulated activities in Spain.
2. The exercise of the aforementioned powers shall first be channelled through the secretary of the Board of Directors, who shall act on behalf of the chair thereof.

#### **Article 41. Assistance of Experts**

1. In order to be assisted in the performance of the duties entrusted thereto, any director may request the hiring of legal, accounting, technical, financial, commercial or other expert advisers, whose services shall be paid for by the Company.
2. The assignment must deal with specific issues of certain significance and complexity arising during the performance of the director's duties.
3. The request for an expert to be hired shall be channelled through the secretary of the Board of Directors, acting on behalf of the chair thereof, who may subject it to the prior approval of the Board of Directors; such approval may be denied in well-founded instances, including the following circumstances:
  - a. That it is not necessary for the proper performance of the duties entrusted to the directors.
  - b. That the cost thereof is not reasonable in light of the significance of the issues and the assets and income of the Company.
  - c. That the technical assistance sought may be adequately provided by the Company's own experts and technical personnel.
  - d. That it may entail a risk to the confidentiality of the information that must be made available to the expert.

### **TITLE IV. FINANCIAL YEAR AND FINANCIAL AND NON-FINANCIAL INFORMATION**

#### **Chapter I. Financial Year**

##### **Article 42. Financial Year**

The financial year shall commence on 1 January of each year and shall end on 31 December of each year.

#### **Chapter II. Financial Information**

##### **Article 43. Preparation**

1. The annual financial statements and the directors' report shall be prepared following the structure, the principles and the instructions contained in applicable legal provisions.
2. Within the first three months of the year, the Board of Directors shall prepare the annual financial statements, the directors' report and the proposed allocation of profits or losses in accordance with applicable law and the Governance and Sustainability System.
3. The annual financial statements and the directors' report must be signed by all directors. The lack of a signature in any of them shall be shown in each of the documents where it is missing, along with an express statement of the reasons therefor.

##### **Article 44. Verification**

1. The annual financial statements and the directors' report must be reviewed by statutory auditors.

2. The statutory auditors shall be appointed by the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, before the end of the financial year to be audited, for an initial specified period that may not be less than three years nor more than nine from the date of commencement of the first financial year to be audited, and may be re-elected by the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, upon the terms provided by law after the end of the initial period.
3. The statutory auditors shall prepare a detailed report on the results of their activity, pursuant to the legal provisions on auditing of accounts.

#### **Article 45. Approval**

The Company's annual financial statements and directors' report shall be submitted for the approval of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, and the sole shareholder shall also decide upon the distribution of profits or losses for the financial year in accordance with the approved balance sheet.

#### **Article 46. Allocation of Profits/Losses**

1. Once the reserves required by law or these *By-Laws* have been covered, dividends charged to the profit for the year or to unrestricted reserves may only be distributed if the book value of net equity is or will not be less than the share capital as a result of the distribution.
2. If the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, decides to distribute dividends, the sole shareholder shall determine the time and the method of payment. The determination of these matters and of any others that may be necessary or appropriate to implement the decision may be delegated to the management decision-making body.
3. The sole shareholder may resolve that the dividend be paid wholly or partly in kind.

### **Chapter III. Non-Financial Information**

#### **Article 47. Preparation and Verification**

1. The Board of Directors shall prepare the statement of non-financial information within the period and in accordance with the provisions of applicable law and the Governance and Sustainability System, offering a clear and reliable description of the social, environmental and sustainability performance of the Company and its controlled companies, as well as the social dividend generated and shared with its Stakeholders.
2. The statement of non-financial information shall be reviewed by an external provider of assurance services appointed by the Board of Directors upon a proposal of the Audit and Compliance Committee.
3. The provider of said service must comply with the professional and independence requirements of applicable law and those set out in the Governance and Sustainability System.
4. The Company may not prepare the statement of non-financial information if the Company and its controlled companies are included in the consolidated statement of non-financial information prepared by its sole shareholder.

#### **Article 48. Approval**

1. If prepared, the statement of non-financial information of the Company shall be subject to the approval of the sole shareholder.
2. Pursuant to the provisions of Article 47.4 above, if the Company decides not to prepare the statement of non-financial information, the Board of Directors shall approve the non-financial information of the Company and of its controlled companies to be included in the consolidated statement of non-financial information.

### **TITLE V. DISSOLUTION AND LIQUIDATION**

#### **Article 49. Dissolution**

The Company shall be dissolved upon the occurrence of any of the grounds established by law, which must be ascertained and assessed in accordance with the provisions of the Governance and Sustainability System, which shall supplement the provisions of applicable law in this regard.

#### **Article 50. Liquidation**

1. The Company shall be governed by applicable legal provisions and the provisions of the Governance and Sustainability System during the liquidation period and until its termination.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





2. Unless otherwise decided by the sole shareholder in adopting the resolution on dissolution in the exercise of the powers of shareholders acting at a General Shareholders' Meeting, from the moment the Company declares itself to be in liquidation, the Board of Directors shall cease its duties and the directors shall become liquidators of the Company and constitute a collective body with an odd number of members. If necessary for such purpose, the director having the least length of service since appointment or, in case of equal length, the director who is younger, shall cease to hold office.
3. During the liquidation, the sole shareholder shall be informed of the progress of the liquidation procedure so that it can make the decisions it deems appropriate in the exercise of the powers of shareholders acting at a General Shareholders' Meeting.
4. The corporate decision-making bodies, within the scope of their respective powers, shall adopt such resolutions and make such decisions as are appropriate to finalise the liquidation, seeking the common interest of the shareholders, observing and complying with the *Purpose and Values of the Iberdrola Group* and its *Code of Ethics*, as well as the legitimate rights of all of its Stakeholders.





# Book Two - Purpose

# Content

<b>Introduction to Book Two - Purpose</b>		<b>43</b>
1. Purpose and Values of the Iberdrola Group		45
2. Code of Ethics		49
3. General Sustainable Development Policy		72
4. Stakeholder Engagement Policy		84

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Introduction to Book Two - Purpose



1. The Governance and Sustainability System constitutes the internal regulatory framework for the Company which establishes, within the exercise of the corporate autonomy that the law supports to ensure the realisation of its purpose and its values and the achievement of its business ends and goals through its rules.
2. The Company's Governance and Sustainability System and, more specifically, its Articles of Association, which constitute its source and primary standard, recognise and validate that the Company is guided and governed by purposes and values which make up its corporate philosophy and its ideological and axiological basis.
3. This commitment of the Company to the *Purpose and values of the Iberdrola group*, which is expressly recognised in its Articles of Association and inspires its Governance and Sustainability System, has profound implications.

It assumes, amongst other things, that their achievement constitutes the Company's determining and ultimate purpose, which, strictly speaking, identifies and singles it out as a business enterprise. Hence, the reception of a purpose and values, which transcends purely economic benefits in the short term, sets in itself a clear aim, a precise guide and orientation of its work, a singular comprehension and understanding of the role to be played by its Stakeholders, as well as, in particular, of its links and ties with the communities which it is related to. The identification and definition of a specific purpose and values ultimately determines that its entire internal organisation, the Governance and Sustainability System, is conceived, implemented, applied, and interpreted based on each of them as they constitute its true foundational, informational, and guiding principles.

4. The purpose of the Iberdrola group is its *raison d'être*: "*to continue building a more electric, healthy and accessible energy model together every day*"; and its values constitute the way it functions, synthesised under the expressions "*sustainable energy*", "*integrating force*" and "*driving impulse*".
5. The *Purpose and Values of Iberdrola Group* are based on the one hand, and developed in on the other, the basic definitions of corporate purpose, interest and social dividend and good governance set out in the *Articles of Association*.

This purpose and the values guide the Company and the rest of companies which comprise Iberdrola Group towards comprehensive (economic, social, environmental and governance), responsible, and sustainable business action that contributes to the Sustainable Development Goals approved by the United Nations, meets ESG (*Environmental, Social, and Governance*) requirements, and seeks to obtain benefits and the satisfaction of equally comprehensive "dividends" for all of its Stakeholders.

6. Without prejudice to inspiring and reporting the entire Governance and Sustainability System of the Company, the *Code of Ethics* and the general or transversal corporate policies included as content of this second book are immediate outcomes of the *Purpose and Values of the Iberdrola group*.

The *Code of Ethics* is the specific definition for Iberdrola, made through the lens of the *Purpose and Values of the Iberdrola group*, social ethics, the generally accepted ethical principles and standards, constituting the guide for conduct that must govern the actions of all its members and of all those related to or connected to it, while at the same time fostering a culture based on ethics and on the commitment to sustainable development.

The corporate policies included in second book, which are the *General Sustainable Development Policy* and the *Stakeholder Relations Policy*, constitute the general framework, guidelines, instructions, or generic criteria within which all more specific or unique policies, that is environmental, social and corporate governance and compliance policies, are included. The first develops the group's strategy regarding sustainable development around the aforementioned ESG axes or objectives. It is Iberdrola's response to how to carry out its business activities and how to fulfil its purpose in these areas of activity, and how to achieve, in short, this sustainable business value. The second, for its part, establishes the general guidelines for relations, redefined by the *Purpose and Values of the Iberdrola group*, with all of the Company's Stakeholders.

7. With the identification and adoption of the *Purpose and Values of the Iberdrola group*, the *Code of Ethics*, the *General Sustainable Development Policy*, and the *Stakeholder Relations Policy* and its incorporation into its Governance and Sustainability System, Iberdrola España reaffirms its current identity, its character as an institutional company faithful to its own corporate commitment to the public interest and which develops comprehensive, committed, and shared corporate action with its Stakeholders, to whom it provides leadership and traction in its area of activity based on sustainable development within the general framework of respect for human rights, the social market economy, and generally accepted ethical principles

In Bilbao, on 16th February 2024.

The Board of Directors of Iberdrola España S.A.U.

# 1. Purpose and Values of the Iberdrola Group

19 December 2023

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 16/02/2024.



1. Introduction	46
2. The Purpose of the Iberdrola Group	46
3. The Values of the Group	46
4. Scope and Dimension of the Purpose and Values	47
5. Purpose and Values and the Governance and Sustainability System	48
6. Acceptance	48



## 1. Introduction

The Board of Directors of Iberdrola, S.A. (the “**Company**”) hereby establishes the *Purpose and Values of the Iberdrola Group*, explaining the reach and scope thereof, as well as their role and anchoring in the *By-Laws* and in the rest of the Governance and Sustainability System, pursuant to Articles 7 and 32 of the *By-Laws*. Pursuant to the first of said articles, the *Purpose and Values of the Iberdrola Group* summarise “*its raison d’être, the ideological and axiological foundation of its business enterprise*”; and, pursuant to the second, the Board of Directors “*shall approve the Purpose and Values of the Iberdrola Group*”.

In doing so, the Board of Directors exercises its powers, but also assumes its high responsibility as the Company’s highest management decision-making body.

This formulation updates and completes the one carried out in February 2019. Like the previous formulation, it is based on the recognition and positive assessment of the Company’s historical background, a commercial company founded in 1901; of its current identity and reality, of its status as a large company in the energy industry and as an economic and social player and driver of undeniable importance for all of its Stakeholders and in the countries and territories in which Iberdrola is present; and of an entity that is a determined participant in defending human rights, in contributing to the achievement of the Sustainable Development Goals (“**SDGs**”) approved by the United Nations (UN), and in meeting Environmental, Social and Governance (ESG) requirements within its area of activity and in the context of contemporary global society, which faces major challenges and opportunities like the energy transition, digital transformation, climate change and its own sustainability.

## 2. The Purpose of the Iberdrola Group

The Board of Directors reaffirms that the purpose of the companies making up the Company’s group (the “**Group**”), and thus their *raison d’être*, is “*to continue building together each day a healthier, more accessible energy model, based on electricity*”. This purpose, focused on the well-being of people and on the preservation of the planet, reflects the strategy that the Group’s companies have been sustainably implementing for years and their commitment to continue fighting along with all their Stakeholders for:

- a. A real and global energy transition, based on decarbonisation and on the electrification of the energy sector, and generally of the economy as a whole, that contributes to the achievement of the SDGs, particularly with respect to the reaction against climate change, and the generation of new opportunities for environmental, social and economic development.
- b. An energy model that is more electric, one that abandons the use of fossil fuels and generalises renewable energy sources, the efficient storage of energy, smart grids and digitalisation.
- c. An energy model that is healthier for people, whose short-term health and well-being depend on the environmental quality of their environment.
- d. The drive towards more accessible conditions of well-being for all, and the creation of a society that favours inclusion, equality, equity and development.
- e. An energy model that is built in collaboration with all players involved and with society as a whole, based on best governance practices that contribute to its sustainability.

## 3. The Values of the Group

Along with the purpose, the Company’s Board of Directors also establishes the values of the Company and of the other companies of the Group. If the former summarises the Company’s “*raison d’être*”, the latter summarise its “*way of being*”, which consists of the fact that, in order to achieve the purpose of the Group’s companies, their entire strategy and actions must be inspired by and based on the following three “*values*”:

- a. “*Sustainable energy*”: because the Company seeks to always be a model of inspiration, creating environmental, social and economic value in all of its surroundings, and with the future in mind.

The Company and the companies of the Group act responsibly toward people, communities and the environment, with a strong commitment to the sustainable development strategy defined by the Company’s Board of Directors, which seeks to maximise the social dividend generated by the activities and businesses of the Group’s companies, from which all of their Stakeholders benefit.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



For this purpose, the professionals of the Group's companies engage in their activities in accordance with the ethical principles set out in the *Code of Ethics*. They especially endeavour to ensure transparency, the safety of people, the creation of shared sustainable value for the Company and its surroundings, striving to identify and understand the expectations of all their Stakeholders and working to achieve the well-being of both present and future generations.

- b. "*Integrating force*": because the Company has great strength and a deep sense of responsibility. This is why it works by combining talents, for a purpose that is to be achieved by all and for all.

The Company's people form a diverse professional team prepared to achieve the success of the business enterprise. For these purposes, the Group's companies seek for them to work without geographic, cultural or operational barriers, to share talent, knowledge and information, and to have a global, long-term vision.

To achieve such a team, the Group's companies drive the development of their professionals and contribute to the training of future generations in order to boost their enthusiasm, empathy and initiative at work, and to favour solidarity and creativity, as well as their respect for human relations. The Group's companies also encourage the maintenance of sincere and faithful dialogue between Iberdrola's people and their other Stakeholders.

- c. "*Driving force*": because the Company makes small and large changes a reality while being efficient and self-demanding, always seeking continuous improvement.

It innovates and promotes large and small changes that make life easier for people.

It expects its professionals to adopt a non-conformist attitude, to constantly seek excellence and opportunities for improvement, to embrace change and new ideas, to learn from mistakes, to evolve with feedback on their actions and to anticipate the needs and expectations of Stakeholders. To achieve this goal, the Company favours simple, agile and efficient processes for organising work and exchanging information that take advantage of technological advances and that are subject to continuous innovation.

## 4. Scope and Dimension of the Purpose and Values

The *Purpose and Values of the Iberdrola Group* endow the Company and the other companies of the Group with an immanent and specific purpose, which, in short, is the construction of an electric, efficient, healthy and accessible energy model, fully in line with the SDGs and consistent with the highest ESG standards and requirements mentioned above, within the general framework of respect for and protection of human rights, the social market economy, sustainability and generally accepted ethical principles.

By making all of this its *raison d'être* and purpose, the Company stands as a business reality that transcends its nature as a pure and simple commercial enterprise without denying such nature.

In this regard, although obtaining financial benefits continues to be a primary objective for the Company and the other companies of the Group, because they are essential to making the achievement of their purpose possible, they are not the ultimate goal, nor do they exhaust the deeper and more inherent and intrinsic purpose thereof. Thus, the Company needs shareholders and investors who of course contribute capital and financial resources, but also, and above all, who share the fate of the Company and who participate in this great enterprise or endeavour that entails the achievement of such a far-reaching goal. Therefore, the corporate interest, which guides the lawful conduct of the corporate decision-making bodies, cannot be limited to the interest of the shareholders and partners who have contributed capital and financial resources, to merely a financial return on their contribution, but extends to the common interest of all of them in creating shared sustainable value in accordance with and based on the purpose and distinctive values of the Company as well as the commitments made by the Company and the other companies of the Group. This corporate interest, thus defined, is the one to which they allocate the financial capital they contribute or the investment they decide to make.

At the same time and consistently therewith, the Company recognises as equally necessary types of capital or factors for achieving its purpose other no less important ones, such as human capital, management capital, technological capital, natural or environmental capital, and institutional or economic and social governance capital, to which it has access and which it has or enjoys through relationships and procedures of various kinds and nature, and without the proper combination and coordination of which (a task corresponding to and assumed by the Board of Directors) its purpose could not be achieved.



The use of such different factors and means by the Company and its performance of a business function that integrates all of them for the sake of its purpose and values mean that all of its actions must be focused on the creation of sustainable business value, the achievement of an overall result and of an equally comprehensive profit, which makes it possible to adequately remunerate the contributors of financial capital with financial returns and dividends, but also all other participants and groups involved, through the “social dividend”, as set forth in the *By-Laws*. The financial and non-financial information that must be prepared, approved, validated and published in accordance with the legal and bylaw provisions in effect is focused on the determination of all of these variables.

The Company is aware that, given its size and significance, as well as the basic and essential nature of the energy it produces and distributes for the economy and society, its business activities and the scope and dimension of its purpose and values are not limited to its already very broad internal sphere, but extend to its entire supply chain, its customers and its other Stakeholders, and is particularly aware that they also have a driving and multiplying effect on all of the economic, social and political communities in which it has a presence and in which it does business.

The Company therefore recognises and reaffirms its desire to be an active player and to assume, in compliance with and in furtherance of its purpose and values, the leadership that corresponds to it in the creation of a balanced and advanced society; and to participate, resolutely and responsibly, for the same reason, in the collective effort to ensure its global and sustainable development and progress.

## 5. Purpose and Values and the Governance and Sustainability System

The Company reaffirms its determination to continue with the constant development and improvement of its regulatory system, which is not only one of corporate governance, but more broadly one of governance and sustainability, in order to channel and ensure through these unique and specific internal rules the full achievement of its purpose and of its values, in all their scope and size, as well as its business goals and objectives and the creation of such sustainable business value, for all of its Stakeholders and in the countries and territories in which Iberdrola is present.

As a result thereof, the Governance and Sustainability System aspires to be a coherent unit unto itself, in which the *Purpose and Values of the Iberdrola Group*, a synthesis of its corporate ideology and the axiological foundation of its business enterprise, inspire and underpin, as general principles, the preparation, application and interpretation of all of the rules, policies and procedures that guide and organise, direct and channel the conduct of the Company and of the other companies of the Group.

At the same time, given the full scope and dimension of its purpose and values, the Governance and Sustainability System is not conceived as a merely internal and isolated effort, but rather seeks to become integrated with and contribute to the better governance and sustainability of the entire contemporary global society in which the Company and the other companies of the Group are present and do business.

With the *Purpose and Values of the Iberdrola Group* and, in short, with the entire Governance and Sustainability System based thereon and guided thereby, the Company ultimately identifies itself to communities and its Stakeholders as an integral company properly made up of all of them and rooted in such society, that is, as an institutional endeavour that adds to its formal legitimacy the required material legitimacy provided thereto by the corporate action and the plural (economic, social, environmental and governance) function that it undertakes and carries out, both internally and externally.

## 6. Acceptance

The professionals of the Group's companies expressly accept the *Purpose and Values of the Iberdrola Group*. Professionals who hereafter join or become part of the Group's companies must also expressly accept the content hereof.



# 2. Code of Ethics

20 June 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. on 18/07/2024.



<b>Section A. Introduction</b>	<b>51</b>
Article A.1. Purpose	51
Article A.2. Scope of Application	51
<b>Section B. General Ethical and Stakeholder Engagement Principles of Iberdrola</b>	<b>52</b>
Article B.1. Purpose and Values of the Iberdrola Group	52
Article B.2. Commitment to the Sustainable Development Goals (SDGs)	52
Article B.3. Sustainable Development and Business Ethics	52
Article B.4. Human Rights	52
Article B.5. Protection of the Environment, Climate Change and De-carbonisation of the Economy	53
Article B.6. Informational Transparency	53
Article B.7. Shareholders and the Financial Community	53
Article B.8. Customers	54
Article B.9. Supply chain	54
Article B.10. Free Competition and Respect for the Law	55
Article B.11. Social Conduct	55
<b>Section C. Ethical Principles and Duties of Directors</b>	<b>55</b>
Article C.1. Ethical Principles of Directors	55
Article C.2. Qualities of Directors	56
Article C.3. Ethical Duties	56
<b>Section D. Rules of Conduct of the Professionals of the Group's Companies</b>	<b>58</b>
Article D.1. Professionals of the Companies of the Iberdrola Group	58
Article D.2. Compliance with Law and with the Governance and Sustainability System	58
Article D.3. Irreproachable Professional Conduct	58
Article D.4. Right to Privacy	59
Article D.5. Workplace Health and Safety	59
Article D.6. Selection, Hiring and Assessment	59
Article D.7. Diversity and Inclusion and Anti-Harassment and Anti-Discrimination	60
Article D.8. Training	60
Article D.9. Information	60

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Article D.10. Gifts and Presents	60
Article D.11. Conflicts of Interest	61
Article D.12. Business Opportunities	62
Article D.13. Resources and Means for the Performance of Professional Activities	62
Article D.14. Protection of Information	63
Article D.15. Inside Information	63
Article D.16. Publicly Broadcast Events	64
Article D.17. Outside Activities	64
Article D.18. Separation of Activities	65

## Section E. Ethical Commitments of the Suppliers of the Group's Companies 66

Article E.1. Suppliers of the Companies of the Iberdrola Group	66
Article E.2. Compliance Commitments of Suppliers	66
Article E.3. Conflicts of Interest of Suppliers	67
Article E.4. Duty of Secrecy of Suppliers	67
Article E.5. Labour Practices of Suppliers	67
Article E.6. Health and Safety Commitments of Suppliers	68
Article E.7. Environmental Commitment of Suppliers	68
Article E.8. Quality and Safety of Products and Services Supplied	68
Article E.9. Commitment to Human Rights and to Sustainability Due Diligence	69
Article E.10. Subcontracting	69

## Section F. Internal Reporting System 69

Article F.1. Internal Reporting Systems and Internal Reporting Channels	69
---	----

## Section G. Common Provisions 70

Article G.1. Interpretation and Integration of the <i>Code of Ethics</i>	70
Article G.2. Instructions in Contravention of the <i>Code of Ethics</i>	71
Article G.3 Acceptance	71
Article G.4 Approval and Amendment	71

## Section A. Introduction

### Article A.1. Purpose

1. IBERDROLA, S.A. (the “**Company**”) aspires for its conduct and that of the persons connected therewith to conform and adhere not only to applicable law and its Governance and Sustainability System but also to ethical principles and generally accepted sustainable development principles, and particularly for it to respect the human rights recognised under domestic and international law.
2. This *Code of Ethics* further develops and specifies the provisions of the *Purpose and Values of the Iberdrola Group* and is intended to serve as a guide for the conduct of the directors, professionals and suppliers of the Company and of the group of companies of which the Company is the controlling entity, within the meaning established by law (the “**Group**”, the “**Iberdrola Group**” or “**Iberdrola**”), in a global, complex and changing environment.
3. In addition, the *Code of Ethics* has been prepared taking into account the good governance recommendations generally recognised in international markets and the sustainable development principles accepted by the Company, constituting a basic reference for observance of such initiatives and practices by the companies of the Group. It also deals with the prevention obligations imposed within the area of criminal liability for legal entities.
4. The *Code of Ethics* sets forth the Company’s commitment to the principles of business ethics and transparency in all areas of activity and establishes a set of principles and guidelines for conduct designed to ensure ethical and responsible behaviour by the directors, professionals and suppliers of the Iberdrola Group’s companies.
5. The *Code of Ethics* forms a part of the Company’s Governance and Sustainability System, and is fully respectful of the principles of corporate organisation established therein.

### Article A.2. Scope of Application

1. The principles and guidelines for conduct contained in the *Code of Ethics* apply to directors, including natural persons appointed by corporate directors to represent them in the performance of their duties, to professionals and suppliers of the companies of the Group, as well as investee companies that do not belong to Iberdrola over which the Company has effective control, within the limits established by law, regardless of their rank, their geographical location or their functional subordination, or the Group company to which they provide their services or with which they have a contractual relationship.
2. By way exception to the preceding section, listed country subholding companies and the subsidiaries thereof, under their own special framework of strengthened autonomy, may establish their own code of ethics or conduct, which must be based on a purpose and certain values that are ultimately consistent with the *Purpose and Values of the Iberdrola Group* and governed by the principles set out in this *Code of Ethics*, in which case they shall be excluded from the scope hereof.
3. Furthermore, the companies within Iberdrola to which other codes of ethics or of conduct apply, whether industry-based or arising under the domestic law of those countries or territories in which they carry out their activities, shall also observe such other codes of ethics or of conduct. In any event, such codes of ethics or conduct shall embrace the *Purpose and Values of the Iberdrola Group* and shall be governed by the principles set forth in this *Code of Ethics*.
4. This *Code of Ethics* shall apply, to the extent relevant, to the directors, professionals and suppliers of joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company or another company of the Group assumes the management thereof.
5. Professionals acting as representatives of the Group’s companies at companies and entities that do not belong thereto shall observe the *Code of Ethics* in the performance of such representation, to the extent that it is not inconsistent with the regulations of the company or entity at which they act as representatives of the companies of the Iberdrola Group. At those companies and entities in which the companies of the Group, while not having a majority stake, are responsible for management, the professionals representing the companies of the Iberdrola Group shall promote compliance with the provisions of the *Purpose and Values of the Iberdrola Group* and the rules of conduct established in this *Code of Ethics*.
6. Observance of the *Code of Ethics* is understood to be without prejudice to strict compliance with the Governance and Sustainability System, and especially the *Internal Regulations for Conduct in the Securities Markets* and the rules in implementation thereof, the corporate governance and regulatory compliance policies, and the current rules on separation of activities in each jurisdiction in which the Group’s companies carry out regulated activities.

## Section B. General Ethical and Stakeholder Engagement Principles of Iberdrola

### Article B.1. Purpose and Values of the Iberdrola Group

1. The Board of Directors of the Company has approved the *Purpose and Values of the Iberdrola Group*. Far from being a mere statement of principles, the content thereof guides the Company and the other companies of the Group towards comprehensive (economic, social, environmental and governance), responsible and sustainable corporate action that contributes to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), meets environmental, social and governance (ESG) requirements, and seeks to obtain profits and the satisfaction of equally comprehensive dividends for their Stakeholders.
2. The best assurance of the commitment of the Iberdrola Group's companies to the creation of sustainable value that meets the corporate interest and makes feasible and real the social dividend that they share with their Stakeholders is professional conduct in accordance with the principles contained in the *Purpose and Values of the Iberdrola Group*, which take form and are further developed in this *Code of Ethics* and in the other rules and policies of the Governance and Sustainability System.

### Article B.2. Commitment to the Sustainable Development Goals (SDGs)

The companies integrated within Iberdrola contribute to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) through their business activities. In particular, through this *Code of Ethics*, the companies of the Group formalise their support for goal sixteen, which includes the fight against all forms of corruption.

### Article B.3. Sustainable Development and Business Ethics

1. The companies of the Iberdrola Group express their firm commitment to the principles of the *General Sustainable Development Policy* as a framework for their programmes and actions with Iberdrola's people, customers, the supply chain, shareholders and the financial community, and the other Stakeholders with which they engage.

The sustainable development strategy established at the Group level is based on certain principles that ensure that the corporate activities and businesses are carried out by the companies making up Iberdrola while fostering the sustainable creation of value for the shareholders and taking into account the other Stakeholders related to their business activities and institutional reality, equitably compensating all groups that contribute to the success of their business enterprise, promoting the values of sustainability, integration and dynamism, favouring contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and rejecting actions that contravene or hinder them.

Along these lines, the companies of the Iberdrola Group adopt a responsible business ethic allowing for harmonisation of the creation of value for their shareholders with sustainable development that revolves around three vectors, namely environmental, social and corporate governance aspects, in order to meet certain needs and expectations of their main Stakeholders.

2. The companies of the Group express their firm commitment to the principles of the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and of the *Anti-Corruption and Anti-Fraud Policy*, and in particular to not adopting practices or conduct that might be considered improper or performing acts that are illegal or contrary to law or the Governance and Sustainability System in their relations with third parties (including customers, suppliers, competitors and authorities).
3. The companies integrated within Iberdrola shall ensure compliance with applicable tax regulations and shall strive to achieve appropriate coordination of the tax policy followed by all of them, within the framework of furtherance of the corporate interest and of support for the long-term business strategy, avoiding tax risks and inefficiencies in the implementation of business decisions.
4. The companies of the Iberdrola Group are committed to the responsible, transparent, safe and reliable use of artificial intelligence systems in accordance with the principles set forth in the *Policy on the Responsible Development and Use of Artificial Intelligence Tools*.

### Article B.4. Human Rights

1. The companies of the Iberdrola Group hereby state their commitment and connection to the human rights recognised in domestic and international legislation, pursuant to the *Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises*, the principles underpinning the *United Nations Global Compact*, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the

conventions of the International Labour Organization (including convention 169), the Sustainable Development Goals (SDGs) approved by the United Nations (UN), the Company's *Code of Ethics*, as well as such documents and texts as may replace or supplement those mentioned above.

2. Pursuant to the provisions of the *Policy on Respect for Human Rights*, the companies of the Group particularly affirm their total rejection of child labour, forced or compulsory labour and any kind of modern slavery, endeavouring to ensure and promoting the elimination of these types of situations within their supply chain, and undertake to respect freedom of association and collective bargaining, the right to freedom of movement within each country, non-discrimination based on any condition or characteristic, the rights of ethnic minorities and indigenous peoples in the places in which they do business, and to favour an open dialogue that integrates different cultural frameworks.

### Article B.5. Protection of the Environment, Climate Change and De-carbonisation of the Economy

1. The activities of the Iberdrola Group's companies are based on respect for and protection of the environment, complying with or improving upon the standards established in such environmental laws and regulations as may apply, minimising the impact that their activities might have thereon and encouraging actions that contribute to the protection thereof, engaging in and sponsoring research and development projects that promote de-carbonisation of the economy.
2. The companies integrated within Iberdrola accept as guidelines for conduct the continued development of a real and global energy transition based on promoting the decarbonisation of the economy and the prevention of pollution by gradually reducing the intensity of greenhouse gas emissions, continuing the development of electric energy from renewable sources, and progressively introducing at their facilities more efficient technologies having a lower intensity of carbon dioxide emissions.
3. The companies of the Group work with regulatory bodies to develop and promote fair regulations that protect the environment and public policies and strategies that deal in a coordinated and consistent manner with the problems relating to climate change.
4. The companies of the Iberdrola Group deploy "Just Transition" principles that guide the management of potential impacts that decarbonisation of the economy might have on their respective Stakeholders, particularly including Iberdrola's people, communities, supply chain and customers.

### Article B.6. Informational Transparency

1. The companies of the Iberdrola Group shall provide true, proper, useful and reliable information regarding their performance and relevant conduct. The transparency of the information required to be disclosed is a basic principle that must govern the conduct of the directors, professionals and suppliers of the Group's companies.
2. Relations with the media shall be channelled through the Communication Division (or such division as assumes the duties thereof at any time) and shall be governed by the principles of informational transparency and collaboration.
3. The financial information of the companies integrated within Iberdrola, and particularly the annual financial statements, shall reflect in all material respects a true and fair view of their assets, financial position and results as provided by law. For such purposes, no director, professional or supplier shall conceal or distort the information set forth in the accounting records and reports of the Group's companies, which shall be complete, accurate and truthful.
4. A lack of honesty in the communication of information, whether within the boundary of Iberdrola (to professionals, subsidiaries, departments, internal bodies, and management decision-making bodies, among others) or externally (to auditors, shareholders and investors, regulatory bodies, and the media, among others) is a breach of this *Code of Ethics*. This includes delivering incorrect information, organising it in an incorrect manner or seeking to confuse those who receive it.

### Article B.7. Shareholders and the Financial Community

1. The companies of the Group express their intention to create value for their shareholders on a continuous and sustained basis, and shall make available to them permanent communication and enquiry channels to enable them to receive proper, useful and complete information regarding the development of the companies of the Iberdrola Group, within the framework of the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* and the principle of equal treatment of shareholders under identical conditions.

2. Relations with investors and financial analysts shall be channelled through the Investor Relations Division (or such division as assumes the duties thereof at any time).

### Article B.8. Customers

1. The companies of the Group commit to offering services and products with a quality equal to or exceeding legal requirements, promoting responsible consumption, competing in the marketplace and engaging in marketing and sales activities based on the merits of their products and services, in all cases applying standards of transparency, disclosure and protection.
2. The companies of the Iberdrola Group shall guarantee the confidentiality of all data of their customers and undertake not to disclose such data to third parties without the customer's consent, except when required by law or to comply with court or governmental orders.

The capture, use and processing of the personal data of customers shall be made in such a manner as to guarantee their right to privacy and comply with personal data protection laws as well as the rights given to customers by the laws on information society and electronic commerce services and other applicable legal provisions.

3. Contracts with customers of the Group's companies shall be drafted in a clear and simple manner. Transparency shall be promoted in pre-contractual and contractual relations with customers, and they shall be advised of the various existing alternatives, particularly as regards services, products and rates.
4. The companies of the Iberdrola Group shall raise awareness among their customers and cause them to participate in environmental and social commitments and principles.
5. Professionals of the Group's companies shall avoid any kind of interference or influence of customers or third parties that may alter their professional impartiality and objectivity and may not receive any kind of remuneration from customers or generally from third parties for services relating to the professional's activities within Iberdrola's boundary.

### Article B.9. Supply chain

1. The procedures of the Group's companies for the selection of suppliers and workers within their supply chain shall conform to an objective and impartial standard and shall avoid any conflict of interest or favouritism in the selection thereof.

Professionals of the Iberdrola Group's companies undertake to comply with established internal award procedures, including, in particular, those relating to the approval of suppliers.

2. The prices and other information submitted by suppliers during a process of selection shall be treated confidentially and shall not be disclosed to third parties without the consent of the interested parties or where required by law or to comply with court or governmental orders.

Professionals of the Group's companies who have access to personal data of suppliers and the workers of their supply chain must maintain the confidentiality thereof and comply with the provisions of the laws on the protection of personal data, to the extent applicable.

3. The information made available by professionals of the Group's companies to their suppliers, to the workers of their supply chain and to the communities affected thereby shall be true and shall not be given with the intent to mislead.
4. The companies of the Iberdrola Group shall raise awareness among the members of their supply chain and cause them to participate in environmental and social commitments, especially those relating to the circularity of their activities and the fight against child and forced or compulsory labour and any other kind of modern slavery.
5. Professionals of the companies comprising Iberdrola shall avoid any kind of interference or influence of the participants in their supply chain that may alter their professional impartiality and objectivity and may not receive any kind of remuneration from them or generally from third parties for services relating to the professional's activities within the boundary of Iberdrola.
6. The companies of the Group shall make available suitable means to collaborate with the members of their supply chain in order to increase their competitiveness, establishing appropriate programmes in each case, promoting partnerships in line with Sustainable Development Goal (SDG) seventeen approved by the United Nations (UN).
7. The companies of the Iberdrola Group shall endeavour to ensure compliance with the provisions of this *Code of Ethics* by the members of their supply chain and shall take action as a result of any violation.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

## Article B.10. Free Competition and Respect for the Law

1. The companies of the Iberdrola Group undertake to promote free competition for the benefit of consumers and users, as well as to comply with the legal provisions on competition.
2. The companies making up Iberdrola commit to competing freely and fairly in the marketplace.
3. The acquisition of information from third parties, including information regarding competitors, shall be made in a lawful manner.
4. The companies of the Iberdrola Group shall provide the assistance and cooperation that the competition authorities may require in the performance of their duties, and particularly for the investigation of any conduct that may constitute a violation of the legal provisions on competition.
5. Relations with regulatory bodies and with public officials and other persons who participate in the performance of public duties shall be governed by the principles of lawfulness, transparency, fidelity, reliability, professionalism, cooperation, reciprocity and good faith, without prejudice to the legitimate disputes that, observing the aforementioned principles and in the defence of the corporate interest, may arise with such authorities in relation to the interpretation or application of legal provisions.
6. The companies integrated within Iberdrola shall respect and abide by all court and/or governmental decisions or resolutions that may be issued, but reserve the right to file such appeals as may be appropriate when they believe that they do not conform to the law and are contrary to their interests.

## Article B.11. Social Conduct

1. The companies of the Group contribute with their business activities and their sustainable development strategy to the progress of the communities in which they have a presence, both from the economic viewpoint and from the perspective of business ethics, to universal access to energy supply, to the promotion of equality and social justice, to the protection of vulnerable groups, to the encouragement of innovation and to the protection of the environment, to the generation of quality employment based on diversity, inclusion and a sense of belonging, as well as to leadership in the fight against climate change, and work to establish firm and permanent connections therewith.
2. The companies of the Iberdrola Group, either directly or through intermediaries, shall refrain from making contributions that are not in accord with the sustainable development strategy established at the Group level.
3. All social-welfare, cultural or any other kind of contributions made by the companies of the Group, regardless of the legal form thereof, whether a collaboration agreement or sponsorship, donation or any other legal form or transaction, and regardless of the area to which they are directed (such as the promotion of education, culture and sports, and the protection of the environment and vulnerable groups), must meet the following requirements: have a legitimate purpose, not be anonymous, be formalised in writing, and, if contributions of money, be made by any payment method that allows for identification of the recipient of the funds and provides evidence of the contribution. Cash contributions are prohibited.
4. Prior to making a contribution from among those referred to in the preceding section, the proposing corporate or business area must comply with the provisions of internal rules approved for such purpose.

In any event, the Iberdrola Group company making the contribution must document in the formalisation thereof that it is subject to the beneficiary continuing to meet the requirements and conditions upon which it was approved and to following the purposes for which it was provided.

5. The provisions of this article shall not apply to presents and gifts under the circumstances set forth in Article D.10.1.
6. The companies of the Group, either directly or through intermediaries, are strictly prohibited from directly or indirectly making contributions (regardless of the legal form thereof, such as donations, loans or advances) to Spanish political parties, including federations, coalitions and groups of electors.

## Section C. Ethical Principles and Duties of Directors

### Article C.1. Ethical Principles of Directors

1. The ethical principles that must govern all conduct by directors of the companies of the Iberdrola Group (and by the individual representatives of corporate directors in the performance of their duties) are:

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

- a. strict compliance with the law and with the Governance and Sustainability System, particularly including their duties regarding confidentiality, use of non-public information, non-competition, use of corporate assets, business opportunities, related-party transactions and other conflicts of interest;
  - b. commitment to and involvement with human rights;
  - c. protection of the environment;
  - d. non-discrimination based on any condition or characteristic and consideration of diversity and inclusion in all their variables;
  - e. reconciliation of family and work life;
  - f. workplace safety and health, which involves taking the actions required to provide safe and healthy conditions for the prevention of work-related injuries and health impairments that are suited to the purpose, size and context of each organisation and to the specific nature of the risks for professionals;
  - g. rigorous and objective selection and evaluation, as well as training, of the professionals of the companies integrated within Iberdrola; and
  - h. respect for the legitimate public or private interests that converge in the conduct of the business activities of the Group's companies, and particularly those of their various Stakeholders.
2. These ethical principles shall be interpreted and applied within the framework of the corporate interest, which is understood as the common interest of all shareholders of an independent company, with its own differentiated bylaw-based identity, focused on the creation of comprehensive and sustainable value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and consistent with its institutional nature, in accordance with the *Purpose and Values of the Iberdrola Group* and with the commitments made in this *Code of Ethics*.

### Article C.2. Qualities of Directors

1. Directors of the Iberdrola Group's companies must be respectable and capable persons with recognised expertise, competence, experience, qualifications, training, availability and commitment to their duties.
2. Directors of the Group's companies must also distinguish themselves by their professionalism and integrity, which must translate into transparent, diligent, responsible, efficient, professional, loyal, honest, good-faith and objective conduct, in line with the values of excellence, quality and innovation in furtherance of the corporate interest, the principles set out in this *Code of Ethics* and the corporate values provided for in the *Purpose and Values of the Iberdrola Group*.
3. Directors of the companies integrated within Iberdrola have the duty to cultivate the ongoing improvement of the above-mentioned qualities and capabilities.

### Article C.3. Ethical Duties

1. As an expression of the integrity required of directors of the Group's companies, they shall comply with the following ethical duties in the performance of their tasks (which shall also apply to the individual representatives appointed by corporate directors to hold the position):
  - a. Not give or accept gifts or presents in the performance of their duties. On an exceptional basis, they may accept or give gifts or presents if the following circumstances are all present: they are of insignificant or symbolic economic value, correspond to signs of courtesy or to customary business gifts and tokens, and are not forbidden by law, by the Governance and Sustainability System or by generally accepted business practices.
  - b. Not offer or grant, or solicit or accept, whether directly or through an intermediary, unjustified advantages or benefits that are directly or indirectly intended to obtain a benefit, whether present or future, for the companies of the Iberdrola Group, for themselves or for a third party. In particular, they may not give or receive any type of bribe or commission from, or made by, any other party involved, such as government officials and other persons participating in the performance of public duties (whether Spanish or foreign) or personnel of other companies, political parties, authorities, customers, suppliers or shareholders. Acts of bribery, which are expressly prohibited, include the offer or promise, whether direct or indirect, of any kind of improper advantage, any instrument designed to conceal them, and influence-peddling.





- c. Not receive money from customers or suppliers on a personal level, even as a loan or advance. The foregoing does not apply to loans or credits granted by financial institutions that are customers or suppliers of the Group's companies and that are not involved in the activities listed in the preceding sections.
- d. Not give or accept any kind of hospitality that influences, might influence or might be construed as influencing decision-making.
- e. If there is any connection, membership or collaboration with or in government administrations, public organisations and entities, government-owned companies, political parties or other kinds of public-purpose entities, institutions or associations, it shall be ensured that the strictly personal nature thereof, unrelated to the Iberdrola Group's companies, is clearly shown.
- f. Make responsible use of the resources and means made available to them for the performance of their duties, using them solely for professional activities in the interest of the companies integrated within Iberdrola and not for personal purposes.
- g. Recognise and respect the Group companies' ownership of and right to use and operate the computer software and information technology systems, presentations, projects, equipment, manuals, videos, studies, reports and other works and rights created, developed, refined or used in performing their duties or based on the information technology systems of the companies of the Iberdrola Group.
- h. Respect the principle of confidentiality in respect of the characteristics of the rights, licences, software, systems and technological knowledge, in general, owned by the Group's companies or which they have the right to operate.
- i. Use the information technology equipment, systems and software that the Iberdrola Group's companies make available thereto to perform their duties, including the facility of access to and operating on the internet and the directors' website (or similar instrument), in accordance with the security and privacy protocols established by the Group's companies and pursuant to standards of security and efficiency, excluding any use, action or information technology function that is unlawful or contrary to the regulations or instructions of the companies of the Iberdrola Group or that compromises the confidentiality of the information of the Group's companies.  

The use of private data transmission devices to access the systems and applications of the Iberdrola Group's companies must comply with the security and privacy protocols established by the companies integrated within Iberdrola.
- j. Not operate, reproduce, replicate or assign the information technology systems or applications of the Group's companies for purposes unrelated to the performance of their duties. Not install or use on the computer equipment provided by the software or applications of the Iberdrola Group's companies the use of which is unlawful or that might damage the systems or prejudice the image or the interests of the Group's companies, their customers or third parties.
- k. Avoid any action or decision in their business, professional or personal activities that might violate the law or the Governance and Sustainability System in connection with confidentiality, the use of non-public information, related-party transactions, significant transactions, business opportunities, use of corporate assets, other cases of conflict of interest, and relations with shareholders, professionals, customers, vendors and suppliers of the Group's companies, competitors and the media.
- l. Contribute to the Company's commitment to the continuous and sustained creation of value for its shareholders and to the long-term success of the Company within the framework of the Corporate Policies and the principle of equal treatment of shareholders in the same situation.
- m. Abide, in their relations with regulatory bodies, by the principles set out in Article B.10. Specifically, the transparency of information, particularly financial information, is a basic principle that must govern the directors' conduct.
- n. Channel their relations with the media and with investors and financial analysts through such divisions and services as are determined by the relevant management decision-making bodies, and if such bodies operate in the form of a board of directors, by the chair thereof.
- o. Adopt responsible business ethics that allow for harmonisation of the creation of value for the shareholders with sustainable development, upon the terms set forth in Article B.3.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- p. Communicate through the internal reporting system provided for in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and established by the corresponding company of the Iberdrola Group any fact of which they are aware that might constitute potentially improper conduct or an act that is potentially illegal or contrary to law or to the Governance and Sustainability System (including, in particular, any conduct that could constitute a crime, a serious or very serious administrative offence, or a breach of European Union law), with an impact on the companies of the Group, on their contractual relationship with their suppliers, or on the interests and image of the companies comprising Iberdrola, without prejudice to the ability to address their grievances or reports to the Spanish Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) (A.A.I.) or any other competent institution, body or entity.
  - q. Manage and ensure Group-level management, in all fields of endeavour, in accordance with the provisions of the *Purpose and Values of the Iberdrola Group* and this *Code of Ethics*.
2. Any exemption from compliance with this article shall require approval of the management decision-making body of the affected company of the Iberdrola Group after a report from the committee in charge of these matters, if any. In the case of companies without a collective management decision-making body, the shareholders acting at a general shareholders' meeting or the sole shareholder/member shall be responsible for approval.

## Section D. Rules of Conduct of the Professionals of the Group's Companies

### Article D.1. Professionals of the Companies of the Iberdrola Group

1. The members of the management team and of the workforce of the companies and entities to which this *Code of Ethics* applies pursuant to the provisions of Section A, as well as those other persons whose activities are expressly made subject hereto, are deemed to be professionals of the Group's companies.
2. Those professionals of the companies integrated within Iberdrola who manage or direct teams of people in the performance of their duties must also ensure that the professionals for which they are directly responsible know and comply with this *Code of Ethics* and lead by example, acting as benchmarks for conduct at the Group level.

### Article D.2. Compliance with Law and with the Governance and Sustainability System

1. Professionals shall strictly comply with the laws in force in the jurisdiction of their workplace, heeding both the spirit and the purpose of such legal provisions, and shall observe the provisions of this *Code of Ethics*, the other rules of the Governance and Sustainability System and the basic procedures governing activities at the Group level and of the company at which they provide their services. The obligations and commitments assumed by the Iberdrola Group's companies in their relations with third parties, as well as the customs and good practices of the countries or territories in which they do business shall also be fully observed.
2. Professionals must communicate through the internal reporting systems provided for in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and established by the corresponding company of the Iberdrola Group any fact of which they are aware that might constitute potentially improper conduct or an act that is potentially illegal or contrary to law or to the Governance and Sustainability System (including, in particular, any conduct that could constitute a crime, a serious or very serious administrative offence, or a breach of European Union law), with an impact on the companies of the Group, on their contractual relationship with their suppliers, or on the interests and image of the companies comprising Iberdrola, without prejudice to the ability to address their grievances or reports to the Spanish Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) (A.A.I.) or any other competent institution, body or entity.
3. The members of the management teams of the Group's companies shall have particular knowledge of the laws and regulations, including internal ones and legal provisions on the separation of activities, affecting their respective areas of activity, and must ensure that the professionals reporting to them receive the required information and training to enable such professionals to understand and fulfil the legal and regulatory obligations, including internal ones, applicable to their position.
4. To such end, the professionals of the Iberdrola Group's companies shall receive appropriate training on applicable law in the countries or territories in which the companies of the Iberdrola Group operate.

### Article D.3. Irreproachable Professional Conduct

1. The standards that govern the conduct of the professionals shall be professionalism, integrity and self-control in their actions and decisions:

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

- a. Professionalism is acting diligently, responsibly and efficiently, focusing on excellence, quality and innovation.
  - b. Integrity is acting loyally, honestly, in good faith, objectively and in line with the interests of the Group's companies and with their principles and values as expressed in the *Purpose and Values of the Iberdrola Group* and in this *Code of Ethics*.
  - c. Self-control in actions and in decision-making means that any action performed rests upon four basic premises: (i) that it is ethically acceptable; (ii) that it is legally valid and complies with the provisions of applicable law and internal rules, including the Governance and Sustainability System, and particularly this *Code of Ethics*; (iii) that it is performed within the framework of the corporate interest of the Company and that of the other companies of the Group; and (iv) that the professional is prepared to assume responsibility therefor.
2. Professionals have an obligation to report to the compliance unit of the corresponding Group company (which in turn shall inform the Company's Compliance Unit if it has not already been provided the information and it is appropriate following established internal procedures) regarding the commencement, evolution and result of any penalty proceeding (whether criminal, administrative or otherwise) brought against the professional or in which the professional is under investigation or accused and which may affect the professional in the performance of the duties thereof as a professional of a Group company or prejudice the image, reputation or interests at the level of the Iberdrola Group.

In such an event, the competent compliance unit of the Group's company shall act in accordance with the protocol approved for such purpose.

#### Article D.4. Right to Privacy

1. The companies of the Iberdrola Group respect the right to privacy of their professionals in all its forms, and particularly as regards the processing of their personal data.
2. The companies integrated within Iberdrola respect the personal communications of their professionals made through the internet and other means of communication.
3. Professionals undertake to responsibly use the means of communication, information technology systems and, in general, any other means made available to them by the companies of Iberdrola in accordance with the policies and standards established for such purpose. Such means are not provided for non-professional personal use, and are thus not appropriate for private communication. Therefore, they do not give rise to an expectation of privacy and may be supervised by the Iberdrola Group's companies in the proportionate exercise of their duties of control.
4. The companies of the Group undertake not to disclose personal data of their professionals, except with the consent of the interested parties and where legally obliged to make such disclosure by law or to comply with court or administrative orders. Under no circumstances may personal data of the professionals be processed for purposes other than those provided for by law or by contract.
5. Professionals that have access to the personal data of other professionals of the Group's companies in the course of their activities shall undertake in writing to respect the confidentiality of such data.
6. The compliance units and the corresponding divisions and other relevant bodies of the Group's companies shall comply with the requirements established in personal data protection legislation regarding communications sent thereto by the professionals in accordance with the provisions of this *Code of Ethics*.

#### Article D.5. Workplace Health and Safety

1. The companies of the Iberdrola Group shall promote a workplace health and safety programme and adopt the preventive measures required under current legislation and any other measures that may be established in the future.
2. Professionals shall observe with particular attention the regulations relating to workplace health and safety, in order to prevent and minimise occupational risks.

#### Article D.6. Selection, Hiring and Assessment

1. The companies integrated within Iberdrola shall maintain the most rigorous and objective selection and hiring programme, ensuring that selection is carried out exclusively on the basis of merit and capability, including candidates meeting the knowledge, aptitudes, abilities and skills profile required for the various positions and guaranteeing equal treatment throughout the process.

2. The companies of the Group shall endeavour to ensure that the selection and hiring processes are objective and impartial and that the hiring of the most qualified candidates is prioritised, avoiding any interference in the selection processes.
3. The companies of the Iberdrola Group shall assess their professionals rigorously and objectively on the basis of their individual and collective professional performance, for which purpose the process shall avoid direct participation by professionals who are family members or who have a similar personal connection with the professionals involved.
4. Professionals shall participate in any setting of their objectives and shall be informed of the assessments made of them.

### Article D.7. Diversity and Inclusion and Anti-Harassment and Anti-Discrimination

1. The companies of the Iberdrola Group shall endeavour to ensure the creation of a fair and respectful working environment for all people. To this end, they shall adopt the principles of the *Diversity and Inclusion and Anti-Harassment Policy* and take the measures required to:
  - a. Promote the diversity and inclusion of all the professionals of the Group's companies.
  - b. Promote equality of opportunity, regardless of any particular status, and fairness in the treatment of all professionals.
  - c. Eradicate, prevent and combat any conduct contrary to the *Purpose and Values of the Iberdrola Group*, and specifically, any conduct that might be classified as harassment in any form or as discrimination of any kind.
2. The companies of the Group shall respect the personal life of their professionals and shall promote reconciliation programmes that facilitate the achievement of an optimal balance between the latter and their work responsibilities.

### Article D.8. Training

1. The companies of the Iberdrola Group shall encourage the training of professionals through programmes fostering the development of skills, equal opportunity and professional career development, and contributing to the achievement of objectives at the Group level.
2. Professionals undertake to update their technical and managerial knowledge continuously, as well as to take advantage of the training programmes established at the Iberdrola level.

### Article D.9. Information

The companies of the Group shall inform their professionals of the outlines of their strategic objectives and regarding progress at the level of the Iberdrola Group.

### Article D.10. Gifts and Presents

1. Professionals may not give or accept gifts or presents in the performance of their professional activities. As an exception, the delivery and acceptance of gifts or presents shall be allowed if all of the following simultaneously occur:
  - a. they are of insignificant or symbolic financial value;
  - b. they correspond to signs of courtesy or to customary business gifts and tokens; and
  - c. they are not forbidden by law, the Governance and Sustainability System or generally accepted business practices.
2. Professionals may not offer or grant, or solicit or accept, whether directly or through an intermediary, unjustified advantages or benefits that are directly or indirectly intended to obtain a benefit, whether present or future, for the companies of the Iberdrola Group, for themselves or for a third party. In particular, they may not give or receive any type of bribe or commission from, or made by, any other party involved, such as government officials and other persons participating in the performance of public duties (whether Spanish or foreign) or personnel of other companies, political parties, authorities, customers, suppliers or shareholders. Acts of bribery, which are expressly prohibited, include the offer or promise, whether direct or indirect, of any kind of improper advantage, any instrument designed to conceal them, and influence-peddling.

Nor may they receive money from customers or suppliers on a personal level, even as a loan or advance, the foregoing being independent of loans or credits given to professionals of the Iberdrola Group's companies by financial institutions that are customers or suppliers of the Group's companies and that are not involved in the activities set forth above.

3. Professionals may not give or accept any kind of hospitality that influences, might influence or might be construed as influencing decision-making.
4. In the event of any doubt as to what is acceptable, the offer must be turned down or, if appropriate, first discussed with the compliance unit of the corresponding company of the Group, as applicable.

### Article D.II. Conflicts of Interest

1. A conflict of interest shall be deemed to exist in those circumstances in which there is a direct or indirect conflict between the personal interest of the professional and the interest of any of the companies of the Iberdrola Group. A personal interest of the professional shall exist when the matter affects the professional or a person connected thereto.
2. The following shall be deemed to be persons connected to the professional ("**Connected Persons**"):
  - a. The spouse of the professional or the person with whom the professional has a like relationship of affection.
  - b. The ascendants, descendants and siblings of the professional or of the professional's spouse (or person with a like relationship of affection).
  - c. The spouses of the ascendants, descendants and siblings of the professional.
  - d. The companies or entities in which the professional, or another person connected thereto, directly or through a nominee, falls within any of the control situations established under the law.
  - e. The companies or entities in which the professional, or any of the persons connected thereto, directly or through a nominee, holds an administrative or management position or a position for which the professional receives remuneration for any reason, provided that the professional also directly or indirectly exercises a significant influence on the financial and operational decisions of such companies or entities.
3. Professional decisions must be based on the best defence of Group-level interests and must not be influenced by personal or family relationships (or by a like relationship of affection) or by any other personal interests.
4. Professionals shall observe the following general guidelines for conduct in connection with potential conflicts of interest:
  - a. Communication: professionals are required to report the conflicts of interest in which they are involved as soon as possible prior to entering into any transaction or to the conclusion of the business in question. For this purpose, they shall send a communication in writing to an immediate superior, to the division responsible for the human resources function and to the compliance unit of the Group company to which they belong. Said compliance unit shall evaluate the situation in coordination with the division responsible for the human resources function and shall make the appropriate decisions, advising on the appropriate actions in each particular circumstance, when necessary. Professionals affected by the conflict who belong to the division responsible for the human resources function or to the relevant compliance division must refrain from participating in the resolution thereof.

In said communication, professionals must specify:

- whether the conflict of interest affects them personally or through a Connected Person, in which case they shall provide the name of such person;
- the circumstances that led to the conflict of interest, describing, if appropriate, the subject matter and the principal terms of the planned transaction or decision, in any case including the amount thereof or the approximate financial valuation; and
- the department or person of the Group company with whom the respective contacts were made.

Any question as to whether a professional might be involved in a conflict of interest must be communicated as provided above, and no action may be taken until it is resolved.

- b. Independence: At all times act with professionalism, loyalty to the Iberdrola Group's companies and their shareholders, and independently of their own interests or those of third parties. They shall therefore in no case let their own interests prevail over the interests of the Group's companies.
- c. Abstention: Refrain from participating in or influencing the making of decisions that might affect the entities of the Iberdrola Group with which there is a conflict of interest, from participating in deliberations on the adoption of such decisions and from accessing information related to such conflict.

The general guidelines for action described above shall be especially observed in those instances in which the conflict of interest is, or may reasonably be expected to be, of such a nature as to constitute a structural and permanent conflict of interest between the professional, or a Connected Person, and any of the companies of the Group.

5. In order to determine the existence of any possible disqualifications, prior to accepting any government position the professional must report thereon in writing to the division responsible for the human resources function of the Iberdrola Group company to which the professional belongs. This division shall in turn inform the compliance unit of the corresponding company of the Group, as applicable.

### Article D.12. Business Opportunities

1. Business opportunities shall be deemed to be all investments or transactions relating to the property or assets of the Group's companies of which professionals become aware in the course of their professional activity, in those cases in which the investment or transaction has been offered to a company of the Iberdrola Group or such company has an interest therein.
2. Professionals may not take advantage of business opportunities for their own benefit or for the benefit of a Connected Person unless previously offered to a company of the Group and:
  - a. the Iberdrola Group company has chosen not to take advantage of it without any influence of the professional; and
  - b. the division responsible for the human resources function of the Group company in question expressly authorises the professional to take advantage of the business opportunity.
3. Professionals may not use the name of the companies of the Iberdrola Group or invoke their status as professionals thereof to engage in transactions for their own account or for the account of Connected Persons.

### Article D.13. Resources and Means for the Performance of Professional Activities

1. The companies of the Group undertake to make available to their professionals all necessary and appropriate resources and means for them to perform their professional activities.
2. Without prejudice to mandatory compliance with the specific rules and procedures of the Iberdrola Group's companies regarding resources and means, professionals agree to responsibly use the resources and means made available thereto, using them solely for professional activities in the interest of the Iberdrola Group's companies and not for private or personal purposes. Professionals shall avoid any practices, particularly unnecessary activities and expenses, that reduce the creation of value for the shareholders.
3. The companies of the Iberdrola Group own and hold the right to use and operate the computer software and information technology systems, presentations, equipment, manuals, videos, projects, studies, reports and other works and rights created, developed, refined or used by their professionals within the framework of their work or based on the information technology systems of the Group's companies.
4. Professionals shall respect the principle of confidentiality in respect of the characteristics of the rights, licences, software, systems and technological knowledge, in general, owned by the Group's companies or which they have the right to operate. The disclosure of any information relating to such characteristics shall require the prior authorisation of the division responsible for the human resources function of the Iberdrola Group company in question.
5. The use of the information technology equipment, systems, and software made available by the Group's companies to the professionals for the performance of their work, including the facility of access to and operating on the internet, must conform to the security and privacy protocols established by the Iberdrola Group's companies and to standards of security and efficiency, excluding any use, action or information technology function that is unlawful or contrary to the regulations or instructions of the Group's companies or that compromises the confidentiality of information of the Iberdrola Group's companies.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

6. Professionals shall not operate, reproduce, replicate or assign the information technology systems or applications of the Group's companies for purposes unrelated to their work activities. In addition, professionals shall not install or use on the computer equipment provided by the companies of the Iberdrola Group software or applications that are unlawful to use or that might damage the systems or prejudice the image or the interests of the Group's companies, customers or third parties.

#### Article D.14. Protection of Information

1. The disclosure of non-public information owned by the companies of the Iberdrola Group, whether the information is for internal use, confidential or secret, or the use thereof for personal purposes, is a breach of this *Code of Ethics*.
2. Non-public information owned by the Iberdrola Group's companies shall generally be deemed to be information for "**internal use**" unless it has been classified as "confidential" or "secret" based on the provisions of sections 2 and 3 below, and may in turn be considered a trade secret upon the terms set forth in section 4 of this article.
3. Information whose disclosure is not authorised, particularly outside of or within the boundary of Iberdrola, and which might cause harm, whether economic, reputational or otherwise, or violate applicable legal provisions, giving rise to penalties or claims against the companies of the Iberdrola Group, shall be classified as "**confidential**".
4. Information whose content is highly sensitive or valuable and the disclosure of which both within and outside of the boundary of Iberdrola or the unauthorised disclosure of which might cause serious harm, whether economic (such as financial losses, losses in market share or losses in competitive position), reputational or otherwise, might significantly affect the confidence of customers, or violate applicable legal provisions, giving rise to penalties or claims against the companies of the Iberdrola Group shall be classified as "**secret**".
5. Any information or knowledge (including technological, scientific, industrial, commercial, organisational or financial information or knowledge) generated within the companies of the Group and regardless of its classification as information for internal use, confidential or secret, which: (i) as a whole or in the precise configuration and assembly of its components, is not generally known by or readily accessible to persons belonging to the circles in which such type of information or knowledge is normally used, (ii) has a business value, whether actual or potential, within the boundary of the Group, and (iii) has been subject to reasonable measures by the companies that make up Iberdrola to keep it secret, shall be considered a trade secret and shall enjoy the protection provided by applicable legal provisions.
6. Without prejudice to the classification thereof, non-public information shall be subject to professional secrecy and may not be provided by the professionals of the Group's companies to third parties other than in the normal course of their work, profession or duties, provided that those to whom the information is disclosed are subject to an information exchange agreement (in the case of information classified as internal use) or a confidentiality agreement (in the case of information classified as confidential). Information classified as secret shall only be accessible to a number of specifically designated and authorised users.

Third parties accessing non-public information shall confirm that they have the means required to protect it.

7. The companies of the Group and their professionals must take sufficient security measures and apply the procedures established for these purposes to protect non-public information recorded on physical or electronic media from any internal or external risk of unauthorised access, tampering or destruction, whether intentional or accidental.
8. Any reasonable indication of a leak of confidential or secret information must be reported by those with knowledge thereof to their immediate superior and to the divisions responsible for the security and human resources functions of the relevant company of the Group. The division responsible for the security function must in turn give written notice to the compliance unit of the corresponding company of the Group.
9. In the event of severance of the professional relationship, non-public information owned by the Group's companies, including documents and storage media or devices, as well as the information stored in any corporate or personal electronic device, shall be returned by the professional to the relevant company of the Group, and the professional's duty of confidentiality shall continue in all cases.

#### Article D.15. Inside Information

1. Professionals have the duty to know and comply with the *Internal Regulations for Conduct in the Securities Markets*, to the extent applicable thereto.

2. Professionals having access to any inside information of the Group's companies, as this term is defined in the *Internal Regulations for Conduct in the Securities Markets*, shall adhere to the obligations, limitations and prohibitions set forth in said regulations, and shall in particular refrain from:
  - a. Preparing or carrying out any kind of transaction in the shares or other negotiable securities of the Group's companies to which such information refers, including the direct or indirect acquisition, transfer or assignment for themselves or third parties of shares or negotiable securities of the companies of the Iberdrola Group to which such information refers, or using this kind of information, whether for their own account or that of third parties, to cancel or change an order relating to said shares or securities given prior to becoming aware of the inside information. They must also refrain from even attempting to engage in such transactions.
  - b. Communicating inside information to third parties, except in the instances expressly allowed by the *Internal Regulations for Conduct in the Securities Markets*.
  - c. Recommending or inducing a third party to engage in any of the transactions referred to in letter a) above or cause another to engage in said transactions based on inside information.
3. The prohibitions established in the previous section apply to any professional having inside information if such professional knows or should have known that it is inside information. They shall also apply to any information regarding other issuers of listed securities that may be deemed to be inside information and to which the professional had access in the ordinary course of such professional's work, profession or duties within the Group's companies.

### Article D.16. Publicly Broadcast Events

Professionals should be especially cautious in any presentation, participation in professional conferences or seminars, or in any other event that may be publicly broadcast and in which they will participate as professionals of the companies of the Iberdrola Group, and shall seek to ensure that their message is aligned with that of the Group's companies, reporting sufficiently in advance to the relevant communication division (or such division as assumes the duties thereof at any time) and obtaining prior authorisation from their immediate superior.

### Article D.17. Outside Activities

1. Professionals shall devote to the Iberdrola Group's companies all the professional capacity and personal effort needed to perform their duties within the relevant companies of the Group.
2. The provision of services as employees or professionals, for their own account or for the account of another, to companies or to entities other than companies of the Iberdrola Group, as well as a professional engaging in or participating as an instructor in academic activities when they are related to the activities of the Group's companies or to the duties performed by the professionals therein, must be authorised in advance and in writing by the division responsible for the human resources function of the Group company in question. Notwithstanding the foregoing, in cases of sporadic or occasional participation of professionals in academic or similar activities, if related to the activities of Iberdrola Group companies or to the duties performed by the professionals therein, the prior approval of the head of the corresponding department shall be sufficient.

The prior approval of the division responsible for the human resources function shall also be required in the following cases:

- a. Active participation on or appointment of the professional to the management boards of professional or industry organisations or associations in representation of the Group's companies.
  - b. Any other type of outside activity that could affect the due dedication of the professional to the duties thereof or that might entail a potential conflict of interest.
3. The companies of the Iberdrola Group respect the performance of social and public activities by their professionals, provided that they do not interfere with their work at the Group's companies or affect the reputation thereof.
  4. The connection, membership or collaboration by professionals with or in political parties or other kinds of public-purpose entities, institutions or associations shall be such that the personal nature thereof is clear, thereby avoiding any connection with the companies integrated within Iberdrola.
  5. The creation of or membership, participation or collaboration on social media, forums or internet blogs by professionals and the opinions or statements they make therein shall be made in a manner that clearly shows the personal nature thereof. Professionals must in any event refrain from using the image, name or brands of the Group's companies to open accounts or register themselves on such forums or media.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## Article D.18. Separation of Activities

1. The Group, made up of both companies that carry out Regulated Activities and companies that carry out Liberalised Activities, as these terms are defined in the next section, undertakes to observe the industry regulations regarding the separation of both types of activities in force in each of the countries or territories in which it has a presence.
2. Generally, for purposes of this *Code of Ethics*, those activities relating to distribution and transmission in the electricity industry and those of regasification, basic storage, transportation and distribution in the hydrocarbon industry are deemed to be “**Regulated Activities**”. Production and supply activities carried out under a free competition system in both the electricity and the gas industries, as well as the provision of energy recharging services, are deemed to be “**Liberalised Activities**”. For these purposes, the companies of the Iberdrola Group carrying on these activities shall be known as “**Regulated Companies**” and “**Liberalised Companies**”, respectively.

However, given the differences in the regulation of the energy industries in the various countries or territories in which the Group's companies operate, the specific definition of Regulated Activities and Liberalised Activities and, thus, of Regulated Companies and Liberalised Companies, shall conform to the laws and regulations in force in each country or territory at any time.

3. It is the responsibility of the Iberdrola Group's companies to keep Regulated Activities and Liberalised Activities duly separate within the boundary of Iberdrola in accordance with the regulations for the separation of activities applicable in each case.
4. Generally and without prejudice to the provisions of the laws and regulations applicable in each country or territory, the rules for the separation of activities are deemed to require that the companies of the Group and their professionals:
  - a. Ensure independence in the day-to-day management of Regulated Companies and that of those responsible for the management thereof, avoiding the participation by Liberalised Companies in the day-to-day management thereof, without prejudice to the Group-level powers of economic oversight and management over such companies.

To such end, the companies of the Iberdrola Group shall ensure that Regulated Companies have the human capital and the material and financial resources that are adequate and necessary to carry on their day-to-day activities.

- b. Guarantee the independence and protection of the occupational interests of the persons responsible for the management of Regulated Companies and of all those professionals who deserve special protection by virtue of their duties under applicable law.
- c. Take appropriate measures to ensure the protection of sensitive sales information of Regulated Companies that might give a competitive advantage if known by Liberalised Companies.

In this regard, Regulated Companies may not share sensitive sales information with Liberalised Companies, except where permitted by applicable laws and regulations or disclosed to third parties, in which case such information shall be shared under non-discriminatory conditions.

- d. Ensure that all activities of Regulated Companies are carried out following objective and non-discriminatory standards, avoiding any preferential treatment of Liberalised Companies or their customers.
- e. Keep the books of Regulated Companies and of Liberalised Companies duly separated, as provided by applicable laws and regulations in each country or territory.

In addition, the companies of the Group shall ensure that financial transactions relating to, among other things, the transfer of resources, assets, rights and/or contracts, if any, made between Regulated Companies and the other companies of the Iberdrola Group, as well as the provision and receipt of services common to them, observe the specific regulations established in each jurisdiction regarding the conditions to which such transactions must be subject.

5. The companies of the Group shall, in accordance with the laws and regulations in force in each country or territory in which they carry on Regulated Activities, adopt codes or similar internal rule-making instruments that ensure compliance with the rules for the separation of activities by their professionals.

The companies integrated within Iberdrola guarantee that said codes or rule-making instruments shall be communicated to and disseminated among the professionals and the members of the management team of the

Group's companies in the respective jurisdictions in which they apply.

In addition, any codes and rule-making instruments that are adopted shall be disseminated externally, in particular, through the websites of the companies of the Iberdrola Group.

## Section E. Ethical Commitments of the Suppliers of the Group's Companies

### Article E.1. Suppliers of the Companies of the Iberdrola Group

1. This section contains the ethical principles that must govern the conduct of the suppliers of the companies of the Group, which must be expressly accepted by them prior to commencing their contractual relationship with such companies.
2. The provisions of this *Code of Ethics* are understood to be without prejudice to such additional conditions or requirements as may be imposed by applicable law, by the practices and rules of the various jurisdictions in which the Iberdrola Group's companies operate and by the respective contract with each supplier, which shall apply in all cases.
3. Suppliers of the companies of the Iberdrola Group shall endeavour to ensure that their own suppliers and subcontractors are subject to principles of conduct equivalent to those established in this section of the *Code of Ethics*. They shall likewise require such suppliers and subcontractors to extend equivalent requirements to their respective supply chains.

### Article E.2. Compliance Commitments of Suppliers

1. Suppliers shall engage in their commercial relationships in conformity with principles of business ethics, efficient management, transparency and honesty.
2. Suppliers must comply with the compliance policies of the Group's companies, whether general or special, which include crime prevention, the reaction against corruption and fraud, forced labour or any form of modern slavery, and with the strictest rules of ethical and moral conduct and international treaties and laws applicable to these matters, ensuring the establishment of adequate procedures required for such purpose.
3. Suppliers undertake to promote free and fair competition in the markets in which they participate and to comply with the legal provisions on competition, actively cooperating with the authorities entrusted with the supervision of said markets.
4. Suppliers shall not directly or indirectly promise, offer or pay any bribe to facilitate transactions or other improper payments to any third party or to any professional of the companies of the Iberdrola Group in relation to their contracts therewith.
5. Suppliers shall not directly or indirectly promise, offer or pay any money or valuable property in a corrupt manner in order to (i) influence an act or decision of a third party or a professional of the Group's companies; (ii) obtain an undue or improper advantage for the companies of the Iberdrola Group; or (iii) induce a third party or a professional of the Group's companies to exercise influence over the act or decision of a public official or other persons participating in the performance of public duties.
6. Suppliers shall not try to obtain information owned by the Group's companies that is not public, particularly including information not available to other bidders, in relation to their contracts therewith.
7. Suppliers shall not promise, offer or deliver gifts or objects of value, of any kind, to persons or entities that are public officials or that participate in the performance of public duties for the purpose of or in relation to the formalisation of their contracts with the companies of the Group.
8. Suppliers may only promise, offer or give reasonable gifts or items of insignificant or symbolic value, including entertainment or meal expenses, for the purpose of or in relation to the formalisation of the contract, to persons or entities that are not public officials or do not participate in the performance of public duties and in accordance with anti-corruption laws and the integrity and ethics policies of the Governance and Sustainability System. In any case, reasonable gifts or objects or items of insignificant or symbolic financial value must have a legitimate business purpose.
9. Suppliers and the entities that they hire in turn to provide services or supplies to the companies of the Iberdrola Group (the "**Subcontractors**"), to their respective professionals, and to the companies that have participated in tenders for services or supplies in order to be suppliers, must communicate through the internal reporting system provided for in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

established by the corresponding company of the Iberdrola Group: (i) any conduct by a director or professional of the companies making up Iberdrola that might constitute potentially improper conduct or an act that is potentially illegal or contrary to law or to the Governance and Sustainability System (including, in particular, any conduct that could constitute a crime, a serious or very serious administrative offence, or a breach of European Union law), with an impact on the companies of the Group or the interests and image of the companies comprising Iberdrola; or (ii) the potential commission by a supplier, by one of its Subcontractors or by their respective professionals of an act or conduct from among those mentioned above within the framework of their commercial relationship with the companies of the Group or with an impact on the interests and image of the companies comprising Iberdrola. All of the foregoing is without prejudice to their right to address their grievances or reports to the Spanish Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) (A.A.I.) or to any other competent institution, body or entity.

10. Suppliers, Subcontractors, their respective professionals and companies that have participated in a tender for services or supplies in order to be suppliers of the companies of the Iberdrola Group must report as promptly as possible any of the conduct or acts set forth in the preceding subsection of which they become aware due to their commercial relationship with the Company or with the other companies of the Iberdrola Group.
11. By contracting with a company of the Group, suppliers undertake to inform their professionals and their Subcontractors of the contents of Sections A, E, F and G of this *Code of Ethics* and of the existence of the internal reporting channels set forth in the *Compliance and Internal Reporting and Whistleblower Protection System Policy*, as well as to require their Subcontractors to inform their professionals thereof. In addition, suppliers must be able to show compliance with such obligations at the request of the Iberdrola Group company with which they maintain the commercial relationship.

### Article E.3. Conflicts of Interest of Suppliers

Suppliers must maintain mechanisms ensuring that the supplier's independence of action and full compliance with applicable law will not be affected in the event of a possible conflict of interest between the interest of the supplier and the personal interest of any of its professionals.

### Article E.4. Duty of Secrecy of Suppliers

1. Suppliers and their respective professionals shall be responsible for adopting adequate security measures to protect the non-public information owned by the companies of the Group and have the means necessary to safeguard it.
2. Information owned by the companies of the Iberdrola Group and disclosed to the supplier shall, as a general rule, be deemed to be confidential or secret information.
3. The information provided by suppliers to their contacts within the Group's companies shall be true and shall not be given with the intent to induce any deception.

### Article E.5. Labour Practices of Suppliers

1. Suppliers shall reject all forms of forced or compulsory labour and modern slavery as provided in applicable law and international conventions, and shall adopt appropriate measures within their organisation for the elimination thereof. They shall also require their supply chains to take similar action.
2. Likewise, suppliers shall expressly reject the use of child labour, both within their organisation and in their supply chain, respecting the minimum hiring age limits in accordance with applicable law and international conventions, and shall have adequate and reliable mechanisms in place to verify the age of their professionals.
3. Suppliers must reject: (i) all discriminatory practices due to any condition or characteristic in employment and occupational matters and treat their professionals fairly and with dignity and respect; and (ii) any conduct that might be classified as harassment. To this end, they shall promote a culture of prevention that endeavours to reject any manifestation of workplace violence or harassment in any form, fostering a respectful and healthy working environment and applying the principle of zero tolerance towards any behaviour that might be classified as harassment or discrimination.
4. The working conditions of the suppliers' professionals, which shall be communicated thereto in a language understandable to them, shall in any case respect the law, the collective bargaining agreement and the main international standards, as well as the international conventions applicable in each case, taking particular care to ensure appropriate terms regarding salaries, ordinary and overtime hours, and employee benefits.

5. The freedom of association and the right to collective bargaining of the suppliers' professionals must be respected thereby, subject to the law and to the main international conventions applicable in each case.
6. Labour relations between suppliers and their professionals must be based on equal opportunity, particularly between genders, on non-discrimination due to any condition or characteristic, and on the consideration of diversity and inclusion in all variables thereof.
7. Suppliers shall assess the implementation of reconciliation measures that promote respect for the personal life of their professionals and facilitate the achievement of an optimal balance between the latter and work responsibilities, with respect for applicable laws and local practices, and shall not in any case eliminate the measures established at the time of becoming a supplier of the Iberdrola Group's companies.

### Article E.6. Health and Safety Commitments of Suppliers

1. Suppliers shall take the measures required to ensure the health and safety of their professionals or of third parties providing services on their premises in all aspects related to the performance of their duties, reducing the hazards present in the workplace and minimising the associated risks by adopting effective preventive and protective measures, in accordance with the applicable international conventions and applicable law.
2. Suppliers shall identify and evaluate potential emergency situations at the workplace and shall minimise the possible impact thereof by implementing emergency preparation and response plans and procedures.
3. Suppliers shall provide their personnel with appropriate prevention training, assuming the cost of the training, as well as the cost of implementing other preventive and protective measures, and shall be liable for any damage or harm attributable to them by action or omission, especially as a result of not having adopted appropriate health and safety measures. They shall also actively work with the corresponding Group company in managing prevention in the work and services performed at the work centres and workplaces of the companies of the Iberdrola Group, in accordance with the requirements established for the coordination and monitoring of health and safety measures.
4. If the professionals of the supplier or those of the Subcontractors hired thereby must be posted elsewhere in order to carry out the work, the supplier shall endeavour to ensure appropriate means of transport and decent accommodation.

### Article E.7. Environmental Commitment of Suppliers

1. Suppliers must strictly comply with all environmental obligations applicable thereto and have an effective environmental policy and due diligence systems based on the products and services supplied, in order to, among other objectives:
  - a. Reduce their greenhouse gas emissions through the efficient use of energy and resources, as well as minimise energy consumption in order to reduce their carbon footprint.
  - b. Minimise the use of natural resources, fuels, chemicals and consumables, in order to reduce their corporate environmental footprint and prevent pollution.
  - c. Identify and manage the substances, waste and other materials that present a hazard when released into the environment in order to ensure that they are handled, transported, stored, recycled or reused, and disposed of safely, ensuring the circularity thereof, in compliance with applicable legal provisions and ensuring the proper management of waste, all in order to prevent and minimise pollution, waste materials, waste water or emissions having the potential to adversely affect the environment.
  - d. Prevent deforestation (ensuring that they do not supply products that cause it) and the loss of biodiversity, and ensure the conservation of land and water resources in those environments in which they operate or have an ability to influence.
2. Suppliers must act transparently and have appropriate reporting mechanisms to report on the performance of the aforementioned aspects in case the corresponding company of the Group requests information in this regard.

### Article E.8. Quality and Safety of Products and Services Supplied

Products and services delivered by suppliers shall meet the quality and safety standards and parameters required by applicable law, with special emphasis being placed on adherence to agreed prices, delivery dates and safety conditions.

## Article E.9. Commitment to Human Rights and to Sustainability Due Diligence

1. Suppliers shall respect the human rights and the environmental prohibitions set out in the main international agreements in these areas. In particular, they shall comply with applicable law regarding responsible mineral sourcing.
2. In accordance with existing legal requirements, when so requested by the relevant company of the Group, suppliers shall cooperate in the identification of the human rights and environmental impacts relating to the operations, products or services that they provide to the Group company. Likewise, in accordance with applicable law, in their contracts with suppliers, the companies of the Group may establish clauses, guarantees and methods of independent verification related to compliance with the *Code of Ethics*, as well as the establishment of prevention plans or plans to correct impacts on human rights, in those cases in which it is determined that the severity or probability of occurrence thereof is high.
3. Suppliers shall establish the mechanisms required for their professionals and third parties to make anonymous complaints or claims in the event of possible breaches of the first paragraph of this Article. If such complaints and claims affect products or services provided to a company of the Group, suppliers shall inform the relevant Group company of the results of the investigation of the complaints received, as well as of the measures taken.
4. Suppliers shall inform their professionals and the Subcontractors of the existence of a complaint mechanism of the relevant Group company in accordance with Section E.2.1.1. They shall also require their Subcontractors to inform their professionals thereof.

## Article E.10. Subcontracting

1. Suppliers of the companies of the Iberdrola Group shall be responsible for ensuring that their own suppliers and Subcontractors are subject to principles of conduct equivalent to those established in this section of the *Code of Ethics*.
2. The actions performed and the procedures used by suppliers to comply with their obligations towards the Group's companies may not entail an indirect or intermediate violation of this *Code of Ethics*, the corporate policies or the other rules of the Governance and Sustainability System.

## Section F. Internal Reporting System

### Article F.1. Internal Reporting Systems and Internal Reporting Channels

1. In order to create an environment of transparency and to foster respect for the law and the rules of conduct established in the *Code of Ethics* by its directors, its professionals, and its suppliers, and in accordance with applicable legal provisions, the Company has established an internal reporting system as provided for in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* as a channel to encourage the reporting of potentially improper conduct or acts that are potentially illegal contrary to law or the Governance and Sustainability System, and particularly the rules of conduct of this *Code of Ethics*.
2. The aforementioned internal reporting system provides the directors, professionals and suppliers (including Subcontractors and their respective professionals) of the Company, as well as shareholders and the other third parties provided for in *Law 2/2023 of 20 February Regulating the Protection of Whistleblowers and the Fight against Corruption*, with appropriate internal reporting channels for them to report any conduct or act of the kind indicated in Articles C.3.1.p), D.2.2 and E.2.9 of this *Code of Ethics*, respectively, in relation to the Company, without prejudice to the ability of all of them to address their communications to the Spanish Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) (A.A.I.) or to any other competent institution, body or entity.
3. The country subholding companies, head of business companies and other companies of the Group have their own internal reporting systems and shall be coordinated in this area with the Company's Compliance Unit in accordance with the provisions of established internal rules and procedures.
4. Communications made through the internal reporting channels must always adhere to standards of truthfulness and proportionality, and may not be used for purposes other than seeking compliance with legal provisions and the Governance and Sustainability System, and particularly this *Code of Ethics*.
5. In those jurisdictions in which applicable law so allows, grievances or reports channelled through the internal reporting channels may be submitted anonymously.

6. As established by legal provisions, the companies of the Group undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation, including threats of or attempted retaliation, against the directors, professionals or suppliers who may use the internal reporting channels to report conduct or an act that must be reported under the provisions of this *Code of Ethics*, unless they have acted in bad faith or the grievance or report is false.

As established by legal provisions, they also undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation, including threats of or attempted retaliation, against: (i) any natural person who, within the organisation in which the whistleblower works, assists him/her in the process, or is related to him/her, as a representative of the employees, co-worker or relative; and (ii) any legal person, for whom the whistleblower works or with whom he/she has another type of relationship in an employment context or in which he/she has a significant shareholding.

7. The identity of the person reporting the conduct indicated in Articles C.3.1.p), D.2.2 and E.2.9 of this *Code of Ethics* through any of the internal reporting channels (if identified) shall be confidential and, therefore, it shall in no event be communicated to the affected party or to any other third party without the consent thereof, thus ensuring non-disclosure of the identity of the whistleblower.

Without prejudice to the foregoing, the details of the persons making the report, if known, may be provided to the administrative or judicial authorities, to the extent that they are requested by such authorities as a result of any proceedings arising from the subject matter of the grievance or report, and to the persons involved in any subsequent investigation or judicial proceedings commenced as a result of the investigation. Such transfer of data to administrative or judicial authorities shall always be carried out in full compliance with personal data protection legislation.

8. If the grievance or report is sent by a procedure other than that governed by this section of the *Code of Ethics* or to a person who is not responsible for the management thereof, the recipient of the information must immediately forward it to the body responsible for managing the internal reporting system within the Group company in question, preserving the confidentiality of the sender and the content of the communication. A violation of the obligations set out in this section constitutes a very serious breach of the *Code of Ethics*.
9. The provisions of the preceding sections of this article of the *Code of Ethics* are deemed to be without prejudice to the operation of the internal reporting channels fully observing applicable law in each country or territory in which the companies of the Iberdrola Group operate. The obligations and commitments assumed by the Group's companies in their contractual relations with third parties, as well as the customs and good practices of the countries or territories in which they do business, shall also be observed.

## Section G. Common Provisions

### Article G.1. Interpretation and Integration of the *Code of Ethics*

1. This *Code of Ethics* shall be interpreted in accordance with the Governance and Sustainability System.
2. The Company's Compliance Unit is the body responsible for the general interpretation and integration of the *Code of Ethics*.
3. By way of exception to the foregoing, the management decision-making bodies of each of the companies of the Group are to provide a binding interpretation of the provisions set forth in Section C in a manner consistent with the rest of the text of this *Code of Ethics*.
4. The interpretative opinions of the Company's Compliance Unit, which must take into account the provisions of the *Purpose and Values of the Iberdrola Group*, shall be binding on the professionals and suppliers of the companies belonging to the Iberdrola Group.
5. This *Code of Ethics*, by its nature, does not deal with all potential situations, but rather establishes the standards to guide the conduct of the persons subject thereto in their relations with the Group's companies and with third parties by reason of their connection to the companies of the Iberdrola Group, and to resolve any issues that might arise in the performance of their professional activities.
6. Any question that arises for the professionals and suppliers (including Subcontractors) of the Group's companies regarding the interpretation of this *Code of Ethics* must be discussed with the compliance units of the relevant companies of the Group through the channels made available in the internal reporting system.

Professionals and suppliers (including Subcontractors) of the Group's companies may also submit suggestions regarding the content of the sections of the *Code of Ethics* that are applicable to them.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

7. The codes of ethics of country subholding or head of business companies that are not identical to this *Code of Ethics* because they include specific provisions to conform the content thereof to applicable domestic legal or industry-specific provisions shall be interpreted by the compliance units of such companies, although the interpretation of the provisions of this *Code of Ethics* (other than the provisions of section C) shall always be reserved to the Company's Compliance Unit.

### Article G.2. Instructions in Contravention of the Code of Ethics

1. No third party, regardless of rank or position, shall request that a director or a professional of the companies of the Group commit an act that is unlawful, illegal or a breach of the provisions of the Governance and Sustainability System, especially this *Code of Ethics*.
2. In turn, no director, professional or supplier of the companies of the Iberdrola Group may justify improper, unlawful or illegal conduct or conduct that contravenes the provisions of the Governance and Sustainability System in reliance on an order from a superior or from any director or professional of the companies of the Group.

### Article G.3 Acceptance

1. Directors, professionals and suppliers of the companies of the Iberdrola Group that are subject to this *Code of Ethics* shall expressly accept the rules of conduct established herein that are applicable thereto.
2. Professionals who join or hereafter become part of the boundary of the Iberdrola Group and suppliers contracting with companies of the Group shall expressly accept the rules of conduct set forth in Sections D and E, respectively, of this *Code of Ethics*.
3. Directors shall receive a complete copy of this *Code of Ethics*, for which they shall deliver a signed receipt.
4. An extract of this *Code of Ethics*, made up of Sections A, B, D, F and G, shall be annexed to contracts with the professionals of the companies of the Iberdrola Group.
5. In the case of suppliers of the companies of the Group, an extract made up of Sections A, E, F and G shall be annexed to their respective contracts.

### Article G.4 Approval and Amendment

1. This *Code of Ethics* shall be periodically updated based on proposals made by the Company's Compliance Unit, which shall review the content of Sections A, B, D, E, F and G at least once per year, as well as on the suggestions made by the professionals of the Group's companies and the suppliers thereof (including Subcontractors) in relation to the content of the sections of the *Code of Ethics* applicable thereto.
2. The Sustainable Development Committee, the Internal Audit Division and the Compliance Unit of the Company shall be able to make proposals to improve or to foster the adaptation of the *Code of Ethics* as a whole.
3. The amendment of this *Code of Ethics* shall in any case fall within the purview of the Company's Board of Directors.

\* \* \*

This *Code of Ethics* was approved at a meeting of the Board of Directors of the Company held on 27 February 2002 and was last amended on 20 June 2024.



# 3. General Sustainable Development Policy

19 December 2023

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 16/02/2024.



1. Purpose	73
2. Scope of Application	73
3. Objectives of the Sustainable Development Strategy	73
4. Social Dividend	74
5. General Principles of Conduct	75
6. Main Principles of Conduct	76
7. Principles of Conduct with respect to the Principal Stakeholders	78
8. Implementation and Coordination of the Group-level Sustainable Development Strategy	82
9. Foundations Committee and Foundations Linked to the Group	82

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

The policies and rules that make up the Governance and Sustainability System are intended to ensure the alignment of all conduct of the Group’s companies with their purpose, i.e. *to continue building together each day a healthier, more accessible energy model, based on electricity*, as well as with the bylaw-mandated commitment of the Company to the social dividend and with the Sustainable Development Goals (“**SDGs**”) approved by the United Nations (UN).

In the exercise of these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and its sustainable development strategy, the Board of Directors hereby approves this *General Sustainable Development Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* is intended to establish the general principles and structure the foundations that must govern the sustainable development strategy at the Group level to ensure that all the corporate activities and businesses of the companies that comprise it are carried out while fostering the sustainable creation of value for shareholders and taking into account the other Stakeholders related to its business activities and institutional reality, equitably compensating all groups that contribute to the success of its business enterprise, promoting the values of sustainability, integration and dynamism, favouring contribution to the achievement of the SDGs and rejecting actions that contravene or hinder them.

The sustainable development strategy established at the Group level revolves around three main vectors: environmental, social, and corporate governance and compliance aspects. The actual and effective implementation thereof, along with the Governance and Sustainability System that supports it, is to form part of the essence of the Group, one of the key elements that differentiates it from its competitors and which is a deciding factor for the establishment of the Company as the preferred company for its Stakeholders.

The general principles and foundations set forth in this *Policy* are further developed and specified in the Company’s impacts on its Stakeholders, as well as in specific environmental, social, and corporate governance and regulatory compliance policies that address certain needs and expectations of its main Stakeholders.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social, and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

The contents of this *Policy* must also govern the conduct of the foundations linked to the Group.

## 3. Objectives of the Sustainable Development Strategy

Fulfilment of the corporate interest, as defined in the *By-Laws*, requires the implementation of a sustainable development strategy that favours the “*sustainable creation of value by engaging in the activities included in its corporate object, taking into account other Stakeholders related to its business activity and its institutional reality (...)*”.

For this purpose, it should be kept in mind that the *By-Laws* of the Company provide for the implementation of a sustainable development strategy that causes all of its Stakeholders to participate in the social dividend generated by its activities, sharing the created value with them.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Pursuant to the bylaw-mandated rule imposed by the Company's shareholders, its Board of Directors has further developed this strategy, focused on the sustainable creation of value, providing a quality service through the use of environmentally-friendly energy sources, staying alert to the opportunities offered by the knowledge economy, and committed to the SDGs, especially in relation to goals seven and thirteen regarding the supply of accessible and clean energy and the fight against climate change, respectively.

In this regard, the companies of the Group drive a real, global, effective, fair and inclusive energy transition, without leaving anybody behind, working together with suppliers, professionals, local communities and customers in line with the provisions of the Governance and Sustainability System and specifically the *Policy on Respect for Human Rights* and the due diligence systems in that area.

For this purpose, they innovate, make new investments and promote more efficient, sustainable and clean technologies, foster growth and develop talent and the technical and human capacities of their professionals, work for the safety of people and the supply of energy, and labour to build a successful business enterprise together with all of the participants in their value chain, sharing the achievements with their Stakeholders.

In particular, the sustainable development strategy endeavours to ensure the achievement of the following objectives, based on the principles set out in the SDGs:

- a. promote compliance with the Company's purpose, i.e., *to continue building together each day a healthier, more accessible energy model, based on electricity*, and to promote the three corporate values, i.e. sustainable energy, integrating force and driving force;
- b. cause all of their Stakeholders to participate in the success of the Company's business enterprise, through the social dividend generated.
- c. favour the achievement of strategic goals at the Group level in order to offer a safe, reliable and high-quality supply of energy that is respectful of the environment;
- d. improve the competitiveness of all of the companies of the Group through the assumption of management practices settled on innovation, the development of professional relationships based on diversity, inclusion and a sense of belonging, equal opportunity and non-discrimination in the management of people, productivity, profitability, efficiency and sustainability;
- e. responsibly manage the risks and opportunities deriving from changes in the surroundings, and maximise the positive impacts of their activities in the various territories in which the companies of the Group operate and minimise the negative impacts, to the extent possible, avoiding short-term approaches or those that do not sufficiently take into account the interests of all of their Stakeholders;
- f. encourage a culture of ethical behaviour that increases business transparency in order to generate credibility and trust within the Stakeholders of the Group's companies, which include communities;
- g. promote relationships based on trust with all of the Stakeholders of the Group's companies, providing a balanced and inclusive response to all of them, particularly emphasising the involvement of local communities to glean their viewpoints and expectations regarding significant potential issues, and thus be able to take them into consideration, on the one hand, and to understand and manage the impacts that the activities of the Group's companies have on their respective Stakeholders, on the other;
- h. contribute to the recognition of the Group's companies and the improvement of their reputation; and
- i. promote information and communication in the various communities in which the companies of the Group do business so that they are thought of as an ideal place for professional development of the various groups of which they are comprised from the viewpoint of their commitment to diversity and inclusion.

## 4. Social Dividend

The Company is an international energy leader that produces and supplies energy to more than 100 million people in the countries and territories in which it is present.

It contributes, with the social dividend generated through its activities, with its tax contribution, and through the development of its corporate object in accordance with the principles set forth in its environmental, social, and corporate governance and regulatory compliance policies: to the stimulation of society, both from an economic viewpoint as well as from the perspective of business ethics, to the promotion of equality and justice, to the protection of vulnerable

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

groups, to the encouragement of innovation, to respect for the environment, to the fight against climate change and to the generation of high-quality employment based on attracting talent, diversity, inclusion and a sense of belonging, and to other measures of well-being.

The contribution to its Stakeholders with its social dividend is one of the basic premises for the success of the Company's business enterprise and is based on the SDGs, the principles of which it accepts and supports. This strategy seeks to put the Group's companies at the forefront of best practices in this area and position the Company as one of the best companies for the world, ultimately aspiring to act as a driver and lever for social and environmental change.

Consistent with its global leadership in renewable energy, with its commitment to the promotion of energy efficiency and to universal access to energy services, and pursuant to the provisions of its environmental policies, and specifically of its *Climate Action Policy*, the companies of the Group significantly contribute to compliance with SDGs seven and thirteen, regarding the supply of affordable and clean energy and the fight against climate change, respectively.

Leadership in the fight against climate change and the development of clean energy that contributes to the decarbonisation of the economy are the two main foundations of the Group-level, as well as being the goals to which there is the most significant contribution.

Furthermore, with their business activities, and particularly with the manner in which they are carried out, the companies of the Group contribute to achieving SDGs eight (which promotes sustainable and inclusive economic development, productive employment and decent work) and nine (regarding industry, innovation and infrastructure).

However, the commitment to the SDGs goes further, as in its day-to-day activities the Company takes into consideration all of the goals as guidance in its decision-making processes, the principles of which inform its conduct and its daily tasks, rejecting conduct that contravenes or hinders them.

The Company thus works to measure the social dividend generated by the Group's companies through their business activities, which is the principle source for the creation of value for their Stakeholders, prioritising cleaner and safer energy and promoting measures to protect vulnerable groups, with specific partnerships, sponsorships and activities focusing on social content, either directly or in collaboration with foundations linked to the Group, and generally with a global institutional strategy committed to business ethics and the SDGs, open to their Stakeholders, favouring the engagement thereof as well as the design and regular execution of plans for raising awareness regarding various issues that promote sustainable development.

Along these lines, measurement of the social dividend encompasses the principal positive direct, indirect and induced impacts, both present and future, generated by the activities of the Group's companies, consistent with the Company's commitment to the long-term creation of shared sustainable value for its shareholders.

Due to the diversity of sustainable development goals and commitments, the Group's companies use a broad set of indicators that allows for an evaluation of the contribution from various perspectives. Even though the indicators do not capture all of the impacts generated, the results obtained constitute an efficient assessment tool to verify the achievement of the bylaw-mandated commitment to the social dividend. This assessment is taken into consideration by the Board of Directors when defining the Group-level strategy, and is shared transparently with all of the Stakeholders of the companies that comprise the Group through the public dissemination of their non-financial information and the social dividend that is generated. Along these lines, the statement of non-financial information prepared by the Board of Directors and, after independent verification, approved by the shareholders at the General Shareholders' Meeting, presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated, whether directly or in collaboration with foundations linked to the Group, and shared with the Stakeholders thereof.

## 5. General Principles of Conduct

In order to meet the goals set out in the area of sustainable development, the Company adopts the following main principles of conduct:

- a. comply with applicable law in the countries and territories in which the Group's companies do business and assume ethical leadership in the business communities in which they are present, with the supplementary and voluntary adoption of international commitments, rules and guidelines in those countries in which the legal framework is inadequate or insufficient, basing its relations with the competent public authorities in each jurisdiction on the law, fidelity, reliability, professionalism, collaboration, reciprocity and good faith;



- b. support the principles of the SDGs, specifically those relating to universal access to energy and the fight against climate change, the commitments of the Paris Agreement, the United Nations (UN) *Guiding Principles on Business and Human Rights* and other international instruments, especially in the areas of good human rights and labour practices, protection of the environment and the fight against corruption and all forms of fraud.
- c. align its conduct with the principles contained in the *Purpose and Values of the Iberdrola Group* and follow the guidelines contained in the other rules of the Governance and Sustainability System, especially in the *Code of Ethics*, which governs the ethical and responsible conduct that the companies of the Group expect of their directors, professionals and suppliers;
- d. favour free market practices, rejecting any illegal or fraudulent practice, implementing effective mechanisms for prevention, surveillance, and punishment of improper acts, and further developing its commitment to the promotion of unrestricted competition in favour of consumers and users;
- e. adopt cutting-edge corporate governance practices, in line with good governance recommendations generally accepted in international markets, based upon business transparency and mutual trust with Stakeholders;
- f. have an effective, autonomous, independent and robust Compliance System; and
- g. encourage pathways of dialogue, as well as facilitating relationships with Iberdrola's people, shareholders and the financial community, customers, supply chain and, in general, with its other Stakeholders, in accordance with the *Stakeholder Engagement Policy*, in order to strengthen their engagement and identification with the Company, to harmonise business values and social expectations, and to adapt, to the extent possible, policies and strategies established within the boundary of the Group to the interests, concerns and needs of such Stakeholders, using all communications within its reach such as direct contact, social networks, digital media and applications, consultation procedures, and the Company's corporate website.

## 6. Main Principles of Conduct

Set forth below is a description of the main principles of conduct within the boundary of the Group with respect to various aspects in the area of sustainable development common to all of the Company's Stakeholders. All of them represent a Group-level commitment to the social dividend that is generated by applying these principles to the business activities of the companies comprising the Group.

### 6.1. Principles of Conduct with respect to the Creation of Shared Sustainable Value

The creation of shared sustainable value is the fundamental principle that should govern the Group-level policies, strategy and operations, and entails the equitable compensation of all groups contributing to the success of the business enterprise of the Group's companies and consideration of the social return on new investments, generating employment and wealth for society with a long-term vision that seeks a better future without compromising present results.

The fundamental principles are developed in the *Sustainable Management Policy* and can be synthesised as follows:

- a. Develop a business model based on models that are environmentally sustainable, economically feasible and socially inclusive.
- b. Establish instruments to strengthen the competitiveness of the energy products supplied, through efficiency in energy generation, storage, transmission, distribution and sale processes. The Company thus pays special attention to the excellent management of its processes and resources, using the instruments developed in the *Quality Policy*.
- c. Implement measures tending to ensure the high quality of the service and the safe and reliable supply of energy products.
- d. Promote the reduction of the environmental impact of all the activities carried out by the companies of the Group, striving to promote a rational and sustainable use of water, leading the fight against climate change through the development of clean energy that contributes to the decarbonisation of the economy, prevent or if applicable minimise polluting emissions and the effects thereof, as well as improving the circularity of their activities and those of their suppliers.



- e. Advance the responsible use of energy and the sustainable use of natural resources, promoting the minimisation of impacts caused by the activities of the Group's companies, in line with the provisions of the Company's environmental policies, and public awareness regarding the efficient consumption of products and services.
- f. Strengthen the social dimension of the activities of the Group's companies, and particularly respect for human rights as set out in the *Policy on Respect for Human Rights*. Specifically, the companies of the Group strive to improve the quality of life of the people in the communities in which they do business, promoting universal access to energy supply, paying special attention to customers who are economically disadvantaged or in any other situation of vulnerability.

## 6.2. Principles of Conduct with respect to Transparency

Transparency is one of the hallmarks of the Company's identity and one of the fundamental goals of its communication strategy, and it is fundamental for generating confidence and credibility, both in the markets and in investors, as well as in Iberdrola's people and in the other Stakeholders.

In relation to transparency, the Company undertakes to:

- a. disseminate truthful, sufficient, relevant, complete, clear, reliable and useful information regarding the significant activities of the Group's companies and of the foundations linked thereto;
- b. encourage transparency, assuming a commitment to annually prepare and publish financial and non-financial information regarding its activities, following generally accepted methodologies and submitting the information to independent external verification with respect to the latter; and
- c. facilitate complete and truthful information regarding the taxes that Group companies pay in the countries and territories in which they operate.

The Company shall publish the additional information required by applicable legal provisions in each country or territory or voluntarily assumed thereby or by any of the other companies of its Group, including both the statement of non-financial information, which the Board of Directors formulates and submits for the approval of the shareholders at the General Shareholders' Meeting and which reflects the Company's social, environmental and sustainability performance as well as the social dividend generated and shared with its Stakeholders, as well as the following reports: the integrated report, the annual financial report, the annual corporate governance report, the annual director remuneration report and an activities report of the Board of Directors and of the committees thereof.

## 6.3. Principles of Conduct with respect to the Development and Protection of Intellectual Capital

Intellectual capital constitutes the principal differentiating element of competitive companies. Therefore, the Company considers the development and protection thereof to be a fundamental aspect, which is further developed in the *Knowledge Management Policy* and the *Corporate Security Policy*, the main principles of conduct of which include:

- a. foster initiatives, procedures, and tools that allow the Company to truly and effectively exploit the intellectual capital of the Group's companies;
- b. develop specific defensive plans to protect critical infrastructure and to ensure the continuity of the essential services provided by the companies of the Group in accordance with the provisions of the *Corporate Security Policy*; and
- c. ensure adequate protection of information and knowledge and the confidentiality thereof.

## 6.4. Principles of Conduct with respect to Innovation

The Company believes that innovation is the principal tool at the Group level for ensuring sustainability, efficiency and competitiveness, and is a strategic variable that affects all of its businesses and all of its activities. The main principles of conduct in which the desire of the Group's companies to lead innovation within the energy industry materialises include those set forth below and further developed in the *Innovation Policy*.



- a. promote research, development and innovation (R&D) activities, focusing on efficiency aimed at the ongoing optimisation of the business operations of the Group's companies, management of facilities and equipment lifespans, reduction of operation and maintenance costs, and decrease in environmental impact, as well as the development of new products and services to satisfy the needs of the customers;
- b. create innovations fostering sustainable growth and the efficient management of resources and a reduction in environmental impact, contributing to the social and economic development of the surroundings in which the Group's companies do business;
- c. engage in projects in the area of universalisation of energy services based on models that are environmentally sustainable, economically feasible and socially inclusive;
- d. protect innovation, and particularly information or knowledge considered (or that might be considered) to be a trade secret taking into account the importance of the protection thereof; and
- e. keep the Group's companies at the forefront of new technologies and disruptive business models.

## 6.5. Principles of Conduct with respect to Responsible Tax Policy

The taxes that the companies of the Group pay in the countries and territories in which they do business are their main contribution to the funding of public purpose needs and, accordingly, one of their contributions to society.

Within the framework of the provisions of the *Corporate Tax Policy*, the Group's companies assume the following commitments:

- a. Comply with tax rules in the various countries and territories in which they operate.
- b. Make decisions on tax matters based on a reasonable interpretation of applicable legal provisions and in close relationship to their activities.
- c. Follow the recommendations of the good tax practices codes implemented in the countries and territories in which they do business, taking into account the specific needs and circumstances at the Group level.
- d. Not create or acquire companies resident in tax havens or countries included in the EU blacklist of non-cooperative jurisdictions, with the sole exception of those cases in which it is forced to do so because it is an indirect acquisition in which the company that is resident in a tax haven is part of a group of companies that are being acquired.
- e. Avoid the use of opaque or artificial structures unrelated to their business activities for the sole purpose of reducing their tax burden. In particular, not enter into transactions with related entities solely for the purpose of eroding the tax bases or to transfer the taxation of profits to low-tax territories.
- f. Strengthen the relationship with tax authorities based on respect for the law, fidelity, reliability, professionalism, cooperation, reciprocity and good faith, without prejudice to the legitimate disputes that, observing the principles established in the *Corporate Tax Policy* and in the defence of the corporate interest, may arise with such authorities concerning the interpretation or application of legal provisions.

## 7. Principles of Conduct with respect to the Principal Stakeholders

### 7.1. Iberdrola's people

The companies of the Group consider their workforce to be a strategic asset, which they care for and to which they offer a good working environment, encouraging their development, training and reconciliation measures, and favouring the development of professional relationships based on diversity, inclusion and a sense of belonging, equal opportunity and non-discrimination in the management of people.

Therefore, the companies of the Group work to attract, develop and nurture talent as well as encourage the physical, mental and emotional well-being of the workforce through their personal and professional growth, making them participants in their successful business enterprise and guaranteeing them a dignified and stable job within a diverse and inclusive environment.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



The inter-relation of the various companies of the Group with their human resources follows the following principles:

- a. Respect the human rights recognised by domestic and international laws, oppose child labour, forced or compulsory labour and any kind of modern slavery, not discriminating based on any condition or characteristics, and respect the freedom of association and of collective bargaining, the right to free circulation within each country, the rights of ethnic minorities and indigenous populations in the countries in which they do business and the right of all the communities in which they operate to a clean, healthy and sustainable environment, and understand access to energy as a right related and linked to other human rights, upon the terms set forth in the *Policy on Respect for Human Rights*.
- b. Select, hire and nurture talent within a favourable employment relationships framework, based on equality of opportunity, non-discrimination, diversity in all its variables and the inclusion of professionals, facilitating measures for the integration of disadvantaged groups and people with disabilities, and for reconciliation between personal and working life.
- c. Promote the participation and representation of the various groups that make up their human capital so that, based on this diversity, everyone can be fully integrated into the activities of the Group's companies;
- d. Ensure the firm commitment thereof to prohibit any form of discrimination;
- e. Recognise and value family and personal connections among the professionals of the Group's companies, a necessary consequence of their strong local roots within the communities in which they have historically done business, and establish measures ensuring that professionals with such connection are not favoured or discriminated against in hiring and promotion;
- f. Promote a sense of belonging of their workforce, in order for all professionals to consider themselves part of the business enterprise of the Group's companies, be aware of their role in the local, national and international community, and assume as their own the values, principles and goals established at the Group level;
- g. Establish a remuneration policy that favours the hiring of the best professionals and strengthening of the human capital of the Group's companies.
- h. Promote the training, qualification and knowledge refreshment of professionals, favouring professional promotion and adapting the management of people to a diverse and multicultural work environment.
- i. Ensure a safe and healthy working environment within the companies of the Group and in their spheres of influence. The measures that favour this objective are developed in the *Occupational Safety and Health Policy*.

## 7.2. Shareholders and the Financial Community

The principles of conduct that govern the Company's relationship with its shareholders are:

- a. Facilitate and promote a responsible exercise by shareholder and the holders of rights or interests in shares of the Company of their rights and the performance of their duties, subject to the principle of equal treatment of all those in the same situation and who are not affected by any conflict of interest or competition.
- b. Promote the continuous, permanent, effective and sustainable engagement of its shareholders in corporate life and in the achievement of its purpose and the realisation of its values throughout the year, rather than being limited to the General Shareholders' Meeting. For this purpose, the Board of Directors has approved the *Shareholder Engagement Policy*, and it adopts initiatives and creates and develops various channels of dialogue, information, participation and interaction, as well as shareholder communication channels, to promote the aforementioned engagement.
- c. Favour the informed and responsible participation of shareholders at the General Shareholders' Meeting and take proper measures for it to serve the effective exercise of the duties held by the shareholders under the law and the Governance and Sustainability System.

The Company thus may make available to the shareholders on the occasion of each meeting a guide in the medium it deems appropriate (such as through a virtual assistant) and certain rules of implementation that standardise, adapt, further develop and make more specific, within the framework of the corporate interest, the provisions of the Company's Governance and Sustainability System concerning the General Shareholders' Meeting, and the exercise by shareholders of their related rights.



Such principles presume the obligation of the shareholders to fulfil their duties acting with loyalty, in good faith and transparently, within the framework of the corporate interest as the paramount interest ahead of the private interest of each of them and in accordance with the Governance and Sustainability System.

As regards principles of conduct with the financial community, the Board of Directors of the Company has approved a *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* that develops the relations with shareholders, financial analysts, institutional investors and proxy advisors, and recognises the strategic objective of ongoing attention to the transparency of information disseminated by the Company and to the principle of equality, as well as relations therewith.

### 7.3. Customers

The companies of the Group work to know the needs and expectations of their customers and thus offer them the best solutions, defending the proper operation of the market under free and fair competition and continuously working to care for and increase their satisfaction, strengthening their connection at the Group level and promoting responsible consumption, assuming the following principles of conduct for such purposes:

- a. obey and comply with the rules governing communication and marketing activities and accept the voluntary codes that promote transparency and the truthfulness of such activities;
- b. see to the protection of the health and safety of their customers in all of the life cycles of the products they sell, by complying with applicable law and providing training and information to consumers using various instruments: websites, information in invoices and the development of training and informational campaigns;
- c. provide information to their customers allowing for a more rational, efficient and safe use of energy in the countries in which they sell their products and services;
- d. pay attention to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating in providing on-going access to energy supply according to the policies established by the competent government administrations in each case;
- e. facilitate effective access to information regarding the services they provide that is needed by customers with idiomatic or sensory difficulties, by implementing the appropriate instruments for such purpose;
- f. adopt the instruments necessary to ensure the confidentiality of the data of its customers, in accordance with the provisions of the *Code of Ethics* and applicable law;
- g. pursue continuous improvement of the quality of supply in the various countries and territories in which they operate; and
- h. monitor the quality of the service provided to their customers, through surveys measuring their satisfaction, and through customer service.

### 7.4. Communities

The companies of the Group are characterised by their international presence within various territories and communities. In their operations, they assume the following principles of conduct relating to communities:

- a. build strong bonds with the communities in which they do business through formal public consultations, thus generating confidence and strengthening their engagement and identification with the Company, of which these communities feel they are an integral part;
- b. harmonise their activities in the various countries in which they operate with the various social and cultural realities of each of them;
- c. strengthen relations of trust with the various communities with which they interact, by supporting the various governments, leading social organisations and legitimate community representatives, by promoting processes of consultation to understand expectations, favouring equal opportunity of the Stakeholders and paying attention to intercultural dialogue and consensus with indigenous populations (aligned with Convention 169 of the International Labour Organization);
- d. favour access to energy, with special attention to customers who are economically or in any other situation of vulnerability;





- e. strengthen respect for the rights of ethnic minorities in all of the communities in which they are present.
- f. foster the maintenance of a constructive and continuous dialogue with regulatory entities based on the principles of lawfulness, transparency, fidelity, reliability, professionalism, cooperation, reciprocity and good faith, seeking to mutually understand the interests and objectives of each party, and working together to seek solutions to issues affecting the Group's companies and that are within the scope of the powers of such entities, thus contributing to the development of public policies that are useful for sustainable development;
- g. push for relations with the media to be governed by the principles of informational transparency and collaboration;
- h. support the promotion and conservation of biodiversity and of the cultural and artistic heritage of the territories and communities in which they do business;
- i. engage in corporate volunteering programmes and campaigns that promote the participation of their professionals in volunteer actions in order to promote improvement in people's quality of life, looking after the environment, sustainable development, universal access to energy and the eradication of hunger, including collection campaigns that seek to respond to social needs;
- j. support initiatives that contribute to a more healthy, egalitarian and just society, such as supporting the empowerment of women and of other vulnerable groups, and promoting reconciliation between personal and working life; and
- k. promote the protection of animals, as living sentient beings, and particularly the fight against abandonment, violence, mistreatment, abuse and the illegal trafficking of animals, respecting their quality as sentient beings, in accordance with the characteristics of each species and respecting the limitations established by applicable legal provisions.

The companies of the Group also collaborate on specific projects in emerging and developing countries as well as in areas in a situation of humanitarian crisis, actively participating in the search for sustainable solutions for access to modern forms of energy.

## 7.5. The Supply Chain

The companies of the Group believe that it is essential to ensure that all participants in the value chain respond and adhere to generally accepted ethical and sustainable development principles, in addition to applicable laws and the Governance and Sustainability System. Therefore, the principles of conduct in this area are the following:

- a. adopt responsible practices in the management of the supply chain; and
- b. cause all participants in the value chain to comply with the principles and values set forth in the *Code of Ethics* regarding business ethics and transparent management, good labour practices, the promotion of health and safety, respect for the environment, guaranteeing the quality and safety of the products and services sold and development of responsible practices in the supply chain, promoting joint management (shared responsibility) in strict respect for the human and labour rights recognised in domestic and international law.

## 7.6. The Environment

The Company aspires to be the preferred global energy company, among other reasons, because of its respect for the environment, as highlighted and developed in the environmental policies, and particularly in the following: the *Sustainable Management Policy*, the *Environmental Policy*, the *Climate Action Policy* and the *Biodiversity Policy*.

The devotion of the companies making up the Group to leadership in the fight against climate change through the development of clean energy (which contributes to the decarbonisation of the economy) and in respect for the environment are the pillars of the energy production model within the boundary of the Group and the factor that distinguishes it in the energy industry as a world leader in this area. This takes form in the following basic principles of conduct:

- a. develop a business model based on environmentally sustainable economic activities;
- b. continuously identify, quantify and assess throughout the life cycle of the facilities, the impacts and dependencies of the activities of the Group's companies on natural capital, with a focus on biodiversity, through the promotion of research and improving understanding of the ecosystems of the environments of the territories in which they operate;

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- c. lead the fight against climate change by developing sustainable energy from renewable energy sources that contribute to the decarbonisation of the economy, as well as by optimising the use of energy throughout its value chain, and prevent or if applicable minimise polluting emissions and the effects thereof on human health and the environment;
- d. integrate climate change into internal strategic planning and decision-making processes;
- e. contribute to raising the awareness of society regarding the phenomenon of climate change and its consequences and solutions;
- f. make sustainable use of natural capital by improving the circularity of the business activities of the Group's companies and those of their suppliers, the sustainable use of natural resources, the implementation of life cycle analysis, the eco-design of their infrastructures, the application of the waste hierarchy, as well as the optimisation of waste management and the use of recycled materials;
- g. promote innovation through research and support for the development of new technologies and best environmental practices; and
- h. educate, train and engage Iberdrola's personnel, the members of its supply chain and other Stakeholders in environmental commitments and principles.

## 8. Implementation and Coordination of the Group-level Sustainable Development Strategy

The implementation, monitoring and supervision of the Group-level sustainable development strategy is the responsibility of the various companies of the Group in accordance with their corporate and governance structure defined in the Governance and Sustainability System, and particularly in the *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation*, and is put into practice respecting the principles of subsidiarity and decentralised management through the various committees that assume duties in the area of sustainable development and reputation. Specifically:

- a. The Company's Corporate Sustainable Development and Reputation Committee (or such committee as assumes the duties thereof at any time), which has the duties of defining the basic corporate lines of evolution of practices focused on the sustainable growth of the social dividend and improvement of reputation at the Group level, approving and monitoring the plans for development in both areas, being aware of the most significant advances, and cooperating in the preparation of the public information disclosed by the Company with respect to these areas.
- b. The sustainable development and reputation committees created within each of the country subholding companies in order to: promote compliance with the policies and guidelines approved in the various countries and territories in which the Group's companies operate, coordinate the corporate strategy among the various businesses carried out in each country and territory, and report to the Company's Corporate Sustainable Development and Reputation Committee (or such committee as assumes the duties thereof at any time) on the results achieved.
- c. The country subholding companies may also be linked to foundations, separated from the corporate structure, that implement and carry out in their respective countries and territories the sustainable development strategy entrusted thereto to the extent conforming to their foundational purposes and without prejudice to their autonomy and independence.

## 9. Foundations Committee and Foundations Linked to the Group

The Company has a Foundations Committee, an internal consultative body without executive duties created to ensure proper coordination between the foundations linked to the Group, which are responsible within their respective countries and territories for executing the sustainable development strategy designed by the Company's Board of Directors, to the extent that it conforms to their founding purposes and is entrusted thereto by the board of directors of the country subholding company with which they are connected, contributing to the generation of the social dividend and particularly to the achievement of the SDGs, all without prejudice to the independence of said entities for achieving their foundational purposes, with full functionality and autonomy.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



The Board of Directors must approve internal rules governing the composition and duties of the Foundations Committee and, as to the latter, a Sustainable Development Master Plan that describes the Group-level strategic lines of action in the field of sustainable development to be carried out by the foundations connected to the Group.

Foundational entities to which the country subholding companies have entrusted the performance of general interest and sustainable development activities in accordance with this *Policy* may join the Foundations Committee.

The Foundations Committee reports to the Sustainable Development Committee on the annual activities programmes of the foundations and on their respective budgets, as well as on the conduct of general interest and sustainable development that are entrusted thereto by the country subholding companies.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 as the *General Corporate Social Responsibility Policy* and was last amended on 19 December 2023.



# 4. Stakeholder Engagement Policy

19 December 2023

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 16/02/2024.



1. Purpose	85
2. Scope of Application	86
3. The Company's Stakeholders	86
4. Basic Principles	86
5. Responsibilities in the Management of Stakeholder Engagement	87
6. Global Stakeholder Engagement Model	87

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

The *By-Laws*, the *Purpose and Values of the Iberdrola Group*, the *General Sustainable Development Policy* and the other corporate policies express the Company’s focus on the creation of shared sustainable value with its shareholders and taking into consideration the other Stakeholders related to its business activity and its institutional reality, in accordance with the commitments made in the *Code of Ethics*.

It is not possible to achieve the social interest and develop a responsible and sustainable business model without the strong engagement in its enterprise of the Company’s Stakeholders, which are defined as those groups and entities whose decisions and opinions have an influence thereon and who, at the same time, are affected by its activities.

The Company makes the commitment to involve all of its Stakeholders in the social dividend generated by its activities, whether directly or in cooperation with foundations linked to the Group, which dividend is understood as the contribution of value that its activities entail for them, particularly including the advancement of business communities which the Company participates in and leads, both from the economic viewpoint and from the perspective of business ethics, the promotion of diversity, equality, inclusion, the sense of belonging and justice, the encouragement of innovation and protection of the environment, the generation of quality employment that ensures equal opportunity and non-discrimination in people management, as well as leadership in the fight against climate change.

This social dividend measures the positive direct, indirect and induced economic, social and environmental impacts of the Company’s activities included in the company object for all of its Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (“**SDGs**”) approved by the United Nations (UN) and its commitment to the best environmental, social and corporate governance practices.

The Company’s Stakeholders have a leading role in its corporate reputation, which is understood as their set of perceptions regarding a company. These perceptions are quite important, as they determine the decisions of the Stakeholders to invest, purchase or make recommendations, which directly affect the long-term sustainability of a company.

In line with the foregoing, one of the main principles of the *Reputational Risk Framework Policy* is to proactively manage the Company’s Stakeholders in order to include their expectations within the management of the Group’s companies and to mitigate the related risks, all through the *Global Stakeholder Engagement Model of the Iberdrola Group* (the “**Global Engagement Model**”).

Furthermore, appropriate management of the Company’s Stakeholders decisively contributes to the achievement of the purpose of the *Policy on Respect for Human Rights*, which is to formalise the commitment of the Group’s companies to the human rights recognised under domestic and international law and to define the general principles that will be applied within the boundary of the Group for due diligence in the human rights area.

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws* and the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Stakeholder Engagement Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish the general framework for the relations of the Group’s companies with their respective Stakeholders within the framework of their activities and operations, in order to:

- (i) continue encouraging the engagement of the Stakeholders in the relevant company’s respective business enterprise through the creation of shared sustainable value for all of them;
- (ii) continue responding to the legitimate interests of the Stakeholders with which the Group’s company interacts;
- (iii) continue building trust among the Stakeholders in order to build close, long-lasting, stable and robust relationships;
- (iv) encourage the recognition by the Stakeholders of the commitment of the Group’s companies to diversity in the broad sense, particularly in all matters regarding the professional development of their workforce; and
- (v) contribute through all of the above to maintaining the corporate reputation in the various countries and businesses in which the relevant company of the Group does business.

The Company’s Board of Directors may approve other corporate policies addressing specific Stakeholders.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this Policy does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

The contents of this *Policy* must also govern the conduct of foundations linked to the Group.

## 3. The Company's Stakeholders

The value chain made up of the activities carried out by the Company means that its Stakeholders are quite numerous. Therefore, for purposes of this *Policy*, the Stakeholders are grouped into the following categories:

- Iberdrola's people.
- Shareholders and the financial community.
- Customers.
- Communities.
- Supply chain.
- The environment.

These Stakeholders are in turn divided into other categories, the Sub-stakeholders, made up of various groups and entities, which allows the management of the relationships to be adjusted to specific and local realities, needs and expectations, in many cases relating to the facilities of the Group's companies.

## 4. Basic Principles

The companies of the Group accept and promote the following basic principles to engage and establish relations of trust with their respective Stakeholders:

- Responsibility:** act responsibly and build relationships based on ethics, integrity, sustainable development, and respect for human rights and the communities affected by the various activities of the Group's companies.
- Transparency:** ensure transparency in relationships, and in financial and non-financial communications, sharing truthful, sufficient, relevant, complete, clear, reliable and useful information.
- Active listening:** practice active listening, encouraging bi-directional and effective communication as well as direct, fluid, constructive, diverse, inclusive and intercultural dialogue.
- Participation and engagement:** encourage the participation and engagement of the Stakeholders in the activities of the relevant Group company, promoting voluntary consultation processes or similar channels of interaction in application of the law of each country, and especially in the planning, construction, operation and decommissioning of the power projects of the Group's companies.
- Consensus:** work towards consensus with the Stakeholders, especially with local communities and indigenous populations, taking their viewpoints and expectations into consideration.
- Collaboration:** promote collaboration with the Stakeholders, in order to contribute to compliance with the *Purpose and Values of the Iberdrola Group* and to contribute to the achievement of the SDGs.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- g. **Continuous improvement:** seek continuous improvement, regularly reviewing Stakeholder engagement mechanisms to ensure that they respond in the most efficient way possible to the needs of each moment.

The foregoing principles shall be supplemented by the provisions of law and the Governance and Sustainability System, and particularly by the provisions of the *Shareholder Engagement Policy* in the case of engagement of the Company's shareholder in corporate life.

The Company shall establish communication channels to promote the foregoing basic principles and involve its Stakeholders in its activities, as well as to strengthen their engagement and identification with the Company. These channels may be general, such as the corporate website, social media, digital media and applications and consultation procedures, or specific, i.e. for interaction with a particular Stakeholder.

## 5. Responsibilities in the Management of Stakeholder Engagement

From the corporate governance standpoint, the Company's Board of Directors is vested with the power to approve and supervise the overall strategy on engagement with the Stakeholders of the Group's companies, endeavouring to ensure the proper coordination thereof.

To this end, the Company's ESG Division (or such division as assumes the duties thereof), through the Stakeholder and Reputation Unit (or such unit as assumes the duties thereof), galvanises and coordinates the actions required to comply with this *Policy* and with the *Global Engagement Model*, as well as to promote best practices in this area.

Pursuant to the Group's organisational structure, inspired by the principle of subsidiarity, the country subholding companies and the head of business companies, within their purviews, are responsible for implementing the strategy regarding Stakeholder engagement and the *Global Engagement Model*, as well as maintaining direct discussion and dialogue therewith, especially those who act within the environment of the facilities of their businesses. For all of the foregoing reasons, the country subholding companies and the head of business companies shall be endowed with the resources and structure necessary for them to carry out these activities.

Country subholding companies may also entrust to foundations with which they have agreements the implementation of general interest and sustainable development activities previously defined by the Company, which contributes to improving relations and dialogue with the Company's Stakeholders, under the coordination of the Foundations Committee, and without prejudice to the autonomy and independence of said foundations to achieve their purposes.

## 6. Global Stakeholder Engagement Model

In 2016, the Company approved the *Global Engagement Model* based on the International AA1000 AccountAbility standard, among other things, to comply with the provisions of this *Policy*.

The *Global Engagement Model*, which is implemented within the companies of the Group using a shared digital application, contains the principles and provides the guidelines that, on the one hand, ensure that their engagement with their respective Stakeholders is homogeneous while respecting the particularities of each country, territory and business, and on the other, establish the mechanisms required to ensure that the Stakeholders of the Group's companies have sufficient capacity to engage therewith.

The main characteristics of the *Global Engagement Model* are the following:

- a. It is a guide to perform the segmentation of the Stakeholders, the identification of Sub-stakeholders, and the prioritisation of the latter, based on the impact and influence of the Group's companies on the Stakeholders, as well as the Stakeholders' impact and influence on the Group's companies.
- b. It contains guidelines to ensure that the Stakeholders have sufficient capacity to communicate with the relevant Group company, through regular evaluation of the available channels and the characteristics thereof (number, type and frequency of use) by the persons in charge of them. The channels are constantly evolving to adjust to the needs and realities of each moment and to maximise their effectiveness in establishing close, long-lasting, stable and robust relationships.



- c. It provides guidelines to identify and prioritise relevant issues (needs and expectations) for each Stakeholder, as well as to identify and manage the impacts, risks and opportunities related to these significant issues, all in relation to the Company's contribution to achieving the SDGs. In the case of risks, their management depends on their evaluation in terms of probability, severity and the existence of related reputational risks.
- d. It contains the main guidelines to design and monitor action plans that respond to issues that are significant for the Stakeholders based on an assessment of the risks and opportunities thereof, while improving communication and relations therewith.
- e. It allows for knowing the impacts of the actions in relation to the Stakeholders, maximising positive impacts and mitigating those that are negative.
- f. It identifies future trends relating to the expectations of the Stakeholders, as well as good practices to be shared throughout the companies of the Group.

In order to implement the *Global Engagement Model*, there is a network of persons at each of the country subholding companies in charge of extending and properly applying it. Any Sustainable Development and Reputation Committees created within each of the country subholding companies (or such committees as assume the duties thereof) will also report to the Company's Corporate Sustainable Development and Reputation Committee (or such committee as assumes the duties thereof) on the results achieved.

A global working group called the "Iberdrola Stakeholders' Hub" and the Company's Corporate Sustainable Development and Reputation Committee (or such committee as assumes the duties thereof) evaluate the implementation of the *Global Engagement Model* and the results of the process.

The Stakeholder engagement results of the Group's companies are mainly disclosed through the communication strategy, the corporate website and the presence of the Company, the country subholding companies and the head of business companies on social media, as well as the various reporting elements, including the statement of non-financial information and the integrated report.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 19 December 2023.













# Book Three - Environment and Climate Action



# Content

<b>Introduction to Book Three - Environment and Climate Action</b>		<b>91</b>
1. Sustainable Management Policy	 	93
2. Environmental Policy	 	96
3. Climate Action Policy	 	99
4. Biodiversity Policy	 	103

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Introduction to Book Three - Environment and Climate Action



1. The Governance and Sustainability System constitutes the internal regulatory framework for the Company and is established in the exercise of the corporate autonomy that the law supports to ensure the realisation of its purpose and its values, and the achievement of its business ends and goals through its rules.
2. The corporate policies are characterised by their development, conjunction, and extension, as well as by their function to link and specify the ideological and axiological content of their purpose and values in guidelines and criteria for action that rationalise management decisions in recurring or particularly important fields and issues that so require them, and constitute an essential part of the Company's Governance and Sustainability System.
3. They therefore involve a positive limitation of the necessary discretion that the directors and professionals of the Iberdrola Group must have in the performance of their duties, thereby defining safe lines of action within the framework of the respect for and observance of human rights, the contribution to the achievement of the Sustainable Development Goals approved by the United Nations, the compliance with ESG (*Environmental, Social and Governance*) requirements and with the goals established by the Paris Agreement and the 2030 Agenda for Sustainable Development of the United Nations, which, if adhered to, can lead to the prima facie presumption of approval for and suitability of the corresponding actions with the *Purpose and Values of the Iberdrola Group* and the corporate interest of Iberdrola, S.A., shared by all group companies, whose materialisation and fulfilment they contribute to.
4. The environmental policies are included within the sustainable development strategy and constitute the decided reaction of the Iberdrola group and, therefore, the Company to the challenges, objectives and goals of climate change, preservation of the environment and loss of biodiversity, while helping to identify and take advantage of the opportunities arising from the energy transition. They are therefore the living expression of the Iberdrola's commitment, to which it's the Stakeholders of all its companies subscribe, with the creation of an *integral business value* that takes into account and respects the natural and environmental capital on which its activity rests and is based, therefore contributing to its maximum dissemination and application amongst its Stakeholders and in the countries and territories in which it is present.
5. The work of giving shape to ideas, values and principles in guidelines or protocols of conduct can and should be subject to ongoing attention in order to adjust them to the changing circumstances within which the Company works as a comprehensive enterprise with three dimensions: business, corporate and institutional. Therefore, like the rest of the Governance and Sustainability System, the environmental policies contained in this third book are subject to a process of continuous review, adaptation and constant improvement in order to update them to the context in Iberdrola group companies carry out their business activities, the applicable law and the best applicable practices.

In Bilbao, on 16th February 2024.

The Board of Directors of Iberdrola España S.A.U.

# 1. Sustainable Management Policy

20 December 2022

Adopted by the Board of Directors of Iberdrola España S.A.U. on 16/02/2023.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In the exercise of these responsibilities and aware that the sustainable creation of value is one of the pillars of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Sustainable Management Policy* (the “**Policy**”).

## 1. Purpose

The fulfilment of the corporate interest, as defined in the *By-Laws*, requires that the business activities included in the corporate object be focused on the creation of sustainable value.

In compliance with this mandate and with the provisions of the *Purpose and Values of the Iberdrola Group* and the *General Sustainable Development Policy*, the Group commits to a sustainable energy model, endeavouring to achieve development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The main principles of conduct regarding sustainable management set out in this *Policy* contribute to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. Main Principles of Conduct

The Group's commitment to sustainable management rests upon the following main principles of conduct:

- a. development of a business model based on environmentally sustainable economic activities;



- b. competitiveness of the energy products supplied, through efficiency in energy generation, storage, transmission, distribution and sale processes;
- c. high quality of the service and reliability and safety in the supply of energy products;
- d. reduction of the environmental impact of all activities carried out by Group companies;
- e. creation of sustainable value shared with the Company's shareholders and the rest of its Stakeholders;
- f. promotion of the Group's social commitment, and particularly respect for human rights as set out in the *Policy on Respect for Human Rights*; and
- g. promotion of the responsible use of energy.

## 4. Instruments to Promote Sustainable Management

The instruments to promote the main principles of conduct of this *Policy* are the following:

- a. competitiveness of the energy products supplied: the Group promotes efficiency in energy generation, storage, transmission, distribution and sale processes, so that energy can sustainably be offered at the best price possible. This is all accomplished through the use of cleaner and more efficient technologies with low operation and maintenance costs, as well as a combination of diversified generation technologies that includes the most competitive energy sources based on weather and market conditions.
- b. high quality of service and reliability and safety in the supply of energy products: the Group promotes operational excellence, fostering a culture of continuous improvement and excellence in management, as provided in the *Quality Policy*. The continuous evaluation of process support tools, like quality management systems, which are hallmarks of the Group, are ultimately intended and are the Group's fundamental tools to achieve operational excellence;
- c. reduction of the environmental impact of all its activities: the Group strives to:
  - (i) promote a rational and sustainable use of water, manage the risks relating to water scarcity and ensure that water used is returned to the environment in the desired condition;
  - (ii) lead the fight against climate change by developing sustainable energy from renewable energy sources that contribute to the decarbonisation of the economy, as well as by optimising the use of energy throughout its value chain;
  - (iii) prevent or, where appropriate, minimise polluting emissions and their effects on human health and the environment;
  - (iv) assume a leadership position in the conservation and protection of biodiversity, generating a net positive environmental impact whenever possible; and
  - (v) improve the circularity of its business activities and those of its suppliers, through the sustainable use of natural resources, the implementation of life cycle analysis, the eco-design of its infrastructures, the application of the waste hierarchy, as well as the optimisation of waste management and the use of recycled materials. The Group also has an Environmental Management System (EMS) that allows for alignment of the environmental dimension with the Group's sustainability model and for identification of environmental aspects throughout the life cycle and the impact thereof on the environment by calculating the Corporate Environmental Footprint;
- d. creation of sustainable value: the Group deploys the best corporate governance and sustainability practices within its reach, including codes of conduct and compliance and risk management codes. All of the foregoing is intended to ensure informational transparency and preserve the creation of shared sustainable value for its shareholders and other Stakeholders related to its business activities and its institutional reality, nurturing business profit as one of the foundations for the future sustainability of the Company and the Group, and responsibly carrying out its work as a major driving force in the energy sector. In this regard, and in accordance with the provisions of the *Stakeholder Engagement Policy*, the Group seeks to encourage the increasing involvement of the Stakeholders in the business enterprise and to respond to their legitimate interests, as means to increase the degree of trust and contribute to preserving the corporate reputation. In particular,



the Group works on achieving excellent management of relations with its customers, offering efficient and suitable energy products tailored to their needs, and capturing the opportunities provided by the market;

- e. boosting social commitment: the Group's strategy is aligned with the achievement of the goals of the United Nations (UN) 2030 Agenda for Sustainable Development. Along these lines, the Group desires to act as an engine and lever for social change, and works through the social commitment policies to face inescapable social challenges and goals, like the commitment to human rights, the empowerment of women, and the promotion of the diversity and equality of its members and the constituents of and participants in its business enterprise. In particular, the Group strives to improve the quality of life of the people in the communities in which it does business, promoting universal access to energy supply, paying special attention to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating in providing ongoing access to energy supply according to the policies established by the competent regulatory bodies in each case; and
- f. promoting the responsible use of energy: supporting energy saving and efficiency measures and contributing to sustainable development through public awareness campaigns encouraging the efficient consumption of its products and services.

## 5. Sustainable Event Management

The Group assumes a commitment to leadership in the area of sustainable event management, encouraging the contribution of all participants in its value chain. For this purpose, the *Iberdrola Group Events Manual* establishes guidelines that should govern all events of the Group to ensure that they scrupulously comply with all applicable requirements in each case (especially including laws on safety and health, noise, waste, privacy and personal data protection), while at the same time promoting accessibility, inclusion, non-discrimination and diversity in the planning and execution thereof.

The companies of the Group shall endeavour to establish sustainable management systems for events whose importance and complexity so advise, in which they shall promote the engagement of all affected Stakeholders and take into consideration their needs and expectations.

\* \* \*

This Policy was initially approved by the Board of Directors on 17 December 2013 and was last amended on 20 December 2022.



# 2. Environmental Policy

19 March 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 18/04/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In the exercise of these responsibilities, and aware that leadership in the development of sustainable energy and respect for the environment are the pillars of the Group’s energy production model and some of the cornerstones of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Environmental Policy* (the “**Policy**”).

## 1. Purpose

The *Policy* is intended to establish a framework of reference for integrating the protection of nature and the environment within the strategy, investments and operations established at the Group level, and define the principles of conduct for environmental management and the management of natural capital.

The Company considers respect for the environment to be a key element for realising the vision of building an energy model in harmony with nature and with human beings. The companies of the Group are therefore committed to continue taking a leading position in the development of a sustainable energy model, based on the use of renewable energy sources and smart grids, electrification, efficiency, reduction in emissions and digital transformation, where respect for and the protection of the environment are integrated into all of their activities and processes. The Group’s companies are also committed to compliance with environmental regulations and international best practices in this area.

Through a business model and supported by a practice favouring transparent information and ongoing dialogue, the Group’s companies respond to the expectations of their Stakeholders in the countries and territories in which Iberdrola is present with respect to the preservation of the environment, ever more stringent regulatory requirements, and constant scrutiny of management by analysts, assessors and various societal players.

The commitment of the Group’s companies to leadership in the development of sustainable energy is aligned with the contribution to achievement of Sustainable Development Goals (SDGs) six, seven, twelve, thirteen, fourteen, fifteen and seventeen approved by the United Nations (UN).

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





### 3. Main Principles of Conduct

All the companies of the Group are committed to the protection of the environment, the prevention of pollution and the promotion of environmental sustainability. To meet these commitments, the Group's companies articulate the following main principles of conduct that apply to all of their activities and businesses and that shall be integrated within the internal decision-making processes:

- a. Develop a sustainable model that is respectful of nature, biodiversity and historical and artistic heritage.
- b. Comply with legal provisions and conform to applicable environmental standards.
- c. Apply the principle of mitigation hierarchy (avoid, minimise, restore and compensate as a last resort) in all activities.
- d. Promote innovation through research and support for the development of new technologies and best environmental practices.
- e. Use natural capital sustainably. In particular:
  - Make rational and sustainable use of water, managing the risks relating to water scarcity and ensuring that water used is returned to the environment in the desired condition.
  - Improve the circularity of their activity and that of their supply chain, integrating the life cycle and circular economy approach into the management thereof. The calculation of corporate environmental footprint, eco-design of infrastructures and analysis of technology life cycle, as well as promotion of the use of recycled materials, shall be used for this purpose.
  - Integrate the protection and promotion of biodiversity into the Group-level strategy and develop a business model that is sustainable and positive with nature.
- f. Conserve, protect and promote the development and growth of natural heritage.
- g. Implement a common environmental management system that applies precautionary, anti-pollution and continuous improvement principles and places the environment at the centre of decision-making through:
  - assessing the environmental risks of their activities, facilities, products and services on a regular basis, improving and updating the mechanisms designed to prevent, mitigate or eradicate them;
  - ongoing identification, assessment and mitigation of the environmental impacts of the activities, facilities, products and services of the Group's companies;
  - management of risks and impacts by establishing objectives, programmes and plans that promote the continuous improvement of environmental processes and practices within the framework of the Group, and the establishment of monitoring, control and audit mechanisms;
  - environmental training of the professionals of the Group's companies; and
  - establishment and regular review of environmental goals that reduce the environmental impact of the activities of the Group's companies.

The various environmental management systems of the Group's companies are based on this common model and allow for coordination of the environmental management within the boundary of the Group, which operates on a decentralised basis pursuant to the principal of "subsidiarity" and respect for the autonomy of the various companies.

- h. Encourage the engagement of the Stakeholders in the business enterprise of the Group's companies pursuant to the provisions of the *Stakeholder Engagement Policy*, which contemplates, among other things, creation of shared sustainable value for all of them.
- i. Raise awareness, train and involve the professionals of the Group's companies as well as the members of the supply chain and other Stakeholders in the commitments and principles of this *Policy*.
- j. Report transparently on environmental results and activities.



## 4. Priority Lines of Action

In order to achieve their commitment to nature and the environment and to promote environmental sustainability and respect for nature, the companies of the Group work on three priority lines of action, in which the main principles of conduct set out in the preceding section shall be applied:

- a. climate action;
- b. protection of biodiversity; and
- c. circular economy.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 March 2024.



# 3. Climate Action Policy

19 December 2023

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 16/02/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and aware of its commitment to the environment generally and to the fight against climate change particularly, the Board of Directors hereby approves this *Climate Action Policy* (the “**Policy**”) pursuant to the provisions of the *Purpose and Values of the Iberdrola Group*.

## 1. Purpose

The *Policy* is intended to establish a framework for articulating the Group’s strategy and business model in a manner consistent with its commitment to the fight against climate change.

Climate change is one of the most significant challenges currently facing humanity. Anthropogenic emissions of greenhouse gases, mainly from the use of fossil fuels, and the use of land have accelerated global warming in recent decades, the consequences of which are already visible. At the global level, efforts are aimed at keeping the global temperature increase for the remainder of the century below 2°C compared to pre-industrial levels and to continue efforts to further limit the temperature increase to as close to 1.5°C as possible.

The Group has included environmental performance and the fight against climate change as a cornerstone of its Governance and Sustainability System, which is inspired by the highest standards in climate governance. In this respect, the Group is aware of the contribution of its business activities to climate objectives, as well as of the need to have appropriate capacities and mechanisms in place in the area of adaptation to climate change.

Therefore, the Group undertakes to continue: (i) assuming a leadership role in the fight against climate change, directly and through the establishment of partnerships with other players; (ii) promoting a social culture aimed at raising awareness among all its Stakeholders of the magnitude of this challenge and the benefits associated with successfully responding to it, considering the impact of this phenomenon on the Group’s activities; and (iii) actively and decisively contributing to a carbon-neutral and sustainable future, minimising the environmental impact of all their activities and promoting the adoption of all actions available to the Group for this purpose, an effort that must be compatible with the achievement of the corporate interest. The Group will also continue analysing and identifying specific actions in the fight against climate change that allow for detecting and exploiting the opportunities that might arise from a decarbonised and more electrified economy and also increase the ability to adapt, strengthen resiliency and reduce vulnerability to climate change in accordance with the goal established in the Paris Agreement. The Group’s commitment to leadership is aligned with the achievement of the objectives of the Paris Agreement and the Sustainable Development Goals (SDGs) approved by the United Nations (UN) (especially numbers seven and thirteen).

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

### 3. Main Principles of Conduct

To implement its commitment to climate action, the Group shall be guided by the following main principles of conduct, which shall be gradually applied in all its activities and businesses:

- a. set and review short-, medium- and long-term emission mitigation targets in line with the Paris Agreement targets and subsequent updates deriving from climate change science, and bring the intensity of global direct emissions below 50 g CO<sub>2</sub> per kWh generated by 2030, with the goal of achieving carbon neutrality by 2050;
- b. integrate climate change into internal strategic planning and decision-making processes, as well as into the analysis, management and reporting of long-term risks, taking into account the recommendations of the *Task Force on Climate-related Financial Disclosure* (TCFD) and other leading organisations regarding climate governance and the reporting of climate risks and opportunities;
- c. promote innovation in more efficient and less greenhouse gas-intensive technologies and gradually introduce them in the Group's facilities;
- d. involve all Stakeholders in a regular update of the Climate Action Plan through two-way communication based on the creation of sustainable value for all of them, in accordance with the provisions of the *Stakeholder Engagement Policy*, in order to develop a strategy for a fair transition of the energy model;
- e. include the implementation of the climate action plan among the parameters that may be considered in the Company's remuneration systems;
- f. contribute to raising society's awareness about the phenomenon of climate change, its consequences and solutions, as well as the need to act quickly, through actions focused on generating knowledge and mobilising and promoting climate action, given that it is a threat to people and communities, all in line with the Group's commitment to respect the right of all the communities in which it does business to a clean, healthy and sustainable environment, as set out in the *Policy on Respect for Human Rights*;
- g. promote internal awareness and training for the professionals of the Group as well as for subcontracted personnel regarding climate change;
- h. promote the supply chain's awareness of climate change and encourage them to adopt practices consistent with those of the Company in this area, and particularly with regard to reducing their carbon footprint;
- i. publicly support and lead the main milestones of the global climate agenda and multilateral processes on climate change, adopting positions consistent with the Company's objectives and with the environmental policies of the Governance and Sustainability System in those jurisdictions in which the Group has a presence;
- j. encourage the participation of the private sector in the global climate agenda in order to meet the objectives of the Paris Agreement, and particularly the goal of maintaining the global average temperature of the planet, as well as introduce a more ambitious dynamic in terms of both the implementation of the agreement and the update of the commitments made by the parties;
- k. have a Group environmental management system (EMS), which allows for evaluating, analysing, managing and reducing environmental risks, as well as improving the management of resources and optimising investments and costs, and which incorporates all relevant climate variables;
- l. actively foment a culture that promotes the efficient and responsible use of energy and encourages behaviours supporting such responsible use, engaging all Stakeholders of the Company for this purpose. In particular, professionals will be encouraged to contribute with their daily work to the achievement of the objectives defined in the fight against climate change; and



- m. promote research and the development of methodologies in the evaluation and design of adaptation measures, and take appropriate measures to mitigate the impacts of climate change on the production of energy from renewable sources, integrating climate science into the setting of objectives and internal procedures.

## 4. Priority Lines of Action

The Group shall promote the following priority lines of action to develop the main principles of conduct set out in the preceding section:

- a. formalise and communicate a Climate Action Plan that specifies its commitment to achieve CO<sub>2</sub> neutrality by 2050, the interim targets for scopes 1, 2 and 3 of the greenhouse gas inventory, the strategy and investment policy designed to fulfil this commitment, and the frameworks and methodologies based on available science used to evaluate and report on the implementation of the plan;
- b. contribute to the electrification of the economy and maintain the Group's global leadership in renewable energy and in the investment and operation of smart grids that allow for a high level of renewable energy integration, by supporting regulatory legal initiatives aimed at:
  - increased electrification of consumer uses of the economy, such as electric mobility and heat pumps as efficient systems for domestic heating and cooling;
  - promoting the “polluter pays” principle, advocating for mechanisms for the establishment of emissions prices that generate a strong and sustainable price signal, capable of generating the resources required to equitably finance sustainable energy projects, both in industrialised countries and in emerging and developing economies, and supporting a tax system that includes this principle in the transport, construction and electricity production industries;
  - eliminating subsidies to high-emission technologies and industries;
  - promoting the replacement of energy generation systems based on the use of fossil fuels with higher carbon content and favouring the improvement of efficiency in generation, in transmission and in the final use of energy, all within the framework of an increasing electrification of the energy model; and
  - continuing to develop the real and global energy transition, based on decarbonisation and on the electrification of the energy sector in particular, and of the economy as a whole, that contributes to the Sustainable Development Goals (SDGs) approved by the United Nations (UN), particularly with respect to the fight against climate change;
- c. integrate climate science and adaptation and resilience standards, as well as include technical improvements, in the design, construction and management of energy generation, storage and distribution networks and infrastructure in order to reduce or avoid the potential impacts of climate change on their functionality and allow the Group to adapt to changes in energy demand caused by climate change;
- d. analyse the risks arising from climate change as regards the energy transition, as well as physical risks;
- e. regularly review the Company's greenhouse gas emissions inventory and establish control and monitoring mechanisms, including the verification of emissions by an independent third party;
- f. develop communication campaigns and materials, workshops and educational resources aimed at specific groups, or partner in projects with third parties, in both the public and private sectors, to promote communication and internal training of the Group's professionals on climate action;
- g. formalise agreements and work with multilateral bodies and civil society organisations with particular engagement in the fight against climate change, and particularly the UN Framework Convention on Climate Change, in order to strengthen the international leadership of the Group in the process of fighting against climate change;
- h. support public policies and strategies that deal in a coordinated and consistent manner with the social problems relating to climate change;
- i. lead the main international indices on the fight against climate change;

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- j. disseminate the results and/or activities of the Group regarding the fight against climate change; and
- k. establish the mechanisms needed to ensure the coordinated application of this *Policy* throughout the Group.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 15 December 2009 and was last amended on 19 December 2023.



# 4. Biodiversity Policy

19 March 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 18/04/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and aware of its commitment to the environment generally and to the preservation of the biodiversity of the territories in which the companies of the Group do business specifically, the Board of Directors hereby approves this *Biodiversity Policy* (the “**Policy**”) pursuant to the provisions of the *Purpose and Values of the Iberdrola Group*.

## 1. Purpose

The *Policy* is intended to establish a framework of reference for integrating the protection and promotion of biodiversity into the Group-level strategy, and to define the principles of conduct for the development of a business model that is sustainable and contributes to a nature-positive society, such that the activities of the Group’s companies protect and promote the development and growth of the natural heritage, particularly including the protection of animals, as living sentient beings.

The degradation of ecosystems and the unprecedented decline of biological diversity, unanimously identified by the scientific community as a direct consequence of the impact of human activities, entail serious environmental, economic and social risks, requiring action to reverse the loss of biodiversity.

The companies of the Group are committed to taking a leadership role in the conservation and promotion of biodiversity in their industry and to integrating into their management the United Nations (UN) 2050 vision of “*Living in Harmony with Nature*”, where biodiversity is valued, preserved, restored and used sustainably, maintaining the services of the ecosystem, supporting a healthy planet and providing essential benefits for all people.

This commitment is aligned with the 2022 Kunming-Montreal Global Biodiversity Framework targets and with the achievement of Sustainable Development Goals (SDGs) six, thirteen, fourteen, fifteen and seventeen approved by the United Nations (UN).

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



### 3. Main Principles of Conduct

To implement its commitment to biodiversity, the companies of the Group shall be guided by the following main principles of conduct, which apply to all their activities and businesses:

- a. integrate biodiversity in internal strategic and decision-making processes within the boundary of the Group, as well as in the analysis, management and reporting of long-term risks;
- b. identify, quantify and assess, on an ongoing basis and throughout the life cycle of the facilities, the impacts and dependencies of the activities of the Group's companies on natural capital, including diversity and the protection of wild animals and protected and vulnerable species, fostering respect for them in all lines of conduct; in particular, all new projects shall evaluate the alignment thereof with the 'do no significant harm' to biodiversity requirement established by the EU Taxonomy Regulation;
- c. apply the principle of mitigation hierarchy (avoid, minimise, restore, and compensate as a last resort) in all the phases of infrastructure projects;
- d. avoid locating new infrastructure projects in spaces that are protected due to their ecological, biological, cultural and/or landscape value or areas catalogued as having high value for biodiversity when the value of those areas would be affected, unless there are no viable alternative solutions;
- e. avoid or reduce deforestation associated with their activities and supply chain;
- f. manage and compensate in quantity and quality the negative impacts produced on the environment, giving priority to the like-for-like principle and to nature-based solutions, facilitating the connectivity of populations and encouraging the development of special protection or private conservation areas;
- g. develop plans for monitoring flora and fauna, especially protected or vulnerable species, so that the interaction of infrastructure with the environment can be continuously assessed;
- h. integrate the management of natural capital and biodiversity into the environmental management system (EMS) within the framework of the Group, setting goals, indicators and standards for the control, monitoring and audit thereof;
- i. identify and establish management plans for invasive species that pose a risk to ecosystems and species at sites where the Group's companies operate;
- j. participate in carrying out research, preservation, education and sensitisation projects, cooperating with government agencies, non-governmental organisations, local communities and other Stakeholders on biodiversity issues and relating to the fight against abandonment, violence, mistreatment, abuse and the illegal trafficking of animals, in accordance with the provisions of the *General Sustainable Development Policy*.
- k. promote biodiversity awareness and training for the professionals of the Group's companies as well as for subcontracted personnel and the personnel of their suppliers; and
- l. report on activities within the framework of the Group regarding biodiversity, the presence of facilities in protected areas, and research, preservation, education and awareness-raising actions, periodically publishing a biodiversity report.

### 4. Priority Lines of Action

Biodiversity has a leading role in the Group-level strategy, for which reason four priority lines of action have been established to apply the main principles of conduct set out in the preceding section:

- a. protect biodiversity and make sustainable use of natural capital by adopting a hierarchy of conservation and mitigation, integrating best practices throughout the life cycle in the management thereof and promoting actions for the regeneration and conservation of natural heritage;
- b. continuously identify, quantify and assess throughout the life cycle of the facilities, the impacts and dependencies of the activities of the Group's companies on natural capital, with a focus on biodiversity, through the promotion of research and improving understanding of the ecosystems of the environments of the territories in which they operate;





- c. partnering with Stakeholders, considering their biodiversity needs and expectations, and participating in projects for the enhancement of biodiversity and the protection of and respect for animals; and
- d. highlighting and raising awareness of the importance of biodiversity protection and conservation through training, internal and external education, awards, publications, and sponsorship and internal and external communication of the impact of the activities of the Group's companies in this area.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 March 2024.











NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Book Four - Social Commitment



## Content

<b>Introduction to Book Four- Social Commitment</b>			<b>109</b>
1. Policy on Respect for Human Right			111
2. People Management Policy			114
3. Diversity and Inclusion and Anti-Harassment Policy			122
4. Selection and Hiring Policy			126
5. Knowledge Management Policy			128

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Introduction to Book Four - Social Commitment



1. The Governance and Sustainability System constitutes the internal regulatory framework for the Company and is established in the exercise of the corporate autonomy that the law supports to ensure the realisation of its purpose and its values and the achievement of its business ends and goals through its rules.
2. The corporate policies are characterised by their development, conjunction, and extension, as well as by their function of binding and specifying the ideological and axiological content of its purpose and values in guidelines and criteria that rationalise management decisions in recurring or particularly important fields and issues that so require, and constitute an essential part of the Governance and Sustainability System of the Company.
3. They therefore involve a positive limitation of the necessary discretion that the directors and professionals of the Iberdrola Group must have in the performance of their duties, thereby defining safe lines of action within the framework of the respect for and observance of human rights, the contribution to the achievement of the Sustainable Development Goals approved by the United Nations, the compliance with ESG (*Environmental, Social and Governance*) requirements and with the goals established by the Paris Agreement and the 2030 Agenda for Sustainable Development of the United Nations, which, if adhered to, can lead to the prima facie presumption of approval for and suitability of the corresponding actions with the *Purpose and Values of the Iberdrola Group* and corporate interest of Iberdrola, S.A., shared by all Group companies, whose materialisation and fulfilment they contribute to.
4. The policies regarding the social commitment are included within the sustainable development strategy and constitute the reaction of the Iberdrola and therefore, the Company to the inescapable challenges, objectives and social goals, such as the commitment to human rights, empowering women and promoting the diversity, inclusion and sense of belonging and equality of its members and of those who, in any way, constitute and participate in its business enterprise. In short, they involve the articulation of the recognition and valuation of human and personal capital by the Company, without which its progress would not be possible.
5. The Iberdrola's commitment to the social demands and requirements of our time also extends to all those that act or interact with it to the extent that it is applicable, thus contributing to its maximum dissemination and application amongst its Stakeholders.
6. The work of giving shape to ideas, values and principles in guidelines or protocols of conduct can and should be subject to ongoing attention in order to adjust them to the changing circumstances within which the Iberdrola España works as a comprehensive enterprise with three dimensions: business, corporate and institutional. Social policies contained in this fourth book are subject to a process of continuous review, interest and adaptation and constant improvement in order to update them to the context in which the Company and the Iberdrola Group carry out their business activities, the applicable law and the best applicable practices.

In Bilbao, on 16th February 2024.

The Board of Directors of Iberdrola España S.A.U.

# 1. Policy on Respect for Human Rights

19 December 2023

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 16/02/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and aware that respect for human rights is one of the main pillars on which the purpose and values of the Group’s companies rest and an aspect that is inextricably linked to the United Nations (UN) 2030 Agenda for Sustainable Development, the Board of Directors hereby approves this *Policy on Respect for Human Rights* (the “**Policy**”), which has been prepared taking into account the most stringent international standards.

## 1. Purpose

The purpose of this *Policy* is to formalise the commitment of the Group’s companies to the human rights recognised in domestic and international legislation and to define the principles that shall be applied within the boundary of the Group for due diligence in the area of human rights pursuant to the *Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises*, the principles underpinning the *United Nations Global Compact*, the *Tripartite Declaration of Principles Concerning Multinational Enterprises* and *Social Policy*, the conventions of the International Labour Organization (including convention 169), the Sustainable Development Goals (SDGs) approved by the United Nations (UN), the Company’s *Code of Ethics*, as well as such documents and texts as may replace or supplement those mentioned above.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. Main Principles of Conduct

To achieve the aforementioned goals and commitments, the following main principles of conduct that must govern the innovation strategy of the companies comprising the Group in all areas are adopted and promoted at the Group level:

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- a. Identify potential impacts that the operations and activities performed by the Group's companies might have on human rights, either directly or through third parties.
- b. Have a due diligence system that identifies situations and activities with a higher risk of violating human rights, in order to develop mechanisms for the prevention and mitigation of such risk and to redress the impacts if they occur.
- c. Evaluate the effectiveness of the due diligence system on a regular basis using monitoring indicators, with a special focus on those centres of activity in which there might be a higher risk of violating human rights. This evaluation will rely on the internal control systems of the Group's companies.
- d. Report the results of the evaluation of the effectiveness of the due diligence system in its annual public information, available on the Company's corporate website.
- e. Advance a culture of respect for human rights and actions intended to promote awareness-raising in this field among its professionals within all companies of the Group.
- f. Have in place reporting and grievance mechanisms, equipped with adequate guarantees and settlement procedures, in order to respond to potential violations of human rights. These mechanisms must be sufficiently communicated both to the professionals of the Group's companies and to persons and organisations outside of the Group. To this end, appropriate internal reporting procedures regarding the issues communicated shall be defined in order to allow for an evaluation of the due diligence systems.
- g. Adopt as soon as possible such measures as may be applicable in the event of detecting any violation of human rights at the facilities of the businesses of the Group's companies or of their suppliers, and report thereon to the competent government authorities in order for them to take any appropriate action if such violation may amount to an administrative, criminal or any other type of offence.

## 4. Human Rights Regulatory Framework

In addition to this *Policy*, the following also form part of the Group's regulatory framework on respect for human rights:

- a. the social policies, which cater to certain needs and expectations of the Company's Stakeholders, and which particularly cover various issues relating to human rights, like occupational health and safety, equal opportunity, reconciliation and quality;
- b. the *Personal Data Protection Policy*, which guarantees the right to the protection of data of all natural persons who establish relations with the companies belonging to the Group, particularly ensuring respect for the rights to reputation and to privacy in the processing of the various categories of personal data; and
- c. the *Purchasing Policy*, which includes the perspective of the Group's companies on shared responsibility with their suppliers as regards respect for human rights, in order to increase the number of suppliers subject to sustainable development policies and standards based on a human rights strategy.

Apart from what is already established in these policies and in the Governance and Sustainability System, the companies of the Group also explicitly make the following commitments:

- a. to reject child labour, forced or compulsory labour, and any form of modern slavery, endeavouring to ensure and encouraging the elimination of such situations within their supply chain;
- b. to respect freedom of association and collective bargaining;
- c. to respect the right to freedom of movement within each country;
- d. to not discriminate due to any condition or characteristics;
- e. to respect the rights of ethnic minorities and of indigenous peoples in the places in which they carry out their activities, and to favour an open dialogue that includes different cultural frameworks;
- f. to respect the right of all of the communities in which it operates to a clean, healthy and sustainable environment, considering their expectations and needs; and
- g. to understand access to energy as a right related and linked to other human rights, working with public institutions in the implementation of systems for the protection of vulnerable customers and on plans to extend service to communities that lack access to energy.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 5. Relationship with Stakeholders

As to the relationship of the Company's Stakeholders with human rights, the following must be taken into account:

- a. Iberdrola's people: the professionals of the Group's companies must show strict respect for the human rights recognised under domestic and international law in the conduct of their activities in all countries in which the Group operates, and shall particularly endeavour to ensure compliance with this *Policy* and with the regulatory framework for human rights at the Group level. All professionals of the Group's companies are expected to act as a first line of defence for human rights, reporting any potential impact thereon or any breach of the Group's corporate policies through the channels activated by the Group's companies within their respective internal reporting systems to which reference is made in the *Compliance and Internal Reporting and Whistleblower Protection System Policy*.
- b. Supply chain: must also show strict respect for the human rights recognised under domestic and international law in the conduct of their activities. The Company believes that its suppliers are a key ally for compliance with this *Policy* and thus assume a shared responsibility with the companies of the Group. In particular, members of the supply chain must: (i) adopt such measures as may be needed to eliminate all forms or types of forced or compulsory labour and any form of modern slavery within their organisation, as well as promote the adoption thereof within their supply chain; (ii) expressly reject the use of child labour in their organisation as well as within their supply chain; (iii) respect their workers' freedom of trade association and right to collective bargaining by their professionals, avoiding all discriminatory practices due to any condition or characteristic in connection with employment and labour; and (iv) set the salaries of their professionals in accordance with applicable law, respecting minimum salaries, overtime and social welfare benefits.
- c. Communities: operations within the boundary of the Group must strengthen respect for the rights of ethnic minorities and of indigenous peoples in the places in which it carries out its activities and favour access to energy.
- d. In the case of investment partners with operational control over facilities in which the Group's companies have an interest, the alignment of their own policies with this *Policy* shall be promoted through its representatives on the management bodies.

## 6. Implementation and Update

The Company may draw on specialised external advice in order to conform the Group's operating procedures to the main principles of conduct set forth in this *Policy* and, if necessary, to monitor the *Policy* and update the text hereof.

The Company's Board of Directors, through the Sustainable Development Committee, will receive periodic information on the measures and procedures adopted within the Group to implement and monitor the provisions of this *Policy*.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 19 December 2023.

# 2. People Management Policy

19 March 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 18/04/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and aware that the workforce is a strategic asset and key element for achieving the purpose and putting into practice the values set forth in the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *People Management Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to define, design and disseminate a model for the management of resources and human capital in order to attract, develop and retain talent, as well as to encourage the physical, mental and emotional well-being of the workforce through their personal and professional growth, making them participants in the successful business enterprise of the Group’s companies and guaranteeing them a dignified and stable job within a diverse and inclusive environment.

People fundamentally determine the difference between competitive companies and those that are not, and between those that sustainably create value and those that gradually lose their capacity to generate wealth. In this regard, it is essential that companies define, design and disseminate a management model that promotes not only the physical and mental well-being of their professionals, but also an adequate, pleasant, satisfactory and stimulating working environment that generates confidence and motivation, which will promote the professional and personal development of the workforce and result in greater creativity and productivity, thus contributing to the achievement of business objectives.

It is therefore important when making decisions to consider the impact on the working environment and on the physical, mental and emotional well-being of professionals.

Well-being initiatives tailored to business needs reduce absenteeism, increase job satisfaction, employee engagement and talent retention, stimulate the generation and discussion of ideas, advance innovation and motivation, and increase the sense of belonging to the company.

The key principles for the care and development of the workforce are considered to be the design and implementation of frameworks for the management of the resources, human capital and labour relations that allow all professionals to share in the success of all of the companies making up the Group, that promote the economic and social development thereof, thereby contributing to compliance with goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), and that further the objectives of competitiveness and business efficiency.

In particular, this *Policy* provides guidelines for conduct with respect to: (i) the selection of professionals; (ii) the creation of stable and high quality employment within a diverse and inclusive environment; (iii) the building of stable relationships with the workforce; (iv) workplace safety and health; (v) reconciliation between personal and working life; (vi) the management and promotion of talent and training; and (vii) the promotion and encouragement of well-being.

The management of resources, human capital and labour relations must be informed by respect for the human and labour rights recognised by domestic and international law, diversity and inclusion, equality of opportunity and non-discrimination, as well as by the alignment of the interests of the professionals with the strategic objectives established at the Group level.



This *Policy*, the text of which is consistent with the provisions of the *Policy on Respect for Human Rights*, and particularly with labour rights, is further developed through the following policies: the *Diversity and Inclusion and Anti-Harassment Policy*, the *Selection and Hiring Policy*, the *Knowledge Management Policy*, the *Occupational Safety and Health Risk Policy* and the *Senior Management Remuneration Policy*.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. General Principles of Conduct

In order to achieve the aforementioned objectives, the companies of the Group adopt and promote the following general principles of conduct that must inform the management of human capital:

- a. An appropriate framework of labour relations and of agreed mechanisms to bring the organisation into line with corporate and social requirements, promoting the objectives of competitiveness and business efficiency.
- b. Design of a job offering of value that favours the selection, hiring, promotion and retention of talent, consisting of competitive remuneration and a diverse and inclusive work environment that facilitates reconciliation between personal and working life and promotes the professional growth of the workforce of the Group's companies. This professional growth must be based on objective performance standards, equal opportunity and a commitment to the *Purpose and Values of the Iberdrola Group* and to the business enterprise established at the Group level.
- c. The development of consistent processes for the management of resources and human capital that progress in the implementation of a talent culture in all of the territories or countries in which the companies of the Group do business, respecting local characteristics and particularities and the special framework of strengthened autonomy of the listed country subholding companies.
- d. The definition as a strategic objective of the conduct of labour relations based on equal opportunity, particularly between genders, non-discrimination, and the consideration of diversity and inclusion in all variables thereof, pursuant to the *Diversity and Inclusion and Anti-Harassment Policy*. Measures must also be promoted to facilitate the effective integration of disadvantaged groups and persons with disabilities and to achieve a good working environment that allows professionals to reconcile personal and working life, complying with the law applicable in each territory or country and following best international practices.
- e. The consolidation of stable and quality jobs.
- f. A remuneration system that allows for the attraction and retention of the best professionals and for the alignment of their objectives with those established at the Group level.
- g. Appreciation of the contribution of all professionals to the creation of value for the companies of the Group and to the growth thereof.
- h. Recognising and valuing family and personal connections among the professionals of the Group's companies, a necessary consequence of their strong local roots within the communities in which they have historically done business, and establishing specific measures ensuring that there is no favouring of or discrimination against professionals in hiring and internal promotion processes based on such connection, and that there is no violation of the principle of equal opportunity.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- i. Guaranteeing that the processes of selecting, hiring and promoting professionals of the companies of the Group endeavour to ensure that all of its professionals are persons who are respectable and competent, aligned with the provisions of the *Purpose and Values of the Iberdrola Group* and with the principles of and commitments assumed in the *Code of Ethics*, assessing their background and rejecting those who, in view of their personal record, lack the required competence. All without prejudice to respect for identity and individual beliefs, as established in the *Diversity and Inclusion and Anti-Harassment Policy*.
- j. A work environment that is safe and healthy within the companies of the Group and within their spheres of influence.
- k. Fostering and promoting well-being at work, caring for and offering a suitable, pleasant, satisfactory and stimulating working environment that generates confidence and motivation among professionals, as well as their commitment to the values of the Group's companies.

## 4. Instruments

The companies of the Group have the following instruments to achieve the above objectives:

- a. Resources and human capital policies: this *Policy*, the *Diversity and Inclusion and Anti-Harassment Policy*, the *Selection and Hiring Policy*, the *Knowledge Management Policy*, the *Occupational Safety and Health Risk Policy* and the *Senior Management Remuneration Policy*.
- b. The Company's Personnel and Services Division (or such division as assumes the duties thereof at any time), the main objective of which is to standardise the guidelines for the management and promotion of talent within the framework of the Group, bearing in mind the different social and labour circumstances of the territories in which it operates, and with the support of the resources and human capital divisions at the various companies of which it is composed, which are responsible for implementing and monitoring human resources policies and strategies.  
  
To meet this objective, the Company's Personnel and Services Division (or such division as assumes the duties thereof at any time) may create specialised global committees in areas like the selection and hiring of professionals, training, remuneration systems and social-welfare benefits, which will act in coordination with any local committees that the resources and human capital divisions of the country subholding companies decide to create.
- c. The Company's Diversity and Inclusion Division (or such division as assumes the duties thereof at any time), which is responsible for the implementation, monitoring and verification of compliance with the *Diversity and Inclusion and Anti-Harassment Policy*;
- d. Collective bargaining agreements or specific equivalent agreements to govern aspects relating to human resources management, as well as the existing specific monitoring mechanisms.
- e. Channels for dialogue and communication with the professionals of the Group's companies, and particularly mixed subcommittees or committees with professionals, labour climate or satisfaction surveys, meetings with the executive chairman and the members of senior management, specific meetings, the corporate website and the various intranets of the Group's companies.
- f. International mobility programmes aligned with the Group's Business Model to favour the exchange of experiences and knowledge, professional development and the promotion of talent, and the firm establishment of a Group-level culture.
- g. Training programmes that foster the development of intellectual capital and the promotion of professionals within the companies of the Group.
- h. A specific programme for the training and monitoring of management personnel fostering internal promotion and ensuring the orderly succession in senior management positions and other key positions within the Company and the other companies of the Group.
- i. Occupational risk prevention programmes and processes and a global workplace safety and health system based on defined standards applicable to all companies of the Group.
- j. Guidelines and programmes to promote physical, mental and emotional well-being and a healthy, safe, pleasant, diverse and inclusive working environment that fosters the personal and professional development of the workforce of the Group's companies and addresses their global training concerns.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 5. Main Principles of Conduct in connection with Equality, Diversity and Inclusion

The *Diversity and Inclusion and Anti-Harassment Policy* further develops the objectives and principles on these matters at the Group level, which can be summarised in the following:

- a. respect for diversity among the professionals of the Group's companies, promoting non-discrimination;
- b. development of the principle of equal opportunity, the observance of which is one of the basic pillars of professional development, and entails the commitment to provide and show equitable treatment that promotes the personal and professional progress of the workforce, keeping professionals with family or similar personal connections from holding posts directly reporting -either hierarchically or functionally- to the professionals with which they are connected, among other issues; and
- c. promotion of gender equality, especially as regards access to employment, professional training and promotion, and working conditions.

The Company endeavours to ensure that the processes related to the selection, hiring, management of labour relations, training and promotion of professionals in which artificial intelligence is used, and especially the algorithms used, do not suffer from biases that violate these objectives and principles or prevent the verification thereof due to limitations on transparency and/or tracking of results pursuant to the provisions of the *Policy on the Responsible Development and Use of Artificial Intelligence Tools*.

## 6. Main Principles of Conduct in connection with the Selection and Hiring of Professionals

As further developed in the *Selection and Hiring Policy* and in the *Diversity and Inclusion and Anti-Harassment Policy*, the main principles of conduct in connection with selection and hiring are:

- a. develop a global framework for standardising talent recruitment, selection and hiring procedures within the companies of the Group;
- b. endeavour to ensure that selection and hiring processes are objective and impartial, and that the process of selecting family members of professionals of the Group's companies or persons with another similar personal connection does not involve the participation of the workforce members to whom they are connected;
- c. encourage the access of young people to their first job through scholarship programmes, programmes for graduates and other agreements;
- d. provide candidates with an attractive and comprehensive job offer of value that favours the selection and hiring of the best professionals;
- e. favour the hiring of professionals from excluded groups and of persons with disabilities;
- f. the Group's companies must offer value based upon equal opportunity, diversity and inclusion and be made up of competitive remuneration, a broad offer of professional training and development, a healthy, safe, diverse and inclusive work environment, contribution to the business enterprise, and measures that facilitate reconciliation between personal and working life;
- g. promote the hiring of its professionals using stable contracts; and
- h. standardise working conditions and the benefits received by part-time and full-time professionals.

## 7. Main Principles of Conduct in connection with the Management and Promotion of Talent and Training

Talent management and promotion are key aspects to improve the Company's position vis-à-vis its competitors, and their aim is the definition of a framework to develop a global quality management system, involving all professionals of the Group's companies.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



In the process of analysis and deliberation prior to the adoption of its resolutions, the Board of Directors generally gives special consideration to the impact that its decisions might have on the talent management and promotion strategy at the Group level.

The Company also works continuously to configure a value offering addressed to its professionals that favours the selection, hiring, promotion and retention of talent.

One of the basic aspects of global talent management at the Group level is the encouragement of training in accordance with the following main principles of conduct:

- a. Establishment of a conceptual framework that includes all training actions designed to promote the qualification of the workforce, aligning it with a diverse, inclusive and multicultural work environment, open to cultural changes, expanding the principles set out in the *Purpose and Values of the Iberdrola Group*, creating value at the Group level and promoting the sustainable development of the businesses.
- b. Implementation of training programmes and plans that support advanced professional training for the performance of the job, adjustment to technological and organisational changes, adjustment of the workforce to the requirements of the Group's companies and greater capacity for professional development. In particular, these training programmes and plans should facilitate processes of knowledge refreshment and ongoing reconversion of skills, so that technologies, innovation and training make up an interactive triangle that operates to advance sustainable competitiveness at the Group level.
- c. Envisioning training as a key element of professional qualification and development, and as a gateway to opportunities for promotion within the boundary of the Group.
- d. Ensuring that training programmes include aspects relating to respect for human rights, diversity and inclusion and foster a culture of ethical conduct, without exclusionary or discriminatory biases. These programmes must be comprehensive, such that the technical, social and human aspects are considered as a whole in order for professionals to develop in their work not only the best qualifications, but also the principles and values to be promoted with society at the Group level.
- e. Dissemination and sharing of the knowledge existing within the Group's companies, ongoing learning and cultural exchange, so as to boost efficiency through the appropriate use of intellectual capital, in accordance with the provisions of the *Knowledge Management Policy*.

## 8. Main Principles of Conduct in connection with Performance and Development Evaluations

Evaluations of the professionals and communication of the results thereof to those evaluated are an essential aspect of their professional training. The main principles of conduct in this area are as follows:

- a. perform periodic evaluations of the performance of the professionals of the Group's companies based on objective standards;
- b. communicate the results thereof to the employees evaluated, so as to favour their professional development, contributing to the creation of a feedback culture; and
- c. in the process of salary evaluation or review, avoid direct participation by professionals who are family members or who have a similar personal connection with the professionals involved.

## 9. Main Principles of Conduct in connection with the Remuneration System

The companies of the Group consider it a priority for the remuneration system to promote the strengthening of its human capital, as the main factor differentiating it from its competitors. The main principles of conduct informing the remuneration systems of the Group's companies are:

- a. favour the attraction, hiring and retention of the best professionals;
- b. maintain consistency between strategic positioning at the Group level and its development, its international and multicultural reality, as well as its objective of excellence;

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- c. recognise and reward the dedication, responsibility and performance of all its professionals;
- d. adjust to the various local circumstances in which the different companies of the Group operate; and
- e. be and stay at the forefront of the market, consistently with the position achieved by the Company and the other companies of the Group.

## 10. Main Principles of Conduct in connection with the Reconciliation of Personal and Working Life

Achieving an effective work/life balance for professionals is a priority at the Group level, which is implemented through the following main principles of conduct:

- a. implement measures of reconciliation that promote respect for the personal and family life of professionals and facilitate the achievement of an optimal balance between the latter and work responsibilities;
- b. establish effective ways to make flexible the conditions for providing services, especially with regard to time and place of work, and which allow for the better adjustment thereof to the various situations that may arise in the private life of professionals;
- c. maintain commitments to external institutions, making an effort to honour the commitments assumed in order to obtain and maintain all certifications and awards given to the Group's companies in connection with reconciliation and equality;
- d. favour the hiring of those suppliers that have internal measures favouring the reconciliation of personal and working life of their personnel; and
- e. address with due measures of reconciliation, among others, the situations of single, married, domestically partnered, divorced, separated, widowed and plurally cohabiting persons, with or without children, and with any other particular family or emotional circumstances, including the specific bond arising with animal companions, as living sentient beings.

## 11. Main Principles of Conduct in connection with Respect for Private Life and Digital Disconnection

The most recent organisational dynamics and the implementation of new technologies promote organisational efficiency, but at the same time blur the limits between the time dedicated to work and private life. As set forth in this *Policy*, the priority of the Group's companies is for their professionals to be able to fully develop their personal life in a way that is compatible with, and enriches, their work activities.

For these purposes, this *Policy* establishes certain guidelines that allow for the effective separation of the personal and work spheres, with special attention paid to the disconnection from digital devices, without favouring or discriminating against professionals, based on the following main principles of conduct:

- a. Promote the most appropriate digital disconnection guidelines intended to encourage respect for rest time and facilitate the full development of a professional's personal life outside working hours and with the least possible interference from their professional obligations, which should only occur when the need is justified.
- b. Establish the standards for disconnection, which should take into account the specific situation of the different groups of professionals, particularly including: (i) those who must make themselves particularly available due to their high level of responsibility, their engagement in work covering territories in different time zones, or their state of preparedness to meet unpredictable needs, and (ii) those who engage in their work completely or predominantly from a distance, and particularly from their homes.

In this latter case, standards should be defined to ensure full respect for personal life and disconnection from work responsibilities, without prejudice to the business powers to control work and the required flexibility in working hours.



These guidelines for disconnection should be diverse based on the responsibilities of the different workforce groups and should cover the multiple and varied digital communication and information instruments supplied to professionals for the performance of work, particularly mobile devices, computers and tablets enabled for remote work or that receive professional e-mails.

## 12. Global Workplace Safety and Health System

Recognising the importance of workplace safety and health risks, the Board of Directors commits to taking the actions required to provide safe and healthy conditions for the prevention of work-related injuries and physical or mental health impairments that are suited and adjusted to the purpose, size and context of each organisation and to the specific nature of the risks for professionals within the Company and the other companies of the Group, as well as in its spheres of influence, thereby contributing to the achievement of goals three and eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The *Occupational Safety and Health Risk Policy* is intended to establish a common framework for the control and monitoring of workplace safety and health risks within the general guidelines determined in the *General Risk Control and Management Policy*, and contains the main principles of conduct of the Group's companies in this area.

Group-level commitments in this area are advanced through a number of instruments, including the development and implementation of a system of global standards for physical and mental safety and health, including emotional and social well-being, that determine minimum levels and ensure the harmonisation of the standards applied at all companies of the Group.

All of the foregoing such that the various levels of the organisation are aware of the importance of workplace safety and health in the planning and subsequent implementation of the actions of the Group's companies, and that all professionals contribute with their daily work to the achievement of the goals set in this field.

## 13. Main Principles of Conduct in connection with Well-Being

In line with the encouragement and promotion of well-being among professionals, the Company will provide them with tools and protocols to minimise the possibility of burnout, work-related stress or anxiety, as well as means to enable them to generate resilience in the face of adversity, whether work-related or personal.

The main principles of conduct that shall guide the Group's companies in this area are:

- a. recognise that the work culture and environment contribute significantly to the ability of professionals to make healthy lifestyle choices, as well as to raise awareness of the importance of physical health in the personal and professional sphere;
- b. advocate for a healthy lifestyle that is not limited to the occurrence of disease, but promotes physical, mental and emotional well-being, encouraging professionals to regularly engage in physical activity and reduce sedentary practices, providing access to healthy food choices, assisting in the process of avoiding bad habits, and promoting motivating work environments;
- c. prepare co-working spaces that facilitate collaboration and interaction among the professionals of the Group's companies, that stimulate the raising and discussion of initiatives and ideas, and that engage them in the activities of the Group's companies;
- d. promote team-building actions aimed at generating a pleasant, stimulating and trusting atmosphere among professionals, improving existing links with the goal of creating a cohesive and motivated team; and
- e. facilitate access to physical, mental and emotional health initiatives by promoting choices that improve collective health.

## 14. Work Ethics

The Board of Directors has approved a *Code of Ethics* that sets forth the main principles of conduct required of the various companies of the Group and of all their professionals and management team, regardless of their job category, their geographic or functional location, or the company of the Group at which they work, except in the case of professionals of listed country subholding companies that have approved their own *Code of Ethics* in accordance with their internal rules, and the dependent companies thereof, to which this latter code shall apply.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





The Compliance Unit has the duty to disseminate, interpret and inform the appropriate bodies of the level of compliance with the *Code of Ethics*.

The compliance units of the Group's companies shall apply the *Code of Ethics* (or the specific code of their country subholding or head of business company) within their respective purviews.

## 15. Main Principles of Conduct in connection with Corporate Volunteerism

The companies of the Group shall develop corporate volunteering programmes and campaigns that promote the participation of their professionals in community service actions, the goal of which is to put into practice the provisions of the *Purpose and Values of the Iberdrola Group* and the *General Sustainable Development Policy* as regards improving the quality of life of people, looking after the environment and sustainable development, as well as universal access to energy and the elimination of hunger, including collection campaigns that seek to respond to social needs. These corporate volunteering campaigns and programmes are thus an additional means for contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

Said programmes and campaigns shall be guided by the following main principles of conduct:

- a. contribute to social well-being and community service;
- b. strengthen a sense of belonging to the Group and improve the labour climate;
- c. contribute to the ethical training of professionals, channelling their spirit of community service to the benefit of the communities in which the Group's companies are present; and
- d. promote the values of participation, commitment, responsibility and teamwork.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 19 March 2024.



# 3. Diversity and Inclusion and Anti-Harassment Policy

19 March 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 18/04/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, aware of its commitment to the workforce as its main strategic asset and the key to its business success, and in accordance with the provisions of the *Policy on Respect for Human Rights* and the *People Management Policy*, the Board of Directors hereby approves this *Diversity and Inclusion and Anti-Harassment Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* seeks to create a fair and respectful working environment by establishing measures that promote equal opportunity, foster the diversity and inclusion of the professionals of the Group’s companies, and contribute to the eradication of conduct contrary to the values of the Iberdrola Group’s companies and to the ethics-based culture thereof, all in accordance with applicable law in each country and following best international practices, including the provisions of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) in these areas.

The management of diversity and fostering of inclusion are key elements of the Iberdrola Group’s business strategy.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. Definitions

- **Harassment** is defined as unwanted verbal or physical conduct of a moral or sexual nature that is intended to or has the effect of attacking the dignity of a person or creating an intimidatory, hostile, degrading, humiliating or offensive environment for such person. Examples of conduct that is deemed to be harassment include but are not limited to derogatory impersonations of a person, sexual advances, imitations of the effects of a

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



disability, disrespectful comments, racist, degrading or offensive gestures or images, the use of homophobic, transphobic or biphobic language, and ridiculing someone's religion or beliefs.

- **Discrimination** is any distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national background or social origin that has the effect of nullifying or impairing equality of opportunity or treatment in the workplace.
- **Diversity** is the set of visible and non-visible characteristics that make people unique and singular, that is, the richness that each person contributes thanks to their variety.
- **Fairness** means distinct treatment as regards specific situations, always with the purpose of achieving equality in the exercise of rights.
- **Equality** means that all persons have the same rights, resources and opportunities regardless of any particular status.
- **Inclusion** is the recognition and appreciation of the different perspectives that each individual can contribute, generating opportunities so that everyone can realise their full potential and also fostering a sense of belonging that means they feel valued and part of a group or community.

## 4. Main Principles of Conduct in connection with Equal Opportunity

To achieve the aforementioned objectives and commitments in the area of equal opportunity, the following main principles of conduct that must govern the labour relations of the companies making up the Group are adopted and promoted:

- a. ensure non-discrimination among its professionals and positioning against any conduct or practice associated with prejudice on grounds of nationality, ethnic origin, skin colour, marital status, family responsibilities, religion, age, disability, social status, health, gender, sexual orientation, gender identity and expression, or any other condition or characteristic of a person that is not related to the requirements to perform their job;
- b. guarantee the quality of employment, fostering the maintenance of stable and high-quality jobs, with fair salaries and occupational contents that guarantee a continuous improvement in the abilities and skills of professionals;
- c. in line with the *Policy on Respect for Human Rights*, guarantee the internationally established rights of freedom of association in order to preserve the choice of each person in their relationship with trade unions and the conduct of these organisations in the defence of their legitimate interests;
- d. attract and choose the best professionals by means of selection tools and systems based on the knowledge and abilities of the candidates;
- e. ensure that professionals are properly integrated into their workgroup, establishing fair remuneration conditions based on their job position;
- f. standardise working conditions and the benefits received by part-time and full-time professionals;
- g. ensure the education and training of all professionals in the knowledge and skills required for the proper performance of their work;
- h. use of neutral and objective criteria related to merit, ability and performance to assess, recognise and remunerate its professionals;
- i. endeavour to ensure that the artificial intelligence systems used in the processes relating to the selection, hiring, management of labour relations, training and promotion of professionals are developed and used in a way that promotes equality at the same time as eliminating biases with discriminatory effects and unfair prejudices, and permit adequate tracking and transparency, ensuring that users are aware that they are communicating or interacting with an artificial intelligence system, pursuant to the provisions of the *Policy on the Responsible Development and Use of Artificial Intelligence Tools*; and
- j. promote the organisation of working conditions, allowing for the reconciliation between personal and working life of all professionals employed by the Group's companies and protecting them in situations such as pre-adoption and adoption.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 5. Main Principles of Conduct in connection with Diversity and Inclusion

The Company shall adopt the following measures to promote diversity and inclusion, understood as an organisational value and a differentiating competitive element:

- a. promote an organisational culture and management processes that enable all professionals of the Group's companies to contribute their knowledge, experiences and abilities, regardless of any personal or social conditions or circumstances;
- b. reinforce the commitment of the Group's companies to equality, especially gender equality, both within their respective organisation and in the communities in which they have a presence, and raise awareness on this matter in both spheres;
- c. strive to achieve a balanced representation of gender within the various decision-making bodies and levels, guaranteeing participation in all consultative and decision-making areas of the Group's companies on the basis of equal opportunity;
- d. propose affirmative action measures and measures to recognise those who contribute to correcting inequalities that appear and to promote access and progress by the less represented gender;
- e. promote programmes of collaboration with educational institutions to encourage the presence of the less represented gender in careers and training programmes relating to the businesses carried out by the Group's companies;
- f. protect pregnancy, childbirth and post-delivery as specific situations of the female group, avoiding negative repercussions thereof on their professional career, as well as incentivise co-parenting between women and men;
- g. collaborate in the fight against gender violence through the establishment of specific programmes that include measures of protection, support and information for victims;
- h. promote physical and technological accessibility and support professionals with disabilities, encouraging the effective occupation thereof;
- i. recognise that the international character of the companies making up the Group and the contribution made by people of different origins, races and ethnicities represents a source of enrichment, which is maintained and encouraged;
- j. facilitate the internal mobility and interaction of professionals to create networks and teams that take advantage of this multiculturalism;
- k. incentivise coexistence and the exchange of knowledge between different generations as a source of continuous enrichment and innovation;
- l. implement measures to encourage integration and well-being and increase pride at belonging to different groups;
- m. foster an inclusive culture based on respect and collaboration;
- n. include content in leadership programmes that encourages better decision-making in processes related to people management and contribute to a more diverse business and a more inclusive culture;
- o. foster inclusive communication, both internally and externally, reflecting the diversity of the persons forming part of the Company and the Group;
- p. inform and communicate to the communities in which the companies of the Group do business their commitment to diversity and inclusion, so as to make them more attractive to different groups; and
- q. standardise working conditions and the benefits received by part-time and full-time professionals.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 6. Main Principles of Conduct to Prevent Harassment and Discrimination

The Company has a firm commitment to prevent and combat harassment and discrimination, and shall adopt the following measures for this purpose:

- a. foster a preventive culture as regards any expression of any form of workplace violence, intimidation or harassment, through dissemination, education and training activities that occur with sufficient regularity to ensure up-to-date knowledge in this area;
- b. encourage leaders to set an example within their purviews, promoting a respectful and healthy working environment;
- c. zero tolerance towards any conduct that involves intimidation or harassment;
- d. implement solutions and measures to safeguard the well-being of the persons affected by such behaviours, guaranteeing that there will be no retaliation; and
- e. adopt the measures that are necessary, including such disciplinary measures as are deemed appropriate, if applicable.

## 7. Instruments

In order to achieve the objectives set out in this *Policy*, the Company has the rules established in the Governance and Sustainability System, particularly in the *Compliance and Internal Reporting and Whistleblower Protection System Policy*, in addition to the Diversity and Inclusion Division of the Company (or such division as assumes the duties thereof at any time), which is responsible for implementing, monitoring and verifying compliance with this *Policy*.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 16 December 2008 as the *Equality and Reconciliation Policy*. It subsequently approved a *Diversity and Inclusion Policy* as a result of the Company's pioneering spirit and the ongoing review of the Governance and Sustainability System. On 19 April 2021 the Company's Board of Directors approved the consolidation of the *Diversity and Inclusion Policy* and the *Equal Opportunity and Reconciliation Policy*, creating this single policy, which was last amended on 19 March 2024, and which was renamed the *Diversity and Inclusion and Anti-Harassment Policy*.

# 4. Selection and Hiring Policy

19 March 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 18/04/2024.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, aware that the strategic goals at the Group level could not be achieved without the support of a well-qualified, diversified and motivated workforce, and in compliance with the provisions of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Selection and Hiring Policy* (the “**Policy**”), the text of which shall be interpreted in accordance with the *Diversity and Inclusion and Anti-Harassment Policy* and is consistent therewith.

## 1. Purpose

The purpose of this Policy is to further the contribution to Sustainable Development Goals (SDGs) five and eight approved by the United Nations (UN), promoting economic and sustainable growth, as well as equality of opportunity in all of the selection and hiring processes of the Group’s companies.

The success of the business enterprise is critically dependent upon attracting, selecting and retaining the best talent in order to engage professionals with the skills, knowledge, abilities and behaviour reflected in the *Purpose and Values of the Iberdrola Group* and in the *Code of Ethics*, thus attending to current and future needs of the Group’s companies, all in accordance with applicable law and the best professional practices.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. Main Principles of Conduct

To achieve the aforementioned goals, the following main principles of conduct that must govern the selection and hiring activities of the companies comprising the Group are adopted and promoted at the Group level:

- a. develop an overall framework to harmonise talent recruitment, selection and hiring procedures within the companies of the Group that guarantees the ability to integrate, motivate and retain the best talent, as well as to uphold the legal and ethical principles expected from a trusted company, consistent and aligned with the

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



*Purpose and Values of the Iberdrola Group* and with the principles of the *Code of Ethics*. For these purposes, said overall framework must:

- comply with applicable labour laws in each country;
  - valuing and promoting internal talent;
  - establish the conduct necessary to eliminate biases and barriers that prevent equal access to professional opportunities;
  - ensure that selection is carried out exclusively on the basis of merit and capability, including all candidates meeting the knowledge, aptitudes, abilities and skills profile required for the various positions and guaranteeing equal treatment throughout the process; and
  - guarantee absolute confidentiality to all candidates, in accordance with personal data protection laws and regulations;
- b. take care that the selection and hiring processes are objective and impartial and that the hiring of the most qualified candidates is prioritised, avoiding any interference in the selection processes;
  - c. ensure that during the talent recruitment and selection process, candidates are provided with an experience that prioritises clear communication, frequent feedback, an efficient process and a reliable infrastructure;
  - d. encourage the access of young people to their first job through scholarship programmes, programmes for graduates and other agreements;
  - e. present to the candidates an attractive and comprehensive job offer of value based on equal opportunity, diversity and inclusion, and made up of competitive remuneration, a broad offer of professional training and development, a healthy, safe, diverse and inclusive work environment, contribution to the business enterprise, and measures facilitating reconciliation between personal and working life, seeking for the experience of the candidates during the selection process and their subsequent integration within the companies of the Group to be completely satisfactory;
  - f. promote the hiring of its professionals using stable contracts;
  - g. communicate the purpose and values of the Group's companies to the candidates and respond to their concerns relating to the selection process; and
  - h. favour the hiring of people from groups that are excluded or with less easy access to the labour market, and those with disabilities.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 11 March 2008 and was last amended on 19 March 2024.

# 5. Knowledge Management Policy

20 June 2023

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 20/07/2023.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, aware that intellectual capital constitutes a basic pillar for the creation and protection of the Company’s value, and in compliance with the provisions of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Knowledge Management Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish guidelines for the dissemination and sharing of existing knowledge within the boundary of the Group and promote continuous learning and cultural exchange, so as to enhance operational efficiency through the proper use of intellectual capital and encourage initiatives, procedures and tools that allow for the actual and effective use of this intellectual capital, always furthering the interests of the Company and of the companies belonging to the Group, without prejudice to specific policies that may be established at particular companies of the Group.

In a world in which traditional production assets are ever more accessible, intellectual capital is the asset that marks the differences between companies that are competitive and those that are not; between companies that sustainably create value and those that gradually lose their capacity to generate wealth; and between companies that are able to act as a lever for social change and transcend purely financial objectives.

The intellectual capital of the Company depends to a large extent on all of its people, but also depends on its operational and organisational structures and on internal and external relations with all Stakeholders. Organisational and personal training must therefore be permanent and ongoing, and must be in line with the strategy established at the Group level.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



### 3. Main Principles of Conduct

To achieve the aforementioned goals, the following main principles of conduct that must inform all of the knowledge management activities of the companies that make up the Group are adopted and promoted at Group level:

- a. Think of the Group as a system made up of connections among people and working groups as a key lever for talent development. The knowledge of each person or group must be identified and accessible to all, generating a multiplier effect, so as to produce knowledge-based operational leverage. For this reason, it is especially important to identify where critical knowledge resides within the organisation.
- b. Recognise the value of the existing knowledge within the Group's boundary and boost its development as a key value-creation tool, promoting a business culture that encourages the dissemination of this knowledge.
- c. Promote working methods and environments that favour the sharing of ideas and knowledge.
- d. Structure an intelligent organisation, with the capacity for ongoing learning, innovation and digital transformation.
- e. Recognise different forms of knowledge and promote diverse and inclusive knowledge.
- f. Establish a line of work to constantly improve the initiatives and the application thereof at all of its business units.
- g. Align knowledge management with the skills and requirements set out in the strategy established at the Group level.
- h. Define the required models of management, measurement, processes, systems and documentation by integrating the vision of the various business units in order to understand and develop mechanisms to ease the flow of knowledge within the existing organisational structure, within a secure environment. This allows for the sharing of experiences and ensures that constant attention is given to the operation of the organisation as a whole, thus contributing to the achievement of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).
- i. Foster the sharing of the existing knowledge within the Group's boundary to the greatest extent possible, putting in place the necessary resources to enable the development and internal dissemination thereof through communication, awareness-raising and training, as well as the efficient use thereof. This shared intelligence is creative and innovative, and greater than the mere sum of the individual intellectual capabilities involved, thus multiplying internal talent. Emphasis will be placed on the creation and enhancement of organisational connections (networks), as well as on team cohesiveness, in line with the values established at the Group level.
- j. Evaluate the intellectual capital existing at the Group's companies in a consistent and sustained manner over time, in order to be able to assess the effectiveness of the initiatives implemented under this *Policy*, correct defects and develop new activities.
- k. Implement actions for improvement to bring the Group's companies ever closer to excellence in knowledge management.
- l. Preserve the financial value that knowledge and business information represent for the companies of the Group, thereby protecting their businesses and, consequently, the value of the Iberdrola brand.
- m. Respect the intellectual and industrial property rights of third parties in the management of knowledge.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 16 December 2008 and was last amended on 20 June 2023.





# Book Five - Corporate Governance



# Content

## Introduction to Book Five - Corporate Governance 132

### Part I. Corporate Governance and Regulatory Compliance Policies 138



















1. General Corporate Governance Policy	  	139
2. Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation		151
3. Brand Policy		157
4. Statutory Auditor Contracting and Relations Policy		159
5. Iberdrola Group Financial Information Preparation Policy		165
6. Iberdrola Group Non-Financial Information Preparation Policy	 	168
7. Compliance and Internal Reporting and Whistleblower Protection System Policy	  	171
8. Anti-Corruption and Anti-Fraud Policy	 	178
9. Competition Law Compliance Policy	 	181
10. Corporate Tax Policy	 	184
11. Personal Data Protection Policy	 	188

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

**Part II. Resiliency, Innovation and Transformation Policies****192**

1. Operational Resiliency Policy	 	193
2. Innovation Policy		196
3. Quality Policy		199
4. Policy on the Responsible Development and Use of Artificial Intelligence Tools	 	201
5. Corporate Security Policy		204

**Part III. Risk Policies****207**

1. General Risk Control and Management Policy		208
2. Corporate Risk Policies		213
Corporate Credit Risk Policy		213
Corporate Market Risk Policy		213
Operational Risk in Market Transactions Policy		213
Insurance Policy		214
Investment Policy		214
Financing and Financial Risk Policy		214
Treasury Share Policy		215
Risk Policy for Equity Interests in Listed Companies		215
Purchasing Policy	   	215
Information Technology Policy		216
Cybersecurity Risk Policy		216
Reputational Risk Framework Policy		217
Occupational Safety and Health Policy	 	217
3. Specific Risk Policies for the Various Group Businesses		220
Risk Policy for the Networks Businesses of the Iberdrola Group		220
Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group		221
Risk Policy for the Real Estate Business		222

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



<b>Part IV. Governance Rules of the Corporate Decision-Making Bodies and other Functions and Internal Committees</b>		<b>223</b>
1. Regulations of the Audit and Compliance Committee of Iberdrola España, S.A.U.	ED C	224
2. Basic Internal Audit Regulations	ED C	236
3. Regulations of the Compliance Unit of Iberdrola España, S.A.U.	ED C	244
4. Code of Incompatible Activities of Iberdrola Group Spain Companies with Regulated Activities	ED C	260

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# Introduction to Book Five - Corporate Governance



1. The Governance and Sustainability System constitutes the internal regulatory framework for the Company and is established in the exercise of the corporate autonomy that the law supports to ensure the preservation of its identity, the realisation of its purpose and of its values and the achievement of its business ends and goals through its rules.
2. As befits the maturity of the Governance and Sustainability System, the corporate policies of the Iberdrola group are characterised by their development, conjunction, and extension, as well as by their function to link and specify the ideological and axiological content of their purpose and values in guidelines and criteria for action that rationalise management decisions and constitute an essential part of such Governance and Sustainability System.
3. They thus entail a sensible limitation of the discretion that the directors and professionals of Iberdrola must have in the performance of their duties, thereby defining safe lines of action within the framework of the respect for and observance of human rights, the contribution to the achievement of the Sustainable Development Goals approved by the United Nations, the compliance with ESG (*Environmental, Social and Governance*) requirements and with the goals established by the Paris Agreement and the 2030 Agenda for Sustainable Development of the United Nations, which, if adhered to, can lead to the prima facie presumption of approval for and suitability of the corresponding actions with the *Purpose and Values of the Iberdrola group* and corporate interest of IBERDROLA, S.A., shared by all companies of the Group, whose materialisation and fulfilment they contribute to.
4. The Company aspires for both its own conduct as well as that of the people connected therewith to be consistent with and conform to not only the requirements or demands established by applicable rules and laws, but also, beyond this minimum required level, to the entirety of its own Governance and Sustainability System, which includes the best practices generally accepted in the international markets in the area of good corporate governance, compliance and transparency.
5. They are, therefore, of particular relevance in the internal organisation of the Company, not only because of the above, but also because of its structure and organisation, its international nature and dimension, and its nature as [*subholding company/head of business companies*].
6. The policies and rules contained in this Book Five of the Governance and Sustainability System are structured into four parts: (i) corporate governance and regulatory compliance policies; (ii) resiliency, innovation and transformation policies; (iii) risk policies; and (iv) rules on governance of the corporate decision-making bodies and other functions.
7. The corporate governance and compliance policies, play a fundamental role in the internal organisation and the correct performance of each Company Within the framework of the law, ethical principles and the *By-Laws*, they define the directives and guidelines for conduct in which the *Purpose and values of the Iberdrola Group* and the sustainable development strategy take shape, and guide the conduct of the shareholders, directors and professionals of the Company and its subsidiaries to which they apply and its commitment to the Stakeholders. They also reflect the Company's effective, autonomous, independent and robust Compliance System, with ethical principles, and with ongoing monitoring and penalization of improper conduct and accts that are illegal or contrary to law or the Governance and Sustainability System.
8. The resiliency, innovation and transformation policies establish rules and develop instruments that enable IBERDROLA, S.A. and the other companies of the Group to continue to be leaders in innovation within the energy sector, as well as to strengthen their competitiveness through efficiency and to reinforce their sustainable growth model, in addition to establishing the main principles and guides of conduct that are to govern within the boundary of the Group in terms of security and operational resiliency.
9. For their part, the risk policies are those referring to actions preventing and mitigating all risks that affect the performance of the Company's broad and ambitious business project, and which are therefore extensively dealt with, covering a wide range of issues and conduct, establishing standards for a multiplicity of risks, from corporate to business, including financial risks, security risks and reputational risks.
10. The governance rules of the corporate decision-making bodies and other internal functions establish the rules of operation of the main corporate bodies of the Company, in accordance with its nature and characteristics as a *subholding company*. Based on the corporate configuration of the Iberdrola Group contained in the *By-Laws* and always with a view to the best compliance with an implementation of the *Purpose and Values of Iberdrola Group*, these rules seek the primary goal of regulating the most appropriate levels and most suitable procedures for the correct operation of the Company and its bodies, defining the composition, powers and operating regime, as well as the rights, duties and obligations of their members.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

























11. The corporate governance, regulatory compliance and risk rules and policies that make up this book are binding, to the extent applicable thereto, on the corporate decision -making bodies and other internal committees of the Company, its directors, its professionals and, in general, on all persons who may be validly bound by them or, as the case may be, act or interact with the Company.
12. Like the rest of the Governance and Sustainability system, Policies and rules contained in this fifth book are subject to a process of continuous review, adaptation and constant improvement in order to update them to the context in which the Company and the Group carry out their business activities, the applicable law and the best applicable practices.

Bilbao, 13 March 2024.

The Board of Directors of Iberdrola España S.A.U.



# Part I. Corporate Governance and Regulatory Compliance Policies

1.	Corporate Governance Policy	  	139
2.	Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation		151
3.	Brand Policy		157
4.	Statutory Auditor Contracting and Relations Policy		159
5.	Iberdrola Group Financial Information Preparation Policy		165
6.	Iberdrola Group Non-Financial Information Preparation Policy	 	168
7.	Compliance and Internal Reporting and Whistleblower Protection System Policy	  	171
8.	Anti-Corruption and Anti-Fraud Policy	 	178
9.	Competition Law Compliance Policy	 	181
10.	Corporate Tax Policy	 	184
11.	Personal Data Protection Policy	 	188

# 1. Corporate Governance Policy



19 December 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 16/02/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In the exercise of these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and its sustainable development strategy, the Board of Directors hereby approves this *Corporate Governance Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish the general corporate governance strategy and commitments of both the Company and the other companies of the Group, based on the application of the highest ethical standards and upon compliance with the good governance recommendations generally recognised in international markets, adjusted to their needs and particularities.

All of the companies of the Group conceive of corporate governance as an element in service of the corporate interest, which the Company conceives as the common interest of all shareholders of an independent company focused on the creation of shared sustainable value by engaging in the activities included in its corporate object, taking into account its other Stakeholders related to its business activity and its institutional reality, in accordance with the *Purpose and Values of the Iberdrola Group* and the bylaw-mandated commitment to a social dividend, and particularly to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The Company requires and hopes that its shareholders and other persons holding rights or interests in shares of the Company, and, to the extent applicable, intermediary and management institutions or depositaries, respect and comply with the provisions of this *Policy* in their relations therewith.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social, corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this Policy does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. General Principles of the Corporate Governance Strategy

In order to achieve the objectives relating to the corporate governance strategy, the Company accepts and promotes the following general principles of conduct in each of the areas indicated below:

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- a. Shareholders: the Company considers the continuous, permanent, effective and sustainable engagement of its shareholders in corporate life to be a primary objective, and it proactively and constantly seeks two-way interaction with the Company's shareholders in order to encourage their sense of belonging through direct, fluid, constructive, ongoing, effective and inclusive dialogue with them that helps align their interests and those of the Company, in accordance with the *Shareholder Engagement Policy*.

Within the framework of the corporate interest, the Company takes specific and measurable financial and non-financial objectives into account in its strategic planning that always seek to improve profitability and to create value sustainably for the shareholders.

The Governance and Sustainability System also contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of the companies of the Group that are not wholly owned, to the extent that they may not be fully aligned with those of the Company.

- b. Separation of duties and decentralised management within the organisation: a configuration is established based on a separation of the duties of day-to-day and effective management from those of defining strategy and supervision, with a decentralised structure inspired by the principle of "subsidiarity" and respect for the corporate autonomy of the companies that comprise the Group.

The Company scrupulously respects the legal and functional separation of regulated companies and the autonomy that other companies of the Group should have, especially those that are listed, for this purpose providing specific mechanisms and procedures to prevent, identify and resolve conflicts of competition and interest, whether of an exceptional or a structural and permanent nature.

- c. Regulatory compliance and ethics: the Company endeavours to ensure compliance with law and the Governance and Sustainability System, as well as the ethical principles, particularly those set forth in the *Code of Ethics*, promotes a preventive culture based on the principle of "zero tolerance" towards improper conduct and acts that are illegal or contrary to law or said Governance and Sustainability System, on the one hand, and on the other the application of ethical principles and principles of responsible behaviour that should govern the conduct of all members of the management decision-making bodies, of the professionals and of the suppliers of the Company and of the other companies of the Group.

It is for this reason that the Company has its own effective, autonomous, independent and robust Compliance System consisting of a structured set of rules, formal procedures and substantive actions intended to ensure that the Company acts in accordance with ethical principles, the law and internal rules, particularly the Governance and Sustainability System, to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the directors, professionals or suppliers thereof within the organisation.

The Compliance Unit, a collective permanent and internal body linked to the Company's Sustainable Development Committee, is responsible for proactively and autonomously endeavouring to ensure the implementation and effectiveness of said Compliance System. It has the broadest powers, budgetary autonomy and independence of action to meet its goals.

The Company's Compliance Unit and the compliance units and functions of the other companies of the Group exercise their powers under principles of coordination, cooperation and information, particularly complying with the provisions of the Governance and Sustainability System in relation to the decentralisation of the effective management of the businesses and the corresponding individualisation and separation of the responsibilities of each of the companies comprising the Group.

As regards data protection, the Company has a specific policy that endeavours to ensure compliance with applicable legal provisions, particularly ensuring respect for the rights to reputation and to privacy in the processing of the various categories of personal data.

As regards taxation, the Company's *Corporate Tax Policy* is based on the concept that the taxes that the companies of the Group pay in the countries and territories in which they do business are their main contribution to the funding of public expenditures and, accordingly, one of their main contributions to society.

The Company's tax strategy consists basically of ensuring compliance with applicable tax laws and regulations and seeking to establish an appropriate coordination of the tax practices followed by the companies within the Group, all within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.



- d. Promotion of diversity: the Company seeks an appropriate balance in the composition of the Board of Directors, as well as regular staggered renewal, and endeavours to ensure a diversity of skills, knowledge, experience, origins, nationalities, age and gender among its members as a reflection of the social and cultural reality of all companies of the Group.
- e. In the area of remuneration, the Company articulates its *Director Remuneration Policy* and its *Senior Management Remuneration Policy* on principles that combine motivation, loyalty-building and the objective evaluation of management and performance with dedication and achievement of the individual goals and results of the Company and the consolidated goals and results at the Group level, within the context of their international activities.
- f. Transparency: the Governance and Sustainability System entrusts to the Board of Directors the highest-level supervision of the information provided to shareholders, institutional investors and the markets in general, safeguarding, protecting and facilitating the exercise of their rights and interests within the framework of the defence of the corporate interest, endeavouring to ensure truthfulness, promptness, usefulness, clarity, reliability, symmetry and respect for the principle of equal treatment in the dissemination of information.

The Company ensures that its financial information, which it must regularly publish, presents in all material respects a true and fair view of its equity, financial position and results as provided by law, and the *Iberdrola Group Financial Information Preparation Policy* establishes a number of principles for the preparation of consolidated information that must be observed and followed by the companies of the Group.

Pursuant to the provisions of the *Iberdrola Group Non-Financial Information Preparation Policy*, the Company also prepares and discloses relevant and reliable non-financial information regarding its performance and activities to the extent applicable. In particular, the statement of non-financial information, which is formulated by the Board of Directors and, after independent verification, is approved by the shareholders at the General Shareholders' Meeting, seeks to reflect the Company's environmental, social and corporate governance performance, as well as the social dividend generated and shared with its Stakeholders.

The general communication strategy for financial, non-financial and corporate information through the information and communication channels provided for in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* contributes to maximising the dissemination and the quality of the information available to the market, to shareholders and to the financial community, and to other Stakeholders.

- g. The Iberdrola brand, a hallmark of the Company's identity and one of its strategic assets in the economic, social, environmental and corporate governance dimensions, it works to ensure that it is protected and used as a lever contributing to the reputation and success of the businesses of the Group's companies.

The brand also contributes to the two-way interaction of the Company with its shareholders and fosters engagement in corporate life by the shareholders and other Stakeholders, the expectations of whom the Company includes in its strategy and are taken into account in the management of corporate reputation.

- h. Innovation: the Company conceives of innovation as a strategic variable that affects all of its businesses and activities, including its corporate governance practices. This strategic objective permeates the entire organisation and affects all issues of order and operation of the Group's companies and of its corporate decision-making bodies.

## 4. Commitments in Relations with the Company's Shareholders

The Board of Directors has recognised a strategic goal of paying continuous attention to the transparency of information and of relations with its shareholders and with institutional investors, which are governed by the provisions of law and the Governance and Sustainability System and, specifically, by the principles set out in the *General Sustainable Development Policy*, in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* and in the *Shareholder Engagement Policy*.

For their part, shareholders must exercise their rights vis-à-vis the Company and other shareholders, and must comply their duties, acting with loyalty, in good faith and transparently, within the framework of the corporate interest as the paramount interest ahead of the private interest of each of them and in accordance with law and with the Governance and Sustainability System, to the extent applicable thereto.



The Company desires and aspires for shareholders to act with entire transparency vis-à-vis the Company and the other shareholders, reporting the terms and conditions associated with the acquisition and holding of financial, voting and related rights, without prejudice to their legal duty to disclose significant interests, the identity of the ultimate and actual owner of the Company shares, any other securities entitling the holders to acquire or subscribe for shares or other interests therein, as well as the voting rights that may be exercised by them. It is also expected that they disclose the status or capacity in which they hold such shares, securities, rights or interests.

Specifically, every shareholder and every holder of an interest in shares of the Company or of voting rights therein, even if not a shareholder, must be prepared, as an expression of the holder's commitment to transparency and the corporate interest, to disclose and provide to the Company specific, full and accurate information on the aspects described below:

- a. In the event of the acquisition of voting rights representing a percentage equal to or greater than one per cent of the share capital or total voting rights, whether the holder is also the full owner of the respective shares or has assumed the risk and peril thereof, as well as the type of instrument used for such acquisition.
- b. In the event that any agreement is executed or any kind of financial instrument is acquired that grants the right to acquire or transfer shares, interests in shares or voting rights or to exercise or control the exercise of voting rights of the Company representing a percentage of the share capital or of voting rights equal to or greater than one per cent, whether individually or in the aggregate, the terms and conditions of such agreement or instrument.
- c. In the event that the threshold of ten per cent and successive multiples of five per cent of the share capital or of voting rights is exceeded, whether the holder has a plan to acquire control of the Company or intends to continue to acquire shares, interests in shares or voting rights, and the periods during which the holder intends to do so. The holder must also be willing to provide information regarding the funds allocated to the acquisition of the shares, interests in shares or voting rights, charges and encumbrances created on the foregoing and any additional information that may be relevant to assess the nature of the interest acquired. In addition, the holder must also report any intention of influencing the composition of the Board of Directors of the Company, its strategy or its financial or management policies. Finally, the holder must report any subsequent changes with respect to what was previously reported.
- d. In the event that the formal owner of the shares, of the interests in shares or of the voting rights holds such status in a fiduciary or any other similar capacity, to disclose to the Company the name of the ultimate and actual owners of the shares, interests in shares or voting rights.

## 5. Commitments regarding Separation of Duties and Checks and Balances

### 5.1. The Board of Directors

The Board of Directors, the body with the broadest powers to administer the Company, focuses its activity on approving strategic goals at the Group level, on defining its organisational model, and on supervising compliance therewith and further development thereof. In the performance of its duties, it pursues the corporate interest and acts with unity of purpose and independent judgement, affording equal treatment to all shareholders in the same situation.

It is composed of persons with recognised prestige and professional competence, who act with independent judgement in the performance of the duties inherent to their position. The composition thereof seeks a diversity of skill, knowledge, experience, origin, nationality, age and gender, such that decision-making is enriched and multiple viewpoints are contributed to the discussion of matters within its purview.

The stability of the Board of Directors is a primary objective. Therefore, the Company has adopted a number of measures so that each year the shareholders at the General Shareholders' Meeting decide on the appointment or re-election of approximately one-fourth of the directors.

The Company also has a succession plan for non-executive directors, which attempts to ensure that the renewal thereof occurs on a staggered and orderly basis, anticipating expected vacancies (due to reaching the indicative age of seventy years established for these directors as the age after which the Board of Directors will evaluate the continuation thereof or due to exceeding twelve years of continuous time in office, which means that they cannot be classified as independent).

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



In addition, the Board of Directors has approved succession plans for the executive chairman of the Board of Directors & for the chief executive officer, which shall apply respectively if they give early notice of their desire to resign from their position, or in the event of their cessation in office due to non-occasional and unexpected non-availability.

The text of these succession plans, together with that of other rules of self-organisation of the Board of Directors, is set out in Annex I to this *Policy*.

Finally, both the executive chairman of the Board of Directors and the chief executive officer as well as the members of senior management and the persons holding key positions have a person who can replace them in their duties in the event of a limited absence. Each of the replacements has been chosen based on the personal and professional competence thereof.

## 5.2. Positions on the Board of Directors

### a. Chairman of the Board of Directors

The chairman of the Board of Directors has the status of executive chairman and reports to the Board of Directors.

The chairman exercises the power of representation of the Company in his individual capacity, the senior management thereof, leadership of the Board of Directors (leading its debate and endeavouring to ensure the proper operation of the Board of Directors as well as of the Executive Committee, which he also chairs) and the other powers vested therein by the Board of Directors, the Governance and Sustainability System and the law.

In his capacity as executive chairman, he also assumes all duties not expressly assigned by the Board of Directors to the chief executive officer.

The areas, divisions and positions that do not report to the CEO or other specific bodies report to him.

### b. Chief Executive Officer

The chief executive officer holds the powers delegated by the Board of Directors in accordance with law and the Governance and Sustainability System.

The chief executive officer is responsible for the day-to-day management of the businesses of the Group's companies as the person with overall responsibility for all of them, with the highest executive duties in this area. The chief executive officer also reinforces and facilitates the exercise of the powers vested in the chairman of the Board of Directors, to whom the chief executive officer reports. The chief executive officer reports to the executive chairman for this purpose.

The chief executive officer also reports to the Board of Directors and regularly submits the management report thereto, presenting any proposed decisions regarding the matters within their purview.

The directors of the global businesses of the companies of the Group report directly to the chief executive officer, as do, among others, the chief executive officers of the country subholding companies, who report hierarchically to their boards of directors and, in the case of listed country subholding companies, with full respect for the special framework of enhanced autonomy given thereto by the Governance and Sustainability System.

### c. Non-executive vice-chairs of the Board of Directors

The duties that the *Regulations of the Board of Directors* attribute to the non-executive vice-chairs include the duty to temporarily replace the chairman of the Board of Directors, with all of the powers and duties thereof, in the event of occasional and unexpected vacancy, absence, illness or incapacity, thus avoiding any possible risk of a temporary power vacuum.

### d. Lead Independent Director

A lead independent director (*consejero coordinador*), appointed from among the independent directors, upon a proposal of the Appointments Committee and with the abstention of the executive directors, has the powers vested therein by the *By-Laws* and the *Regulations of the Board of Directors*, which go beyond those required by law.



e. Secretary of the Board of Directors

The secretary of the Board of Directors endeavours to ensure the formal and substantive legality of the actions of the Board of Directors, as well as coordination among the secretaries of the committees of the Board of Directors in all matters relating to the Governance and Sustainability System and to compliance.

### 5.3. Committees of the Board of Directors

The Board of Directors has an Executive Committee and four consultative committees: the Audit and Risk Supervision Committee, the Appointments Committee, the Remuneration Committee and the Sustainable Development Committee. The composition, powers and operation of these four latter committees are governed by their respective regulations, which are approved by the Board of Directors.

The Executive Committee is a basic corporate governance instrument of the Company, the primary function thereof being to support the Board of Directors in supervising the implementation of the strategy defined thereby, ensuring the continuous implementation thereof throughout the year. Therefore, the Executive Committee meets more frequently than the Board of Directors.

The chair of the Executive Committee informs the Board of Directors of the matters dealt with and the resolutions adopted at the first meeting of the Board held after the meetings of the Executive Committee.

### 5.4. Meetings of the Board of Directors and its committees

The directors must personally attend the meetings held by the Board of Directors and the committees of which they are members and, if unable to attend in person, they must give a proxy to another director, together with appropriate instructions. Pursuant to the provisions of the *Regulations of the Board of Directors*, non-executive directors may only give a proxy to other non-executive directors.

In preparing proposals and reports regarding the re-election of directors, the Appointments Committee takes into consideration, among other things, the number of meetings of the Board of Directors and of the committees of which the candidate for re-election is a member that were attended by the candidate during his or her previous term of office, in order to assess the dedication thereof to their position. For these purposes, it shall consider the minimum level of attendance at the meetings of these bodies that the main institutional investors and international proxy advisors provide for in their voting policies, which are generally set at 75% of the meetings held during the year.

As regards the means for attending meetings, in its eagerness to remain at the forefront of innovation, the Company promotes the use of new technologies by the Board of Directors and its committees, which constitute a fundamental element for the efficient performance of their duties, and has the tools required to allow for the holding of meetings of its corporate decision-making bodies by remote means of communication.

Annex II to this *Policy* sets out the specific rules that must be met to use remote communication systems to hold meetings of the Board of Directors and of the committees thereof.

### 5.5. Corporate and Governance Structure and Business Model of the Group

The corporate structure of the Group includes:

- a. the Company, which is configured as a listed holding company, the main function of which is to act as the entity owning the equity stakes in the country subholding companies;
- b. the country subholding companies, which in turn group together the equity stakes in the head of business companies; and
- c. the head of business companies.

This corporate configuration is intended to favour an agile and rapid decision-making process in day-to-day administration and management, which is within the purview of the head of business companies, while at the same time achieving proper coordination of business activities at the Group level, as described below, as a result of the duties of organisation and supervision performed by the country subholding companies and the Company and within their respective purviews.





Based on this corporate organisation, the Group's governance structure is governed by the principles set out below:

- a. vesting the Board of Directors with powers relating to the approval of strategic goals at the Group level, the definition of its organisational model, and the supervision of compliance therewith and further development thereof, fully respecting the special framework of strengthened autonomy of the listed country subholding companies;
- b. assumption by the chairman of the Board of Directors and by the chief executive officer, with the technical support of the Operating Committee, and by the management team, of the duty of strategic supervision, organisation and coordination at the Group level;
- c. the function of strategic supervision, organisation and coordination is strengthened through the country subholding companies, which perform it in relation to the territories, countries or businesses decided by the Company's Board of Directors;
- d. the head of business companies assume decentralised executive responsibilities, enjoy the independence necessary to carry out the day-to-day administration and effective management of the businesses, and are responsible for the day-to-day control thereof.

The provisions of the preceding paragraphs shall be without prejudice to respect for the corporate autonomy of the subsidiaries of the head of business companies domiciled in countries or territories other than that of the parent company. These subsidiaries may be vested with the effective management of their business activities within their country or territory.

Within the Group's corporate and governance structure, the Operating Committee is an internal committee of the Company, the essential function of which is to provide technical support to the chairman of the Board of Directors and to the chief executive officer, in order to facilitate the development of the Group's Business Model. The composition and duties thereof are described in the *Internal Rules on Composition and Duties of the Operating Committee*.

## 5.6. Checks and Balances System

The structure of the Board of Directors, with a broad majority of independent directors, the configuration of its positions, the existence of consultative committees, the corporate and governance structure and the Business Model described above articulate a system of checks and balances ensuring that none of the chairman of the Board of Directors, the chief executive officer or the Executive Committee have a decision-making power that is not subject to appropriate controls and balances, ensuring that they are under the effective supervision of the Board of Directors.

In particular, the roles of the non-executive vice-chairs and of the lead independent director serve as a counterbalance to that of the chairman when the chairman is an executive director, ensuring that the activities thereof are subject to proper controls.

Along the same lines, the corporate and governance structure of the Group itself is designed such that management power is not centralised within a single governance body or a single person, but rather is decentralised among the boards of directors of the head of business companies, the Company's main function being supervision, organisation and strategic coordination at the Group level.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 December 2023.

## ANNEX I

# Self-organisation Rules of the Board of Directors

## 1. Succession Planning

### 1.1. Succession Plan for Non-Executive Directors

Each of the non-executive directors undertakes to tender their resignation to the Board of Directors at the first meeting it holds after they reach seventy years of age or twelve years as a director of the Company.

Cessation in office of a director as provided in the preceding paragraph shall not give rise to the right to receive any severance payment for this reason.

On periodic basis, and at least once per year, the Appointments Committee shall review whether it can be expected that any of the non-executive directors will cease to perform their duties during the financial year due to issues of age or time in office or for any other reason.

In such case the Appointments Committee shall drive the selection process established in the *Board of Directors Diversity and Member Selection Policy* to identify a candidate in replacement thereof with sufficient time to ensure an orderly succession.

### 1.2. Succession Plan for the Executive Chairman of the Board of Directors

#### A) Advance notice

If the executive chairman of the board of directors gives early notice of his desire to resign from the position, the succession thereof shall be planned and coordinated by a specific committee, which shall be convened and chaired by the lead independent director and shall be made up of the lead independent director, the chairs of the consultative committees of the Board of Directors and the executive chairman.

The committee shall have the support of the Appointments Committee and may contract for the advice of an independent expert to be paid for by the Company.

Within a period of not more than thirty days from the date that the executive chairman gives early notice of his desire to resign from the position, the committee shall provide to the Board of Directors a specific proposal regarding the replacement thereof, which must take into consideration the special personal and professional skills of the candidate.

In addition, if the committee proposes that the chairman of the Board of Directors continue to have the status of executive chairman, the committee must consider the candidate's ability to lead the development and implementation of the current strategic plan in regards to the duties it proposes be carried out.

The committee shall favourably value those candidates that are directors or members of the management team of the Company or of other companies of the Group and that have been linked thereto as directors or professionals for at least five years.

Unless otherwise stated by the chairman of the Board of Directors, the chairman shall continue to perform all of the duties thereof until the Board of Directors appoints a new chairman.

#### B) Non-occasional and unexpected non-availability

In the event of non-occasional or unexpected unavailability of the chairman of the Board of Directors, the non-executive vice-chair, or if one has not been appointed the lead independent director, or in the absence thereof, the director having the longest length of service, and if equal lengths of service, the oldest, shall temporarily assume the chairmanship of the Board of Directors, which must be convened to meet within a period of not more than forty-eight hours from the time that such unavailability becomes known. The agenda of said meeting shall include the identification of the person who must temporarily assume the duties of chairman of the Board of Directors, and the planning of the definitive succession shall be entrusted to a specific committee upon the terms described in section 1.2.A) above.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



If there is more than one vice-chair, the executive chairman shall be replaced by the one that is expressly appointed by the Board of Directors for such purpose, or in the absence thereof the vice-chair having the longest length of service in office, and in case of equal lengths, the oldest.

### 1.3. Succession Plan for the Chief Executive Officer

#### A) Advance notice

If the chief executive officer gives early notice of the chief executive officer's desire to resign from the position, the succession thereof shall be planned and coordinated by the Appointments Committee, which may contract for the advice of an independent expert to be paid for by the Company.

Within a period of not more than thirty days from the date that the chief executive officer gives early notice of his or her desire to resign from the position, the Appointments Committee shall provide to the Board of Directors a proposal regarding the replacement thereof. To this end, it must take into particular account the candidate(s) presented by the chairman of the Board of Directors. In making its proposal, the Appointments Committee must also weigh the particular personal and professional skills of the candidate.

The Appointments Committee shall favourably value those candidates that are directors or members of the management team of the Company or of other companies of the Group and that have been linked thereto as directors or professionals for at least five years.

Unless otherwise stated by the chief executive officer, the chief executive officer shall continue to perform all of the duties thereof until the Board of Directors appoints a new chief executive officer.

#### B) Non-occasional and unexpected non-availability

In the event of non-occasional or unexpected unavailability of the chief executive officer, the duties thereof shall be temporarily assumed by the chairman of the Board of Directors (or if the chairman is unable to do so for any reason, they shall be assumed by the person appointed in accordance with section 1.2.B above), who must call to meeting (or request the call to meeting) of the Board of Directors to meet within a period of not more than forty-eight hours from the time that such unavailability becomes known. The agenda of said meeting shall include the identification of the person who must temporarily assume the duties of chief executive officer, and the planning of the definitive succession shall be entrusted to the Appointments Committee upon the terms described in section 1.3.A) above.

### 1.4. Succession Plan for the Executive Chairman of the Board of Directors and of the Chief Executive Officer (simultaneous cessation of office)

In the event that the executive chairman and the chief executive officer cease to hold their respective offices simultaneously, the duties of the chairman of the Board of Directors shall be assumed by the person appointed as indicated in section 1.2.B) above and those of the chief executive officer by the same person, and the process provided in section 1.2.A) for the appointment of the chairman of the Board of Directors shall commence and, upon the conclusion thereof, the process provided in section 1.3.A) for the appointment of the chief executive officer shall commence. In this case, the appointments of the executive chairman and the chief executive officer must be approved within a period of no more than ten days from the date on which they definitively cease to hold their respective offices.

## 2. Limits on Travel by the Members of the Board of Directors Using the Same Means of Transport

The following may not travel together on the same means of transport:

- a. One-half or more of the members of the Board of Directors.
- b. One-half or more of the members of the Executive Committee.
- c. The chairman and all of the vice-chairs of the Board of Directors.
- d. The chair of the Board of Directors and the chief executive officer.



- e. The secretary and the deputy secretary of the Board of Directors.

“Means of transport” shall mean any vehicle used for the transport of persons by land, sea or air, including automobiles, buses, trains, ships and aeroplanes (whether commercial or private).

### 3. IT Security and Privacy Rules

The following mandatory rules and limitations are established on the use by the directors of the software and on-line systems, applications and elements relating to the performance of their duties, and particularly on accessing the directors’ website and information regarding the Group, as well as on participating in meetings of the Board of Directors or of the committees thereof:

- a. Directors must follow the instructions established and communicated to them by the Company concerning access, security, operation and use of the hardware and software, including computer programs, access to websites, applications and mobile communication devices.
- b. Before using private data transmission devices to access the Company’s systems and applications, they must inform the Office of the Secretary of the Board of Directors and comply with the security and privacy protocols established by the Company.
- c. At the meetings of the Board of Directors and of the committees thereof, as well as at any other meeting in which the directors of the Company participate in their capacity as directors, they must observe the security and privacy protocols established by the Company, which may contemplate that mobile telephones and data transmission devices in general are to be switched off during the entire duration of such meetings, as well as restrictions on receiving or making calls or connections during the meetings.

The Company shall respect and protect the privacy of directors’ communications and data in the use of the software and on-line systems, applications and elements it makes available to them.

## ANNEX II

# Specific Rules regarding the Use of Remote Communication Systems to Hold Meetings of the Board of Directors and of the Committees thereof

### Rule One. Forms of Holding Meetings

1. Meetings of the Board of Directors and of the committees thereof shall be held in person at the place indicated in the call to meeting.
2. If so decided by the chair of the decision-making body in question on an exceptional basis, a meeting may be called to be held at several connected places or on-line by using remote communication systems that permit the recognition and identification of the attendees, permanent communication among them and participation in discussion and the casting of votes, all in real time, which meeting shall be deemed to be held at the registered office. The directors in attendance at any of such interconnected places shall be deemed for all purposes to have attended the same meeting.
3. The call to meetings to be held at several places connected among themselves shall prioritise the use of rooms available at facilities of the Group's companies and the use of systems in the following order of priority: telepresence, video-conference and conference calls.

### Rule Two. Attendance at Meetings by Remote Communication Systems

1. On an exceptional basis, based on the circumstances in each case, the chair of the decision-making body in question may authorise the attendance at the meeting of one or more directors by using remote connection systems that permit the recognition and identification thereof, permanent communication with the place where the meeting is held, and their participation therein and the casting of votes, all in real time.
2. For this purpose, efforts shall be made for the director who must attend a meeting using remote communication systems to connect from a room available at the facilities of the Group's companies.
3. If this is not possible or appropriate, the chair of the decision-making body in question may authorise the connection from other locations using devices provided by the Company (computer, tablet or mobile phone), giving priority to the use of video-conference systems, and allowing telephonic means (without image) on an exceptional basis.
4. The chair of the decision-making body in question may approve the use of other access systems on justified grounds, provided that this does not endanger the confidentiality of the meeting.
5. These instructions must be observed for the attendance of guests at meetings of the Board of Directors and of the committees thereof.

### Rule Three. Confidentiality

1. If the attendance of directors or guests at any meeting of the Board of Directors or of the committees thereof does not take place at the facilities of the Group's companies, the attendees shall be responsible for taking the measures necessary to ensure the confidentiality of the meeting.
2. For this purpose, they must connect from a private, closed and silent room that ensures the confidentiality of the deliberations, resolutions and materials used at the meeting and without the presence of third parties.

### Rule Four. Identification of Attendees

1. The secretary for the meeting shall be responsible for identifying the remote attendees at the beginning of the meeting and, in the case of guests, when they connect. If the secretary connects remotely, the chair of the meeting shall be responsible for the identification thereof.
2. If there are reasonable concerns regarding the identity of an attendee at the meeting, the chair may decide that they must leave the meeting.

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## Rule Five. Conduct of the Meeting

1. In the interests of good order and conduct of the meetings held using remote communications systems, the attendees (whether directors or guests) must observe the measures indicated by the chair of the decision-making body, including, by way of example and not limitation, the disconnection of calls placed on hold or muting the microphones of the devices from which they are connecting.
2. Meetings at which remote communications systems are used may not be subject to any type of recording, storage, broadcast or dissemination.
3. If a director attending remotely must leave the meeting during deliberations or voting on a matter pursuant to the provisions of the *Regulations of the Board of Directors*, the director must disconnect from the meeting. The secretary for the meeting must verify the disconnection and record it in the minutes.
4. The secretary for the meeting shall be responsible for verifying that guests attending meetings remotely do so at the portion of the meeting decided by the chair.
5. The chair of the meeting may suspend or end the meeting at any time due to technical incidents that prevent the proper conduct thereof or endanger the confidentiality of the deliberations, the resolutions or the materials used.
6. If a technical incident definitively prevents the connection of the chair of the meeting with the other attendees, the meeting shall automatically be deemed to have ended. The secretary shall record this in the minutes, and no additional resolution or action shall be required. In other instances, the chair of the meeting shall be responsible for deciding whether to continue with or to suspend the meeting.

## Rule Six. Compliance with Rules

Prior to connecting to any of the meetings of the Board of Directors or of the committees thereof (or immediately after connecting, if not possible beforehand), the attendees (whether directors or guests) must confirm that they are aware of and undertake to comply with the rules described above.

## Rule Seven. Interpretation

The chairman of the Board of Directors shall be responsible for the final interpretation of these rules. Without prejudice to the foregoing, if any issues arise regarding the interpretation hereof which must be resolved during the meeting and the chairman of the Board of Directors is not in attendance because it is a meeting of another decision-making body, they shall be resolved by the person chairing the meeting, and in the absence thereof, by the secretary of the decision-making body in question.



# 2. Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation

DS

20 February 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 13/03/2024.

The Board of Directors of IBERDROLA, S.A. (the “Company”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “Group”).

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, as well as its power to establish the Group’s structure and define the organisational model and supervise compliance therewith and the further development thereof, the Board of Directors hereby approves this *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to define the corporate and governance structure of the Group, which is based on a recognition of the reality of a multinational, multi-corporate, diversified and efficiently organised and coordinated group for the best development of the corporate object and the achievement of the corporate interest.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. General Principles

Pursuant to the provisions of its *By-Laws*, the Company pursues its corporate object indirectly, by owning shares or membership interests in other companies.

In this regard, the Group is configured on the basis of the separation between the function of strategic definition and supervision, on the one hand, and that of day-to-day administration and effective management, on the other, providing

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



itself in this respect with a decentralized structure inspired by the principle of subsidiarity and respect for the autonomy of the companies that comprise it, which do business in accordance with the highest ethical standards and in compliance with the good governance recommendations generally recognised in international markets, adjusted to their needs and particularities.

Therefore, essential premises for this *Policy* are the differentiation of the functions corresponding to the Company, as the holding company of the Group, domiciled in Biscay and with Spanish nationality, from the country subholding companies established in the territories in which the companies of the Group do business, and the head of business companies, whether Spanish or foreign.

All of them share the principles reflected in the *Purpose and Values of the Iberdrola Group* and in the *Code of Ethics* and conceive of the social dividend as the direct, indirect or induced contribution of value of their activities for their Stakeholders, particularly through their contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

## 4. Definition of the Corporate and Governance Structure

The structure of the Group, which is an essential part of the Governance and Sustainability System, is comprised of:

- a. the Company, which is configured as a listed holding company, the main function of which is to act as the entity owning the equity stakes in the country subholding companies;
- b. the country subholding companies, which in turn group together the equity stakes in the head of business companies; and
- c. the head of business companies.

All of them have their own human and material resources to autonomously carry out the duties assigned thereto by the Governance and Sustainability System.

This corporate configuration is intended to favour an agile and rapid decision-making process in day-to-day administration and management, which is within the purview of the head of business companies, while at the same time achieving proper coordination of business activities at the Group level, as described below, as a result of the duties of organisation and supervision performed by the country subholding companies and the Company and within their respective purviews.

Based on the corporate organisation, the Group's governance structure, which is a key part of the Governance and Sustainability System, is governed by the principles described below, which duly distinguish between the duties of strategic definition and supervision, on the one hand, and day-to-day and effective management, on the other:

- a. Vesting the Company's Board of Directors with powers relating to the approval of the strategic goals at the Group level, the definition of its organisational model, the supervision of compliance therewith and further development thereof, as well those relating to decisions on matters of strategic importance at the Group level, while fully observing the special framework of strengthened autonomy of the listed country subholding companies referred to in d) below.
- b. Assumption by the chairman of the Board of Directors by the chief executive officer, with the technical support of the Operating Committee, and by the management team, of the duty of supervision, organisation and strategic coordination at the Group level through the dissemination, implementation and monitoring of the overall strategy and the basic guidelines for the management thereof established by the Company's Board of Directors.
- c. The function of strategic supervision, organisation and coordination is strengthened through the country subholding companies, which perform it in relation to the territories, countries or businesses decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with the policies, strategies and general guidelines at the Group level based on the characteristics and particularities of their respective territories, countries or businesses.

One of the main functions of the country subholding companies is to centralise the provision of services common to their head of business companies, in accordance with the provisions of applicable law and especially the legal provisions regarding the separation of regulated activities.

In this regard, the country subholding companies facilitate the coordination of companies in which they hold an interest and are given the responsibility of ensuring compliance with legal provisions on the separation of regulated activities.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





In order to specify the application of the Governance and Sustainability System based on applicable law in each territory, country or business, as well as on the characteristics and particular features thereof, and to comply with the responsibilities allocated thereto by the Governance and Sustainability System, the country subholding companies approve rules applicable to their subsidiary head of business companies and specify the application in each territory, country or business, as applicable, of the content of the policies, overall strategies and basic guidelines for management thereof approved by the Company's Board of Directors that cover the Group as a whole.

To best carry out their functions, country subholding companies have within their boards of directors at least one external director who, because of the personal and professional qualities thereof, may carry out their duties without being constrained by relationships with the companies of the Group or with the directors, significant shareholders or members of the management thereof, as well as audit and compliance committees, in addition to their own internal audit and compliance units or divisions.

The chief executive officers of each country subholding company, appointed by their respective boards of directors, shall promote the specific application of the policies, the overall strategies and the basic guidelines for management thereof in each territory, country or business, as applicable, proposing the annual targets and budget, with the ability to represent their respective companies before domestic institutions in coordination, if appropriate, with the chief executive officers of the head of business companies in accordance with the provisions of e) above, and perform such other duties as are determined by each board of directors, always acting under the supervision thereof.

- d. The listed country subholding companies have a special framework of strengthened autonomy that covers the three areas mentioned below.

In the regulatory area, the boards of directors of the listed country subholding companies are authorised to approve their own policies and other internal codes and procedures that specify, develop or make exceptions from the content of the equivalent rules of the Governance and Sustainability System.

In the related-party transactions area, the boards of directors of listed country subholding companies have a committee of their board of directors comprised exclusively of directors without a connection to the Company and that have the power to approve all transactions between the listed country subholding company and the subsidiaries thereof with the other companies of the Group in addition to the authorisations generally required in each case based on the nature of each transaction.

In the management area, listed country subholding companies enjoy a system of strengthened autonomy vis-à-vis the Company, which prevents it and the other companies of the Group from giving to their management team and the management teams of their subsidiaries instructions that interfere with the exercise of the powers vested therein by the Governance and Sustainability System.

The special framework of strengthened autonomy is implemented in the respective contracts signed by the Company with each listed country subholding company.

- e. The head of business companies assume decentralised executive responsibilities, enjoy the independence necessary to carry out the day-to-day administration and effective management of each of the businesses, and are responsible for the day-to-day control thereof.

These head of business companies are organised through their respective boards of directors, which where appropriate include external directors who, because of the personal and professional qualities thereof, carry out their duties without being constrained by relationships with the companies of the Group or with the directors, significant shareholders or members of the management thereof, as well as their own managing boards, and may also have their own audit committees, internal audit areas and compliance units or divisions.

The chief executive officer of each head of business company are responsible for the effective management thereof under the supervision of its board of directors, to which they shall propose the objectives of the businesses and the annual budgets within the framework of the overall strategy of the businesses established at the Group level, and may represent their respective companies before national institutions if they are domiciled in a country or territory other than that of the country subholding company to which they are subordinate, on a coordinated basis with the chief executive officer of the latter.



The provisions of the preceding paragraphs shall be without prejudice to respect for the corporate autonomy of the subsidiaries of the head of business companies domiciled in countries or territories other than that of the parent company. These subsidiaries may be vested with the effective management of their business activities within their country or territory.

The selection of the directors of the country subholding and head of business companies shall endeavour to comply with the *Board of Directors Diversity and Member Selection Policy*, avoiding any implied bias entailing any kind of discrimination, and, in particular, that hinders the selection of female directors.

The Company's Appointments Committee also reports on or prepares proposals regarding the appointment or removal of external directors of both unlisted country subholding companies and of other companies in which the Company has a direct or indirect interest and that are not controlled by a country subholding company. In addition, the Company's Appointments Committee acknowledges the appointment or removal of the external directors of both the head of business companies (that are not controlled by a listed country subholding company) and of the other companies in which the non-listed country subholding companies that are not controlled by a head of business company have a direct or indirect interest.

In order to facilitate the orderly performance of the duties inherent in its status as a holding entity of the Group, the Company's Board of Directors establishes a number of mechanisms that allow for the exchange of information needed for the strategic coordination of the activities performed by the various country subholding companies and head of business companies, without detracting from independence in decision-making by each of them or the requirements imposed on their directors by law and those deriving from the Governance and Sustainability System, in the interest of all of the companies within the Group.

## 5. The Group's Business Model

The corporate and governance structure of the Group referenced above achieves appropriate coordination of the activities of the respective companies that comprise it, by means of the global integration of the corporate functions and businesses through the Group's Business Model.

Accordingly, this Model is focused on maximising the operational efficiency of the various corporate and business functions and ensures the dissemination, implementation and monitoring of the overall strategy and the basic management guidelines established for each of them. These goals are achieved without undermining the corporate autonomy of the Group's companies or the requirements imposed on their directors by law and those arising from the Governance and Sustainability System.

As part of the Business Model, the Company, within the framework of the duties assigned thereto, promotes the creation and operation of global committees or best practice groups in the interest of a corporate function or specific business in order to maximise the generation of synergies and the exploitation thereof by the companies of the Group. These committees or best practice groups of the Company can approve global guidelines and recommendations, propose initiatives for improvement and favour the exchange of best practices, thus allowing them to perform their duties of strategic supervision, coordination and organisation, all without undermining said corporate autonomy of the companies of the Group.

## 6. Operating Committee

Within the Group's corporate and governance structure, the Operating Committee is an internal committee of the Company, the essential function of which is to provide technical support to the chairman of the Board of Directors and to the chief executive officer, in order to facilitate the development of the Business Model.

## 7. Duties of the Company's Board of Directors with respect to the Group's Corporate and Governance Structure

The Board of Directors of the Company in any event has the following duties with respect to the corporate and governance structure of the Group:

- a. conform the corporate and governance structure, organisational model and Business Model to the requirements of the corporate interest, complying with applicable law, the Governance and Sustainability System and the Compliance System, and acting in accordance with the *Purpose and Values of the Iberdrola Group* and with the commitments made in the *Code of Ethics*;

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- b. endeavour to ensure that the corporate and governance structure as well as the Business Model contribute to the social dividend, reflecting and disseminating the Company's performance in this regard through the statement of non-financial information;
- c. foster an egalitarian, diverse and inclusive culture of talent management and promotion as a reflection of the social and cultural reality of the companies making up the Group;
- d. include in the corporate governance practices covering the Group, the promotion of innovation and digital transformation through the use of new technologies, while preserving security and privacy in furtherance of the corporate interest;
- e. conform the structure of the Group to the legal requirements applicable in the jurisdictions in which it does business, and particularly to those regarding the rules of each jurisdiction on separation of regulated activities;
- f. determine the location of the headquarters of the Company and of the other companies belonging to the Group based on the corporate interest, and make the relevant decisions or when appropriate submit them to the shareholders at a General Shareholders' Meeting for adoption thereof, in all cases respecting the special framework of strengthened autonomy of the country subholding companies;
- g. analyse potential conflicts of interest and approve Related-Party Transactions (as this term is defined in the *Regulations of the Board of Directors*) affecting any company of the Group, unless the power to approve the Related-Party Transaction is vested in the shareholders acting at a General Shareholders' Meeting in accordance with law or there has been a delegation pursuant to the provisions of the *Regulations of the Board of Directors*. Without prejudice to the foregoing, and as regards those conflicts of interest or Related-Party Transactions affecting listed country subholding companies, the Company's Board of Directors shall ensure compliance with the rules on conflicts of interest and Related-Party Transactions established within the corresponding special framework of strengthened autonomy;
- h. endeavour to ensure the reconciliation of the interest of the companies of the Group that have outside shareholders with the policies and strategies covering the entire Group;
- i. introduce appropriate strategic coordination and organisation mechanisms for the corporate functions and the businesses in the interest of the Company and of the other companies within the Group, adapted to the Business Model;
- j. approve the creation or acquisition of equity interests in special purpose entities or entities residing in countries or territories that Spanish legal provisions consider to be tax havens or that are included in the EU blacklist of non-cooperative jurisdictions, in line with the *Corporate Tax Policy*, as well as any other transactions of a similar nature that, due to their complexity, might diminish transparency; and
- k. submit to a decision by the shareholders at a General Shareholders' Meeting the inclusion within controlled entities of core activities theretofore carried out by the Company, even if they are wholly owned thereby.

Furthermore, as regards investee entities that do not form part of the Group, the Board of Directors, in defining the general strategy at the Group level, shall respect the particular regulatory aspects affecting such entities due to their nature as a regulated or listed company, their nationality, the jurisdictions in which they do business or any other circumstance that might affect them.

## 8. Related-Party Transactions

The Board of Directors of the Company, and the Executive Committee in urgent cases, shall be the bodies competent to approve or authorise Related-Party Transactions affecting any company of the Group, and in an amount or value that does not exceed the percentage determined by law to be within the purview of the shareholders acting at a General Shareholders' Meeting, provided that approval thereof has not been delegated pursuant to the provisions of the *Regulations of the Board of Directors*.

In those instances in which the Related-Party Transaction must be authorised by the Board of Directors or the Executive Committee of the Company, and the Company does not directly participate in such transaction, the scope of approval shall be limited to verification that the Related-Party Transaction is fair and reasonable from the standpoint of the Company and, if applicable, of Company shareholders other than the related party, with the competent body of the company participating in the Related-Party Transaction maintaining its powers to decide on whether or not it is appropriate to carry out the transaction.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



As regards those Related-Party Transactions affecting listed country subholding companies, the Company's Board of Directors shall also ensure compliance with the rules on related-party transactions established within the corresponding special framework of strengthened autonomy.

## 9. Foundations

The country subholding companies may entrust the implementation of the sustainable development strategy to various foundations with which they have agreements but which are separate from the corporate structure of the Group and which have independence for the achievement of their purposes and full functionality and autonomy.

These entities implement within their respective territories or countries the sustainable development strategy designed by the Company's Board of Directors, to the extent that it conforms to their founding purposes and is entrusted thereto by the board of directors of the country subholding company with which they have agreements, contributing to the generation of the social dividend and particularly to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN). They receive annual funding corresponding to their functions.

The Foundations Committee, which is an internal consultative body without executive duties, ensures the proper coordination of said foundations, in accordance with the provisions of the *General Sustainable Development Policy*.

## 10. Use of the IBERDROLA Brand

The Governance and Sustainability System recognises the IBERDROLA brand as a hallmark of the Company and the principal symbol of the *Purpose and Values of the Iberdrola Group*.

To the extent that the companies of the Group or foundations use such brand -owned by the Company- as part of their trade names and distinctive marks used to carry out their businesses, the use thereof shall be governed by the provisions of the *Brand Policy* and the other internal rules established by the Company.

## 11. Stakeholder Engagement, Corporate Websites, Presence on Social Media and Digital Transformation

The country subholding and head of business companies shall have a presence on the internet, and in particular shall actively participate in social media in order to engage with their respective Stakeholders, working together on the innovation and digital transformation strategy of the Group.

For these purposes, the country subholding companies and head of business companies shall have their own identity on social media and their corporate website, the contents of which must be managed in accordance with the guidelines established for such purpose by the Company, and for each territory, country or business by the country subholding companies, if applicable.

The country subholding and head of company companies shall adopt the measures necessary to avoid their corporate websites being confused with that of the Company.

The corporate websites of the country subholding companies and of the head of business companies shall be structured around specific sections intended to identify the corresponding company and its activities, describe its relationship with the other companies of the Group and its environmental, social and corporate governance position, and promote its relations with communities and with the other relevant Stakeholders, fostering their engagement and strengthening their identification with the Company.

The foundations linked to the Group having agreements with the country subholding companies for the implementation of the sustainable development strategy in their respective country or territory contribute to improving relations and dialogue with the Company's Stakeholders, without prejudice to the autonomy and independence of said entities to achieve their purposes.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 20 February 2024.



# 3. Brand Policy

DS

19 December 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 16/02/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and its sustainable development strategy, the Board of Directors hereby approves this *Brand Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* is intended to protect and contribute to the value of the Iberdrola brand and to establish certain main principles of conduct allowing all of the companies belonging to the Group, to use it as a springboard that contributes to enhance its reputation and to the success of its businesses.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, to the entities in the nature of foundations linked thereto and to which a license has been granted, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

## 3. The Iberdrola Brand

The Iberdrola Brand belongs to the Company and constitutes one of its strategic assets, both financially and in the social, environmental and corporate governance dimensions: it is a hallmark of identity of the Company and of the Group and the principal symbol of the *Purpose and Values of the Iberdrola Group*.

As a hallmark of identity, the Iberdrola brand is a key element in the corporate strategy of the Company and of the other companies of the Group. As the symbol of the *Purpose and Values of the Iberdrola Group*, it is a springboard for creating value that can be used by all of the companies of the Group to contribute to the success of its businesses.

All of the companies of the Group must ensure that the Iberdrola brand is associated with the principles set out in the *Purpose and Values of the Iberdrola Group*, and thus to its commitments to the maximisation of its social dividend and the sustainable creation of value, the improvement of quality of life, the safety of people and of supply, the protection of the environment and customer focus.

In the case of the Company, the Iberdrola brand also contributes to two-way interaction with its shareholders, as well as to fostering engagement in corporate life by its shareholders and other Stakeholders and to strengthening their identification with the Company and contributing to the alignment of their interests therewith.

The use of the Iberdrola brand also favours the business activities of the companies of the Group, as well as its relations with all Stakeholders generally.

## 4. Use of the Brand

The Company may license the use of the Iberdrola brand to the other companies of the Group and to the foundations linked thereto.

The licensees shall be required to comply with the provisions of this *Policy* and any corresponding brand licensing agreement implementing the terms and conditions for using the Iberdrola brand.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



They shall also be required to use the Iberdrola brand in the same manner and in accordance with the standards of the *Iberdrola Brand Usage Guide* in effect from time to time, as well as with the quality control clauses established in the brand licensing agreement. Any use of the Iberdrola brand that differs from the provisions of the aforementioned guide must be authorised in advance pursuant to the provisions thereof.

The Company may receive remuneration for the use of the brand, and particularly as consideration for receiving the benefits arising from the use thereof, upon the terms and conditions agreed in the corresponding license agreement.

The Iberdrola brand may form part of the trade names and distinctive signs used by the companies of the Group in carrying on their businesses and by the foundations linked thereto in the course of their activities.

Licensees shall endeavour to ensure that the use of the brand does not cause confusion regarding their own identity and independence. For these purposes, except in those situations allowed by the *Iberdrola Brand Usage Guide*, all of the companies of the Group (other than the Company itself), as well as entities in the nature of foundations linked thereto, that use the Iberdrola brand, shall use it together with their own distinctive name.

The use of the Iberdrola brand by the Company and by the licenses in carrying on their businesses and in activities with third parties, through sponsorship or other legal agreements, must be aimed at strengthening its value, maintaining the reputation of the Group's companies, and favouring the businesses of the companies making up the Group.

The listed country subholding companies and the subsidiaries thereof must in any case use a different corporate name and brand that contributes to the differentiation thereof as autonomous entities belonging to the Group. In such instances, ownership of the relevant brand shall be held by each listed country subholding company.

## 5. Ceasing Use of the Brand

The companies of the Group shall cease to use the Iberdrola brand, including the use thereof in their own trade name or corporate name, in accordance with the provisions of any corresponding licence agreement, and in any event if such use might put at risk the reputation of the Group's companies or when the company no longer belongs to the Group. In this latter event, when there are circumstances that so warrant, the Company may authorise companies that no longer belong to the Group to use the Iberdrola brand on a temporary basis. The same principles shall apply to entities in the nature of foundations linked to the Group in the event that they no longer have said connection.

## 6. Protection of the Brand

The companies of the Group shall take the actions needed to protect and contribute to the value of the Iberdrola brand, seeking effective protection of the Company's rights thereto throughout the world and in all areas in which they are or expect to be present, particularly including the internet and social networks.

The companies of the Group and entities in the nature of foundations linked thereto may not directly or through third parties apply for and/or register trademarks, trade names, domain names, social profiles or any other distinctive mark that is identical or similar to the Iberdrola brand without the prior approval of the Company.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 22 June 2015 and was last amended on 19 December 2023.



# 4. Statutory Auditor Contracting and Relations Policy

20 February 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 13/03/2024.

The Audit and Risk Supervision Committee (the “**Committee**”) of IBERDROLA, S.A. (the “**Company**”) hereby approves this *Statutory Auditor Contracting and Relations Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to ensure that the position of statutory auditor of the individual accounts of the Company and of the accounts of the Company consolidated with those of its subsidiaries is held by an independent firm that has the technical qualifications required to perform its work in an efficient and responsible manner and in accordance with applicable legal provisions.

In particular, it governs the selection, appointment and any re-election or removal of the statutory auditor of the individual accounts of the Company and of the accounts of the Company consolidated with those of its subsidiaries, as well as the framework of relations with such statutory auditor and the procedure for evaluating the activities thereof.

This *Policy* also sets forth the principles that must govern the selection, appointment and any re-election or removal of the statutory auditors of the other companies within the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”), as well as the framework of relations between such companies and their auditors.

## 2. Scope of Application

This *Policy* is of general application to the Company.

Within the limits established by law, it is also applicable to the other companies of the Group as well as to investee companies not belonging to the Group over which the Company has effective control, within the limits established by law, in both cases as regards the principles that must govern the selection, appointment and, if applicable, re-election and removal of auditors and the framework of relations therewith, all in accordance with the provisions of Section 9 below.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy. In any event, such policy must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

## 3. Selection and Proposal for Appointment

### 3.1. Selection procedure

The Committee is the body responsible for the procedure of selecting the Company’s statutory auditor.

In particular, the Committee shall establish the minimum requirements to be satisfied by entities applying to act as statutory auditors of the Company, as well as the most appropriate selection and contracting procedure, which must

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



be impartial, transparent, efficient and non-discriminatory, and contemplate the holding of a tender among the various candidate entities to ensure compliance with the foregoing requirements. In any event, the Committee shall ensure, among other things, strict compliance with the regulations applicable to the selection and contracting of statutory auditors, and particularly the equal treatment of the candidates.

For such purposes, the Committee shall approve a set of bid terms and conditions for all candidates invited to participate in the selection procedure, whereby they may become familiar with the activities of the Company and the characteristics and scope of the required services, including any non-audit services. The bid terms shall also contain a tentative schedule for the process.

To protect the integrity of the selection process and the confidential information that the Company makes available to the candidates, a corresponding confidentiality agreement shall be signed with each of them.

The bid terms and conditions shall include transparent and non-discriminatory selection standards, which the Company shall apply objectively in evaluating the bids submitted. Such standards must include at least the following:

- a. the statutory auditor's resources, skills and experience, especially in the energy sector, in the application of *International Financial Reporting Standards*, in the provision of services to the Group, in the auditing of international groups similar in size to that of the Group, and in maintaining relations with audit committees at listed companies;
- b. the presence of the statutory auditor in the countries in which the Group does business;
- c. the independence of the statutory auditor, particularly due to its individual circumstances or in relation to the provision to the Group of non-audit services, pursuant to applicable legal provisions, as well as any other circumstance arising from the independence rules to which the statutory auditor is subject; and
- d. the quality and efficiency of its services. For this purpose, the Committee shall take into account the results of the inspections of the various statutory auditors that may have been performed by the Instituto de Contabilidad y Auditoría de Cuentas (Institute of Accounting and Accounts Auditing) (the "ICAC") or other leading regulatory bodies, as well as strict compliance with any other requirement established by applicable legal provisions at any time.

In no event may the ability of the statutory auditor to provide non-audit services be a standard for selection.

The Committee shall establish a weighting for each of the selection standards set out in the bid terms and conditions, which shall not form a part thereof. The Committee shall not overweigh the proposed fees or other quantitative aspects.

In addition to the selection standards, the bid terms and conditions must state the terms of the bid that can be negotiated by the statutory auditor in strict compliance with the legal provisions in effect at any time.

The Committee may provide in the bid terms and conditions for the possibility of not proceeding with the selection procedure or abandoning the tender.

The Committee may request:

- (i) through the secretary of the Board of Directors, the assistance of members of the management team or professionals of: (a) the Company; or (b) of any company of the Group that is not subordinate to a country subholding company that has its own audit committee
- (ii) in turn, the audit and compliance committees of the country subholding companies shall channel the Committee's requests for assistance addressed to the members of the management team or professionals of their dependent companies.

In this regard, the division or area of the Group that provides assistance shall make conclusions regarding the selection process in a report to be ratified, if applicable, by the Committee or the audit and compliance committee of the country subholding company, as appropriate.

The candidates shall submit their bids to the Committee at one or more meetings called for this purpose, at which the Committee may ask the candidates questions and request the clarifications it deems are appropriate.

Communications with the candidates shall in any event be led by the Committee. The candidates must refrain from requesting additional information through channels other than those established by the Committee for such purpose in the bid terms and conditions. Furthermore, no company of the Group shall respond to any question or request for information that is not channelled through the Committee.





The Committee shall not submit a proposal to the Company's Board of Directors for appointment of an audit firm as the Company's statutory auditor if it has evidence that such firm is affected by any circumstance of lack of independence, prohibition or disqualification pursuant to the legal provisions governing the audit of accounts applicable at any time.

In particular, the foregoing shall apply if the total fees received for the provision of audit and non-audit services provided to the Company and to any other entity of the Group by the statutory auditor or audit firm or to a member of its network during each of the last three consecutive financial years represent more than fifteen per cent of the total annual income of the statutory auditor or audit firm and of said network.

The tender may include the selection of the statutory auditor of other companies of the Group provided that applicable legal provisions in each case do not prevent the selection thereof.

### 3.2. Proposal for appointment

Once the bids submitted have been evaluated in accordance with the selection standards set forth in the bid terms and conditions, the Committee, based on the report, if any, submitted by the relevant division or area, shall submit to the Board of Directors a report describing the selection process and recommending two candidates to serve as statutory auditor of the individual accounts of the Company and the accounts of the company consolidated with those of its subsidiaries, indicating its preference for one of them and providing sufficient grounds therefor. This recommendation shall be free of any third-party influence.

The report of the Committee must include the following aspects:

- (i) an express statement that its recommendation is free from any third-party influence;
- (ii) that no contractual provision has been imposed upon it whereby the election is restricted to certain categories or lists of statutory auditors, pursuant to the terms of applicable legal provisions; and
- (iii) the financial years for which recommends appointing the candidates in question.

In view of the report, the Board of Directors shall propose to the shareholders at the General Shareholders' Meeting the appointment of one of the two candidates selected by the Committee, with the reasons for the proposal if it differs from the preference of the Committee.

## 4. Appointment, Re-election and Removal

The appointment, re-election and removal of the statutory auditor that is to verify the individual annual accounts of the Company as well as the accounts of the Company consolidated with those of the companies belonging to the Group is within the purview of the shareholders acting at the General Shareholders' Meeting, upon a proposal of the Board of Directors, prepared in view of the report of the Committee upon the terms of Section 3.

Before the end of the financial year in which the appointment of the Company's statutory auditor is to expire, the Committee shall consider its possible re-election or, if appropriate, the commencement of the procedure for selecting and appointing a new statutory auditor, pursuant to the provisions of this *Policy*.

To such end, the Committee shall take into account the result of the annual evaluation of the independence and quality of the work performed by the Company's statutory auditor, as well as any time and quantitative limits established by applicable legal provisions.

The Committee may only propose the removal of the statutory auditor to the Board of Directors, for subsequent submission to the shareholders at the General Shareholders' Meeting, if so allowed by legal provisions.

## 5. Relationship with the Statutory Auditor

The Committee shall serve as the channel of communication between the Board of Directors and the statutory auditor. The Committee shall maintain an objective, professional, fluid and ongoing relationship with the Company's statutory auditor, and shall at all times respect the independence thereof.

The Committee shall ensure that the Board of Directors meets with the statutory auditor at least once per year in order to receive information regarding the work performed and regarding the accounting status and risks of the Company.

The annual schedule of Committee meetings must include all items that might influence the audit report and the independence of the statutory auditor. The following actions should be taken to facilitate communication between the Committee and the statutory auditor:

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- a. the Committee and the statutory auditor must notify each other of any significant aspect detected in relation to the Internal Control over Financial Reporting System or to the audit.
- b. the Committee must ask the statutory auditor for information regarding the most important aspects of its strategy and its work plan in relation to the audit of the Company, including: (i) the determination of the materiality figure; (ii) how it plans to respond to the most significant risks; (iii) the resources assigned to the performance of the work; (iv) the reasons for the use of specialists, if required; and (v) a schedule for the planned work, indicating the nature and scope of the tests of controls and substantive tests that have been planned;
- c. the Committee shall discuss with the statutory auditor the opinions rendered regarding: (i) the quality and applicability of the Company's accounting principles; (ii) the major assumptions used in critical estimates, particularly those with a high level of uncertainty, and significant changes thereto; (iii) errors and violations identified by the statutory auditor, specifying whether or not they have been corrected by the Company; and (iv) difficulties encountered during the course of the audit;
- d. during the audit work, the Committee must ask the statutory auditor for the communications required to facilitate the supervision of the process of preparing the financial information relating to the Company and its Group, including its opinion on the accounting treatment of complex, high-risk or controversial transactions by management;
- e. the Committee must ask the statutory auditor for information regarding: (i) the materiality figures, for the financial statements as a whole and, if applicable, for particular transactions, balances or information to be disclosed in the notes to the annual accounts; (ii) consideration of qualitative aspects for determination thereof; and (iii) how it will determine the scope and level of the audit work;
- f. the Committee shall discuss with the statutory auditor the methods and assumptions used by Management in significant accounting estimates, as well as the effect of considering alternative methods or assumptions, and the consideration by the statutory auditor of data or information that might contradict Management's assumptions; and
- g. the Committee and the statutory auditor shall evaluate whether their communication and relationship have been appropriate, and if necessary, whether the Committee should adopt measures to improve them.

The Committee shall verify compliance with the statutory auditor's audit plan, for which purpose it shall regularly receive from the statutory auditor information regarding such audit plan and the results of the implementation thereof.

For its part, the statutory auditor shall submit to the Committee an annual report with its recommendations as a product of its work. The Committee shall follow up on all recommendations proposed by the statutory auditor, and may require its cooperation whenever it deems it necessary. The statutory auditor shall also explain to the Committee how it has dealt with the risks encountered.

Finally, whenever the Committee knows or has been informed that the statutory auditor believes that any of the circumstances provided for in Article 12.1 of *Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC* (or any other legal provision that at any time replaces it) is present, it shall propose to the Board of Directors the adoption of appropriate measures to cause the removal of the reasons for such circumstances, to the extent that they are factors under the Company's control, or, if not possible, to mitigate the impact thereof on the financial statements.

## 6. Independence

The Governance and Sustainability System ensures the establishment of the required relations between the Committee and the statutory auditor so that the former receives from the latter specific information regarding matters that might compromise the independence thereof.

The Committee shall endeavour to ensure that the statutory auditor of the Company is independent and that this is made clear in the relations between them.

To this end, prior to formalisation thereof, the Committee must receive information regarding any contract it intends to sign with the statutory auditor or audit firm or with any member of its network for the provision of non-audit services to the Company or any of the companies of its Group, in order to be able to individually and globally analyse the threats to independence that might arise from said contracts. The auditor must therefore forward to the Committee any request

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



to approve the provision of non-audit services, which must be accompanied by a sufficient description of the services requested to allow the Committee to perform a comprehensive and effective analysis of the impact that the contracting thereof might have on independence, both individually and collectively.

The provision of non-audit services by the auditor or audit firm or by any member of its network must be approved in advance by:

- a. the Committee in all cases, whether the services are provided to the Company or to any other company of the Group; as well as
- b. the audit and compliance committee of the Group's country subholding company, if the services are provided thereto or to any subsidiaries without their own audit and compliance committee; or
- c. the audit and compliance committee, if any, of the subsidiary to which the services are provided.

In all cases, the relevant audit and compliance committee must analyse the impact of such contracting on the independence of the auditor.

The Commission shall be in constant communication and coordination with the audit and compliance committees of the country subholding companies, which must inform the Committee of the approvals they give thereby and by any audit and compliance committees of the subsidiaries to which the auditor or audit firm or any member of its network provides services, in accordance with the provisions of the *General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its Group*.

The Committee must assess the aspects set forth in the *Regulations of the Audit and Risk Supervision Committee* in order to approve the provision of non-audit services by the statutory auditor.

Without prejudice to the foregoing, the statutory auditor may carry out limited audits or reviews of the interim accounts that are published with a frequency of less than one year pursuant to applicable legal provisions.

The Committee shall establish an indicative limit on the fees to be received by the statutory auditor for non-audit services taking into account the limitations set out in this *Policy* and in applicable legal provisions, pursuant to which the total fees received for non-audit services provided to the Company and any other entity of the Group by the statutory auditor or audit firm or a member of its network for a period of three or more consecutive years may not exceed seventy per cent of the average of the fees paid for audit services during three consecutive years.

On an annual basis, the Committee shall receive from the Company's statutory auditor a certification of independence of the firm as a whole and of the members of the team participating in the process of auditing the annual accounts of the Group from the Company or entities directly or indirectly connected thereto, as well as a detailed breakdown of information regarding additional services, other than auditing, of any kind provided to such entities by said statutory auditor or by persons or entities connected thereto, pursuant to the legislation governing the audit of accounts. In addition, in the annual certification that it sends to the Committee, the statutory auditor shall report on compliance with the internal procedures of quality assurance and protection of independence that have been implemented.

On an annual basis and prior to the issuance of the audit report, the Committee shall issue a report setting forth an opinion on the independence of the statutory auditor. This report must contain an assessment of the possible impact on the independence of the statutory auditor of each and every one of the additional non-audit services referred to in the preceding paragraph, considered individually and as a whole.

The Committee must also discuss with the statutory auditor any circumstance that might compromise the independence thereof and evaluate the effectiveness of the protective measures adopted, as well as understand and evaluate the set of relationships between the Group and the statutory auditor and its network that entail the provision of non-audit services or any other type of relationship.

Furthermore, the Committee shall monitor the internal procedures for assuring quality and safeguarding independence implemented by the Company's statutory auditor.

The audit firms carrying out audits of accounts at companies of the Group shall on an annual basis provide to the Committee, through the audit committees or the bodies at each company assuming the powers thereof, information regarding the profiles and the track record of the persons making up the audit teams working for the Company and the Group, with specific mention of the changes in the composition of such teams compared to the immediately preceding financial year.

The Committee shall also receive information on the hiring by any of the companies of the Group of professionals coming from any of the Group's audit firms.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 7. Transparency

The Committee shall review the information published in relation to the audit of accounts, and particularly the fees paid by the Company to the various audit firms working for the Group for both audit and non-audit services, specifying the fees paid to the statutory auditor and those paid to any company of the network to which the statutory auditor belongs or to any other company to which the statutory auditor is related under a relationship of joint ownership, management or control. The Committee shall also include in the *Activities Report of the Board of Directors and of the Committees thereof* information regarding the activities performed during the preceding financial year in relation to the statutory auditor and the audit of accounts.

## 8. Evaluation

On an annual basis, the Committee shall evaluate the conduct of the statutory auditor and the contribution thereof to the quality of the audit and to the integrity of the financial information.

Such evaluation shall include at least the following parameters: (i) the independence of the statutory auditor; (ii) its knowledge of the businesses of the Group; (iii) the frequency and quality of its communications; (iv) the public results of the quality controls or inspections carried out by the ICAC and other supervisors; and (v) the reports on transparency of the statutory auditor, as well as any other available information.

The Committee shall also gather the opinion on the statutory auditor of the directors of each of the Group's businesses, of the Finance, Control and Corporate Development divisions and of the Internal Audit and Risk Area, as well as of any other member of the Group's management team that the Committee deems appropriate at any time due to such member's significant contact with the statutory auditor. For these purposes, on an annual basis, the Committee shall approve a survey to be sent to each of the aforementioned members of the management team that shall include parameters relating to the quality of the statutory auditor's service, its resources, communication and interaction with the management in question, the scope of the audit and the independence of the statutory auditor.

In the event that, after the evaluation of the statutory auditor, the Committee finds that there are worrisome or unresolved issues regarding the quality of the audit, it must consider the possibility of informing the Board of Directors so that, if it so deems appropriate, it may provide evidence thereof to the supervisory bodies.

## 9. Statutory Auditors of the Other Companies of the Group

Companies legally considered to be public-interest entities within the European Union shall carry out their own procedures for the selection, appointment, re-election and removal of statutory auditors, which shall be conducted independently and shall be governed by the same rules and principles as those contained in this *Policy*, provided that they are not incompatible with specific legal provisions that may apply in each case. Those companies of non-member States of the European Union whose respective applicable legal provisions so require shall also do so.

Their respective tenders for the selection of a statutory auditor may include the award of audit work at their subsidiaries when so permitted by applicable legal provisions.

In any event, the relations between the other companies within the Group and their respective statutory auditors shall be governed by the principles of independence and transparency set forth above, also taking into account any specific regulations applicable thereto in each case.

\* \* \*

This *Policy* was initially approved by the Committee on 23 November 2005 and was last amended on 20 February 2024.



# 5. Iberdrola Group Financial Information Preparation Policy

DS

20 December 2022

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 16/02/2023.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, within the framework of the law and the *By-Laws* and its sustainable development strategy, and recognising the strategic goal of paying continuous attention to the transparency of the financial information that it provides to the markets, the Board of Directors hereby approves this *Iberdrola Group Financial Information Preparation Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* is intended to define an orderly process for preparing the consolidated financial information applicable to all companies of the Group, one that is consistent with the principles of subsidiarity and decentralised management that govern the corporate and governance structure of the Group, that ensures that the consolidated financial information of the Company has been prepared based on information provided by the various companies of the Group, and that clearly describes the responsibility of its management decision-making bodies in such process.

The main goal of this process is to ensure that the consolidated financial information that the Company publishes through the channels required by applicable legal provisions or through such additional channels as it deems appropriate reflects a true and fair view of the assets and liabilities, the financial position, the results and the cash flows of the group made up of the companies included in the consolidation.

## 2. Scope

This *Policy* shall apply to all companies of the Group and shall affect the process of preparing the consolidated annual accounts, the interim management statements corresponding to the results of the Company and of its consolidated group for the first and third quarter, and the half-yearly financial report (the “**Consolidated Financial Information**”).

## 3. Main Principles of Conduct

The main principles of conduct on which this *Policy* is based are described below:

- a. the formulation of the individual financial information of each of the companies of the Group is the responsibility of the management decision-making bodies of each company;
- b. at country subholding companies, the responsibility of their management decision-making bodies shall extend to the formulation of the financial information of the consolidated subgroup made up of the country subholding company and its subsidiaries if the formulation of such information is required by applicable law or if the management decision-making body of the relevant country subholding company deems it appropriate to formulate such consolidated information;
- c. without prejudice to the provisions of law, the management decision-making body of each company shall also be responsible for the formulation of any financial information relating to its respective company that may be required to prepare the Consolidated Financial Information within the framework of the accounting consolidation process in accordance with the models and scopes defined by the Company’s Administration and Control Division (the “**Financial Information for Consolidation**”);

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- d. the management decision-making bodies of the country subholding companies shall also be responsible for approving the Financial Information for Consolidation within which the company itself and its subsidiaries are included, and which form part of its subgroup;
- e. the Financial Information for Consolidation shall be prepared in accordance with the accounting standards established in the *Accounting Policies Handbook* and with the models approved by the Company's Administration and Control Division;
- f. without prejudice to the principles set forth above, the management teams responsible for preparing the Financial Information for Consolidation of each of the companies of the Group shall coordinate with the Company's Administration and Control Division to reach agreement on the interpretive accounting standards to take into consideration when preparing such information. Any disagreement in this regard shall be reflected in writing when submitting the Financial Information for Consolidation, and
- g. within the context of preparing the Consolidated Financial Information, companies with Financial Information for Consolidation that is covered by the scope of the verification procedures of the Company's external auditor shall ensure that the Financial Information for Consolidation has been audited by its external auditor before submitting it to the Company's Administration and Control Division in accordance with the process described in the next section of this *Policy*, and shall endeavour to ensure the avoidance of major disagreements with the Company's external auditor in relation to the application of the accounting principles to such Financial Information for Consolidation.

## 4. Process of Preparing Consolidated Financial Information

Before the beginning of each financial year, the Office of the Secretary of the Company's Board of Directors shall inform the Administration and Control Division of the date provided for the adoption of the resolution to formulate or the approval, as appropriate, of the Consolidated Financial Information.

The Company's Administration and Control Division shall communicate to the management decision-making bodies of the Group's companies the deadlines for submitting the Financial Information for Consolidation for each company, and in the case of the country subholding companies, for submitting that of their respective subgroups.

Such notice shall be coordinated with the requests for information that the chair of the Company's Audit and Risk Supervision Committee and the chairs of the audit and compliance committees of the country subholding companies (and of the head of business companies that are not subordinate to a country subholding company and that have their own audit and compliance committee) send pursuant to the provisions of the *General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its Group* in order to issue the required reports.

The management decision-making bodies of the country subholding companies, following a report from their respective audit and compliance committees, and based on the information received from their subsidiaries, shall prepare and approve the Financial Information for Consolidation corresponding to each subgroup, and once verified by their external auditor within the context of its review of the Consolidated Financial Information, shall send it to the Company's Administration and Control Division prior to the date indicated thereby, in order to prepare the Consolidated Financial Information and submit it for the formulation or approval of the Company's Board of Directors, as appropriate, after a report from its Audit and Risk Supervision Committee.

## 5. Powers Vested in the Company's Audit and Risk Supervision Committee and the Audit and Compliance Committees of the other Companies of the Group

The provisions of this *Policy* shall be deemed without prejudice to the powers vested in the Company's Audit and Risk Supervision Committee and the audit and compliance committees of the other companies of the Group in relation to the financial information of their respective company.

In particular, the Financial Information for Consolidation of the companies that have their own audit and compliance committee must be reported on by such committee before being submitted for the approval of the management decision-making body of the company in question.



Said reports shall be submitted to the Company's Audit and Risk Supervision Committee pursuant to the provisions of the *General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its Group*.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 24 July 2018 and was last amended on 20 December 2022.



# 6. Iberdrola Group Non-Financial Information Preparation Policy

20 June 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 20/07/2023.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

The transparency of the consolidated non-financial information that the Company regularly publishes is a key element of its strategy to allow its Stakeholders to be aware of the social dividend generated by the companies of the Group and their contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), in accordance with the commitments made by the Company.

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws* and its sustainable development strategy, the Board of Directors hereby approves this *Iberdrola Group Non-Financial Information Preparation Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* is intended to define an orderly process for preparing the consolidated non-financial information applicable to all companies of the Group, one that is consistent with the principles of subsidiarity and decentralised management that govern the corporate and governance structure thereof, that ensures that the consolidated non-financial information of the Company has been prepared based on information provided by the various companies of the Group and that clearly describes the responsibility of its management decision-making bodies in such process.

The main objective of the process is to ensure that the consolidated non-financial information that the Company publishes through the channels required by applicable legal provisions or through such other channels that it deems appropriate reflects in all material respects, in a reasonable and balanced manner, the environmental, social and corporate governance performance of the consolidated group, with the scope defined by law and in accordance with international standards.

## 2. Scope

This *Policy* applies to all companies of the Group and affects the process of preparing the statement of non-financial information that the Board of Directors prepares on an annual basis and submits for the approval of the shareholders at the General Shareholders’ Meeting.

## 3. Main Principles of Conduct

The main principles of conduct on which this *Policy* is based are described below:

- a. on an annual basis, the Company’s Board of Directors prepares and submits for the approval of the shareholders at the General Shareholders’ Meeting the consolidated statement of non-financial information of the Company and its subsidiaries, which document also includes the individual non-financial information of the Company (the “**Consolidated SNFI**”);





- b. prior to its publication for purposes of the call to the General Shareholders' Meeting, the Consolidated SNFI shall be subject to assurance by an independent provider of assurance services appointed by the Board of Directors upon a proposal of the Audit and Risk Supervision Committee;
- c. the Sustainable Development Committee: (i) shall determine the general standards, guidelines and principles that must govern the preparation of the Consolidated SNFI, which shall be further developed and specified by the ESG Division of the Company (or by such division as assumes the duties thereof at any time) in a *Guide for the Preparation of the Consolidated Statement of Non-Financial Information* (the "**Guide**"); (ii) shall verify that the content of the Consolidated SNFI conforms to the Company's sustainable development strategy and that it includes a reference to the level of achievement of the climate action plan approved by the Board of Directors; and (iii) shall submit its report to the Board of Directors, prior to the preparation thereof of the Consolidated SNFI, taking into account the report prepared by the Audit and Risk Supervision Committee referred to in the next paragraph;
- d. the Audit and Risk Supervision Committee: (i) shall supervise the process of preparation and presentation of the Consolidated SNFI; (ii) shall verify the clarity and integrity of the content thereof; (iii) shall report to the Sustainable Development Committee on the two foregoing items prior to the issuance thereof of its report and the preparation by the Board of Directors of the Consolidated SNFI; and (iv) shall propose to the Board of Directors the appointment of and shall maintain communications with the independent assurance provider responsible for assurance of the information included in the Consolidated SNFI;
- e. the Company's ESG Division (or such division as assumes the duties thereof at any time) shall prepare the Consolidated SNFI in accordance with the provisions of the general standards, guidelines and principles defined by the Sustainable Development Committee and the *Guide*;
- f. the management decision-making bodies of the country subholding companies (and of the head of business companies that are not subordinate to a country subholding company) shall be responsible for the preparation and approval of the non-financial information of the consolidated subgroup made up of the corresponding country subholding company and its subsidiaries that is required to prepare the Consolidated SNFI in accordance with the models, scopes and procedures defined by the Company's ESG Division (or such division as may assume the duties thereof at any time) pursuant to the provisions of the *Guide*, which shall include, among other things, the preparation of information segmented by geographical area and by business in line with the standards used to prepare the Consolidated SNFI;
- g. the audit and compliance committees of the country subholding companies shall issue the reports that are required regarding the process of preparation and presentation and the clarity and integrity of the non-financial information corresponding to the respective company;
- h. without prejudice to the foregoing principles, the organisations responsible for preparing the non-financial information for the consolidation of each of the companies of the Group shall coordinate with the Company's ESG Division (or with such division as assumes the duties thereof at any time) to approve the interpretive criteria for the standards applied in the preparation of the Consolidated SNFI pursuant to the standards, guidelines and general principles defined by the Sustainable Development Committee and pursuant to the provisions of the *Guide*; and
- i. the companies whose non-financial information is required to prepare the Consolidated SNFI shall provide the Company with all support necessary for the preparation thereof as well as in the process of assurance thereof by the independent assurance provider.

## 4. Process of Preparing the Non-Financial Information of the Group's Companies

Before the beginning of each financial year, the Office of the Secretary of the Board of Directors of the Company shall inform the ESG Division (or such division as assumes the duties thereof at any time) of the date expected for the adoption of the resolution to formulate the Consolidated SNFI.

The Company's ESG Division (or such division as assumes the duties thereof at any time) shall communicate to the management decision-making bodies of the country subholding companies (and of the head of business companies that are not subordinate to a country subholding company) the deadlines for submitting the non-financial information for the preparation of the Consolidated SNFI corresponding to their respective subgroups.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Said notice shall be coordinated with the requests for financial information made by the Company's Administration and Control Division (or such division as assumes the duties thereof at any time) within the framework of the *Iberdrola Group Financial Information Preparation Policy*, as well as the requests for information made by the chair of the Company's Audit and Risk Supervision Committee and the chairs of the audit committees of the country subholding companies pursuant to the provisions of the *General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and those of the Companies of its Group*, in order to issue the required reports, and particularly in order for said Audit and Risk Supervision Committee to report on the process of preparation and presentation and the clarity and integrity of the Consolidated SNFI.

Based on the information received from the organisation responsible for preparing the non-financial information for consolidation, the management bodies of the country subholding companies (following a report from their respective audit and compliance committees in the case of the country subholding companies) and of the head of business companies that are not subordinate to a country subholding company, shall prepare and approve the non-financial information for consolidation corresponding to the subgroup thereof and shall send it to the Company's ESG Division (or to such division as assumes the duties thereof at any time) in accordance with the provisions of the *Guide*, prior to the date indicated thereby, in order to prepare the Consolidated SNFI.

The Company's Board of Directors shall prepare the Consolidated SNFI for submission to the shareholders for approval at the General Shareholders' Meeting following a report from the Sustainable Development Committee, which in turn shall have received from the Audit and Risk Supervision Committee a report on the process of preparation and presentation thereof, as well as on the clarity thereof and on the integrity of the content thereof.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 21 July 2020 and was last amended on 20 June 2023.



# 7. Compliance and Internal Reporting and Whistleblower Protection System Policy

20 June 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 20/07/2023.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

The Company has a solid and innovative track record in compliance, which it has developed on the basis of regulatory requirements and best practices, positioning it as a leader in this field. In 2002 it already had a *Code of Ethics* to guide the conduct of its directors, professionals and suppliers as well as those of the other companies of the Group, and in 2010 it approved a *Crime Prevention Policy* which, together with the *Anti-Corruption and Anti-Fraud Policy* that came into force in 2016, demonstrate the development of a business culture based on ethics and on honesty, as well as the responsibility and the commitment of the Company and of the other companies of the Group to actively respond to the challenge of the fight against corruption and fraud in all their areas of activity.

The Company has also established an effective, autonomous, independent and robust Compliance System of its own to prevent, manage and mitigate the risk of improper conduct and acts that are illegal or contrary to law and the Governance and Sustainability System that can be performed within the organisation, and to ensure that the conduct of the organisation is in accordance with ethical principles, the law and internal rules. Based on the experience it has accumulated and in line with the evolution of its Governance and Sustainability System towards an increasing decentralisation of duties and responsibilities among the various companies of the Group, the Company intends to continue to make progress and to maintain its commitment to leadership at the forefront of a compliance culture.

Along these lines, in fulfilling said responsibilities and within the framework of the law, the *By-Laws* and the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and consistently with its culture of prevention of improper conduct and acts that are illegal or contrary to law and to the Governance and Sustainability System, as well as its firm commitment to ethics and compliance, the Board of Directors hereby approves this *Compliance and Internal Reporting and Whistleblower Protection System Policy* (the “**Policy**”).

This *Policy* integrates, further develops, recasts and, in turn, reinforces the content of the *Crime Prevention Policy*, which is no longer in effect, and also includes the latest regulatory requirements in the field of compliance, as well as the latest trends and the highest international standards in that field.

In the area of corruption and fraud, the principles contained in this *Policy* take specific shape in the *Anti-Corruption and Anti-Fraud Policy*.

## 1. Purpose

The purpose of this *Policy* is to establish the principles governing the commitment of the Company and of the other companies of the Group to prevent, detect and respond to any conduct that is improper or involves any act that is illegal or contrary to law or to the Governance and Sustainability System, as well as to demonstrate the willingness of the Company and of the other companies making up the Group to combat said conduct in all of their activities, both as an expression of their culture of compliance and their own social commitment to the public interest and to avoid any potential damage to their image and reputational value and, ultimately, the value of the Company’s shares and brand.

Thus, on the one hand, this *Policy* makes explicit the firm commitment of the Company and of the other companies of the Group to its purpose and values, to ethical principles and to ongoing monitoring and penalisation of improper conduct

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



or acts that are illegal or contrary to law or to the Governance and Sustainability System, which entails the maintenance of effective mechanisms for communication, sensitisation and awareness-raising among all professionals, and the development of a business culture of ethics and honesty, thereby contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

On the other hand, the *Policy* conveys to the shareholders, to the members of the management bodies and to the professionals of the Company and of the other companies of the Group, as well as to third parties engaging in relationships with them, a strong message of opposition to the commission of any impropriety or act that is illegal or contrary to law or to the Governance and Sustainability System.

This *Policy* also includes the fundamental principles governing the internal reporting systems available to the companies of the Group so that the shareholders, the members of their management bodies, their professionals, their suppliers, as well as other third parties provided for in applicable legal provisions may report potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System (particularly including any conduct that might constitute a crime, a serious or very serious administrative offence, or a breach of European Union law) provided for in Section 6 of this *Policy*, all without prejudice to the modifications or adaptations that may be necessary to comply with the rules that apply at each of the Group's companies.

## 2. Scope of Application

This *Policy* applies at the Company and at all companies making up the Group, as well as at all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, the listed country subholding companies and their subsidiaries, pursuant to their own special framework of strengthened autonomy, may approve their corresponding compliance policy applicable to each of said companies and to their subsidiaries in order to comply with the requirements deriving from their status as a listed company. In any event, such policy must be in accord with the principles set forth in this *Policy* and in the other environmental, social, and corporate governance and regulatory compliance policies of the Governance and Sustainability System and must be communicated to the Company's Compliance Unit through the channels implemented for these purposes.

Members of the management bodies and professionals of the Company and of the other companies of the Group who are also subject to other policies, rules or principles, whether applicable to a particular industry or deriving from the laws of the territories or countries in which said companies do business, shall also be bound thereby, and the corresponding measures of coordination shall be established in order for said policies, rules or principles to be consistent with the provisions of this *Policy*.

Furthermore, all persons acting as representatives of the Company and of the other companies of the Group at companies and entities not belonging thereto shall comply with the provisions of this *Policy* and shall promote, to the extent possible, the enforcement of the principles hereof at said companies and entities.

This *Policy* shall also apply, to the extent relevant, to joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations if the Company or another company of the Group assumes the management thereof, and in other cases, to the extent possible, with a view to promoting the application of the principles hereof.

## 3. Main Principles of Conduct

The main principles of conduct of the Company and of the other companies of the Group on which this *Policy* is based are described below:

- a. On the one hand, foster a preventive culture based on the principle of “zero tolerance” towards improper conduct and acts that are illegal or contrary to law or to the Governance and Sustainability System, and on the other, the application of ethical principles and principles of responsible behaviour that should govern the conduct of all members of the management bodies, as well as of the professionals of the Company and of the other companies of the Group, regardless of their level, geographic location or functional subordination, and that of the suppliers of all of them.

This “zero tolerance” principle is absolute in nature and takes precedence over the possibility of obtaining any type of benefit (financial or otherwise) for the Company or for the other companies of the Group or their directors or professionals, when based on a business or transaction that is improper, illegal or contrary to law or to the Governance and Sustainability System, and particularly the ethical principles set out in the *Code of Ethics*.



- b. Development by the Group's companies of their own effective, autonomous, independent and robust compliance systems (in accordance with the best and most advanced international practices in this area), applicable to all activities that they carry out and based on strong ethical principles and legality, such that they contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest.
- c. Within the framework of the drive for its preventive culture, foster processes of self-control in the conduct and decision-making of the members of the management body and of the professionals, such that their actions are based on four basic premises: (i) that they are ethically acceptable; (ii) that they are legally valid and comply with the provisions of applicable law and internal rules, including the Governance and Sustainability System, and particularly with the *Code of Ethics*; (iii) that they are performed within the framework of the corporate interest of the Company and of the other companies of the Group; as well as (iv) that they are prepared to assume responsibility therefor.
- d. Identify and assess the risks associated with improper conduct and acts that are illegal or contrary to law or to the Governance and Sustainability System in the activities of the Company and of the other companies of the Group.
- e. Establish the appropriate controls and preventive measures (including, without limitation, through the internal rules and procedures approved for this purpose) for the identification, control, mitigation and prevention of improper conduct and acts that are illegal or contrary to law or to the Governance and Sustainability System, as well as identified risks, in line with the provisions of the *General Risk Control and Management Policy* and the *Sustainable Development Policy*.
- f. Take appropriate measures to ensure that relations between the professionals of the Company and of the other companies of the Group with any other company and the members thereof are governed by the principles of transparency and honesty, as well as by respect for free competition.
- g. Promote relations of the Company and of the other companies of the Group with their Stakeholders being based on ethics and integrity.
- h. Ensure that the relationship of the Company and of the other companies of the Group with their suppliers is based on legality, business ethics, efficiency, transparency and honesty and that they comply with the policies, rules and procedures established within the Group's boundary, particularly with respect to the prevention of corruption, in any of its manifestations, adopting the appropriate due diligence measures to promote principled, sustainable and responsible business behaviour throughout the supply chains.
- i. Implement appropriate training programmes and communication plans for professionals of the Company and of the other companies of the Group, as well as for third parties with whom relations are customarily maintained, regarding the duties imposed by the law applicable to any of their areas of activity or established in the Governance and Sustainability System or other internal rules and regarding the consequences of the violation thereof, with a frequency sufficient to ensure that their knowledge of the issues covered by this *Policy* is kept up to date.

In particular, specific training programmes shall be carried out to provide information on the internal reporting system and the operation thereof, as well as on the procedure established to manage grievances and reports received through this system and measures of protection and support for whistleblowers.

- j. Penalise, in accordance with the provisions of applicable law at any given time: (i) conduct that contributes to preventing or hindering the discovery of improprieties or acts that are illegal or contrary to law or to the Governance and Sustainability System; (ii) breach of the specific duty to report through internal reporting channels (as this term is defined in Section 6.1 of this *Policy*) potential improprieties or breaches of which they are aware; and (iii) the taking of any type of retaliatory measures against the whistleblower (or persons related thereto) who reports the aforementioned conduct.
- k. Seek a fair, non-discriminatory and proportional application of penalties as provided by applicable law from time to time.
- l. Provide all assistance and cooperation that may be requested by internal or judicial and administrative bodies and domestic or international institutions and entities, including competition authorities, to investigate acts that are allegedly improper, illegal or contrary to law or the Governance and Sustainability System that may have been committed by the members of the management bodies or the professionals of the Company or of the other companies of the Group and that relate to or affect the scope of their activities.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



The monitoring of and compliance with the principles contained in this *Policy* contribute to achieving the full realisation of the *Purpose and Values of the Iberdrola Group* and of the corporate interest, in accordance with applicable legal provisions, and particularly with the Governance and Sustainability System, consistently with the principles and guidelines for conduct aimed at ensuring the ethical and responsible behaviour of the directors, professionals and suppliers of the Company and of the other companies of the Group.

## 4. Compliance Systems

The Company has a Compliance System, which includes all the rules, formal procedures and substantive activities that are intended to ensure that the Company acts in accordance with ethical principles, the law, and internal rules, particularly the Governance and Sustainability System, to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the directors, professionals or suppliers thereof within the organisation.

The Company's Compliance Unit proactively and autonomously oversees the implementation and effectiveness of its Compliance System, without prejudice to the responsibilities corresponding to other bodies and divisions of the Company.

For their part, the country subholding companies and the head of business companies have their own compliance systems, the application and effectiveness of which must be proactively and autonomously monitored by their respective compliance units, without prejudice to the appropriate coordination carried out at all levels of the Group.

The aforementioned compliance systems are under continuous review to incorporate the most advanced international practices and trends in this field and the regulatory requirements at any given time, and they ensure the dissemination, implementation and monitoring of the principles of conduct set out in this *Policy*.

For such purposes, the Company's Compliance Unit and the compliance units of the country subholding companies and of the head of business companies, which are configured in accordance with the highest standards of independence and transparency and each of which has at least one member not related to any of the companies of the Group, enjoy the necessary autonomy and capacity for initiative and control and have the appropriate material and human resources for the performance of their duties.

The foregoing is without prejudice to the bodies dedicated to the prevention of specific risks and to the control of activities that it may be necessary or advisable to create at certain companies of the Group in order to comply with the industry-specific or national laws of the territories or countries in which they carry out their activities, with which relations shall be established by the corresponding compliance units for coordination purposes as appropriate pursuant to applicable law.

The fundamental elements of the Company's Compliance System are, on the one hand, its crime prevention programme and, on the other hand, the Company's internal reporting system, which is comprised of, among other things, various channels suitable for reporting potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System on the terms indicated in Section 6 of this *Policy* (the "**Internal Reporting System**").

The Company and the other companies of the Group regularly submit their respective compliance systems to an audit by an independent expert.

## 5. Crime Prevention Programmes

As regards the basic principle relating to the identification and evaluation of the risks relating to improper conduct and acts that are illegal or contrary to law or to the Governance and Sustainability System, the Company has implemented through the Compliance Unit and other competent bodies a specific and effective programme for the prevention of crimes (understood as a group of measures intended to prevent and mitigate the risk of commission of potential crimes and to detect and react to the commission thereof).

Likewise, the other companies of the Group implement programmes to prevent the commission of similar crimes through their respective compliance units (or compliance bodies or functions), which have full responsibility and autonomy for the management thereof.

The purpose of such programmes is: (i) to strengthen the existing commitment of the Company and of the other companies of the Group to combat the commission of crimes, particularly all forms of corruption and fraud; and (ii) to assure third parties and judicial and administrative authorities that the Company and the other companies of

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



the Group effectively comply with the duties of supervision, monitoring and control of their activities by establishing appropriate measures to prevent crimes – or to significantly reduce the risk of the commission thereof – and that, therefore, said companies exercise due control over the members of their management bodies, their professionals, and other subordinates, based on their governance model, as is legally required thereof, including the monitoring of possible situations of crime risk that may arise within the scope of their activities, even in those cases in which such situations cannot be attributed to a specific individual.

The Company's Compliance Unit is responsible for endeavouring to ensure the implementation, development, updating and fulfilment of the crime prevention programme of the Company and of those other companies of the Group that are not country subholding companies, head of business companies, or companies in which they have a stake, as well as for coordinating the implementation, development and fulfilment of similar programmes at the other companies of the Group, without prejudice to the powers and responsibilities assigned to other bodies and divisions of the Company and, if applicable, to the administrative and management bodies of the country subholding and head of business companies and to the compliance units of these companies.

Furthermore, at least once per year, the Company's Compliance Unit shall evaluate compliance with and the effectiveness of its crime prevention programme and shall assess whether regular modification and update thereof is appropriate, provided that the circumstances so require.

This same evaluation shall be performed by the compliance units of the country subholding companies and of the head of business companies in relation to the crime prevention programmes of their respective companies.

## 6. The Company's Internal Reporting System

The Company declares that it intends to create an environment of transparency and to foster respect for the law and the rules of conduct established in the *Code of Ethics* by its directors, its professionals and its suppliers, and, to such end, has implemented an Internal Reporting System in accordance with applicable legal provisions to encourage the reporting of potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System (including, in particular, any conduct that could constitute a crime, a serious or very serious administrative offence, or a breach of European Union law), with an impact on the Company, its contractual relationship with its suppliers, or the interests and image of the Company (the "**Conduct**").

The Internal Reporting System is designed and managed in a secure manner to ensure: (i) the confidentiality of the identity of the whistleblower and of any third party mentioned in the grievance or report, and of the actions taken in the management and processing thereof, as well as the protection of personal data, preventing access to the content of the investigation by unauthorised personnel; and (ii) that the grievances or reports submitted can be dealt with effectively within the Company.

### 6.1. Internal Reporting Channels

The Company has established for the members of its management body, its professionals, its suppliers, as well as for other third parties provided for in applicable legal provisions, the duty to report through the Internal Reporting System any Conduct of which they are aware.

To this end, the Company has activated internal reporting channels (the "**Internal Reporting Channels**"), which allow shareholders, directors, professionals, suppliers and other third parties determined by law to report any Conduct, whether in writing, through the corresponding form available on the Company's corporate website, or by any other means established by the Company, all without prejudice to their being able to address their grievances or reports to the Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) (A.A.I.) or to any other competent institution, body or entity.

The Internal Reporting System includes all the Internal Reporting Channels activated by the Company for the communication of grievances or reports relating to Conduct by shareholders, directors, professionals, suppliers and other third parties as determined by law.

The Internal Reporting Channels enable the prevention and detection of Conduct, constituting the preferred channel for reporting such Conduct and for the processing of grievances or reports received in relation thereto.

Communications through the Internal Reporting Channels may be made anonymously, must meet standards of truthfulness and proportionality, may not be used for purposes other than to seek regulatory compliance, and must be submitted in writing or verbally and shall be processed in accordance with the procedure established by the Board of Directors in the *Regulations of the Compliance Unit*.

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 6.2. Whistleblower Protection and Safeguards

As provided by legal provisions, the Company and the other companies of the Group undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation, including threats of or attempted retaliation, against any person who has reported any Conduct, through the Internal Reporting Channels or by any other means, unless the grievance or report is false or the person has acted in bad faith.

Furthermore, as provided by legal provisions, the Company and the other companies of the Group undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation, including threats of or attempted retaliation, against: (i) any individual who, within the organisation in which the whistleblower works, assists him/her in the process, or is related to him/her, as a representative of the employees, co-worker or relative; and (ii) any legal person, for whom the whistleblower works or with whom he/she has another type of relationship in an employment context or in which he/she has a significant shareholding.

For these purposes, the following actions, among others, against the person who has communicated the grievance or report are considered to be retaliation:

- a. the following measures, provided that they were not carried out in the regular exercise of managerial authority under applicable law, due to proven circumstances unrelated to the submission of the grievance or report: (i) suspension of the employment contract, dismissal or termination of employment or statutory relationship; (ii) imposition of any disciplinary measure; (iii) demotion or denial of promotion and any other material change in working conditions; and (iv) failure to convert a temporary employment contract into a permanent one, if the person providing the report had legitimate expectations to that effect;
- b. harm, including reputational damage, or financial loss, coercion, intimidation, harassment or ostracism;
- c. negative evaluation or references with regard to work or professional performance;
- d. blacklisting or dissemination of information in a particular industry that makes it difficult or impossible for the person to gain access to employment or the hiring of works or services;
- e. denial or revocation of a licence or permit;
- f. denial of training;
- g. any form of discrimination or unfavourable or unfair treatment; and
- h. any other action arising from the above.

## 6.3. Management of the Internal Reporting System

The Company's Compliance Unit is the body responsible for managing the Company's Internal Reporting System, and for processing and managing the investigation files opened on the basis of grievances or reports received through the Internal Reporting Channels, in accordance with the information management procedure established by the Board of Directors in the *Regulations of the Compliance Unit*, and delegates the aforementioned management and processing powers to the director of Compliance, with due notice to the Independent Whistleblower Protection Authority (A.A.I.).

On this basis, the Company's Compliance Unit investigates any grievance or reporting of a fact that could allegedly constitute Conduct (even if anonymous and regardless of the financial significance thereof) as soon as possible, guaranteeing the rights of the whistleblower, as well as the rights to privacy, respectability, defence and the presumption of innocence of the persons investigated or affected, in accordance with the internal procedure established by the Board of Directors for this purpose and regulated in the *Regulations of the Compliance Unit*.

The procedure for management of the grievances or reports sent through the Internal Reporting Channels provides for the immediate forwarding of information to the Public Prosecutor's Office (*Ministerio Fiscal*) when the facts might indicate a criminal offence, and such grievances or reports shall be forwarded to the European Public Prosecutor's Office if the information affects the financial interests of the European Union.

The Audit and Risk Supervision Committee shall also have direct access to grievances or reports that could have a material impact on the Company's financial statements or internal control. For these purposes, the Company's Compliance Unit shall inform the aforementioned committee of the existence of said grievances or reports and shall provide it with any documentation it may request in relation to the processing of the investigation files.





After any appropriate evaluation, the Company's Board of Directors may entrust the management of the Internal Reporting Channels to a third party that offers appropriate assurances of independence, confidentiality, personal data protection and secrecy of grievances or reports, subject to a prior report from the Sustainable Development Committee.

## 7. Internal Reporting Systems at other Companies of the Group

The country subholding companies, head of business companies and other companies of the Group have their own internal reporting systems, including appropriate reporting channels, managed by their respective compliance bodies in accordance with the principles set forth in this *Policy*.

## 8. Implementation of the *Policy*

The Company's Compliance Unit proactively endeavours to ensure the application and effectiveness of this *Policy* and disseminates the content hereof among the people to whom it is addressed, all without prejudice to the responsibilities assigned to other bodies and divisions of the Company and, if appropriate, the administrative and management bodies of the country subholding companies and head of business companies and the respective compliance units of these companies.

The country subholding companies and head of business companies may adopt policies, rules and principles that adapt and develop the provisions of this *Policy* in accordance with the particular nature of each territory, country or business, reporting them to the Company's Compliance Unit through the channels established for these purposes.

## 9. Revision of the *Policy*

The Sustainable Development Committee shall regularly review the contents of the *Policy*, ensuring that it reflects the recommendations and best international practices from time to time in effect, and shall propose to the Company's Board of Directors those amendments and updates that contribute to the development and ongoing improvement thereof, taking into account any suggestions or proposals made by the compliance units and the professionals of the Company and of the other companies of the Group.

\*\*\*

This *Policy* was approved by the Board of Directors on 20 June 2023.



# 8. Anti-Corruption and Anti-Fraud Policy

20 June 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 20/07/2023.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

Corruption and fraud stifle economic growth, weaken democracy and undermine social justice and the Rule of Law, causing serious harm to the economy and to society, and in many cases facilitates the operations of organised crime.

The Company, which is a leader by virtue of its firm commitments to ethical principles and to honesty, assumes the responsibility of actively participating in the challenge of fighting corruption and fraud in all of its areas of activity.

In assuming these commitments and in fulfilling these responsibilities, the Company’s Board of Directors hereby approves this *Anti-Corruption and Anti-Fraud Policy* (the “**Policy**”) within the framework of the law and the *By-Laws* and the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*.

## 1. Purpose

The purpose of this *Policy* is to convey to shareholders, to the members of the management decision-making bodies and to the professionals of the Company and of the other companies of the Group, as well as to third parties establishing relations therewith, an unambiguous message of opposition to fraud and corruption in all of their manifestations, and to show the desire of the Group’s companies to combat them in their activities, thereby contributing to the achievement of compliance with goal sixteen of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

This *Policy*, together with the *Compliance and Internal Reporting and Whistleblower Protection System Policy*, shows the firm commitment of the Company and of the other companies of the Group to their purpose and values, to their ethical principles and to the unwavering vigilance and punishment of acts and conduct that are fraudulent or that facilitate corruption in any of its forms, which involves the maintenance of effective mechanisms for communication and sensitivity- and awareness-raising among all professionals, and the development of a corporate culture of ethics and honesty.

## 2. Scope of Application

This *Policy* applies to the members of the management decision-making bodies and to the professionals of the Company and of the other companies that make up the Group, as well as to those of companies in which the Company has an interest and effective control but which do not belong to the Group, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, the listed country subholding companies and their subsidiaries, pursuant to their own special framework of strengthened autonomy, may approve their own anti-corruption or anti-fraud policy applicable to said company and its subsidiaries to comply with the requirements applicable thereto due to its status as a listed company. In any event, such policy must be in accord with the principles set forth in this *Policy* and in the other environmental, social, and corporate governance and regulatory compliance policies of the Governance and Sustainability System and must be communicated to the Company’s Compliance Unit through the channels implemented for these purposes.

The country subholding and head of business companies may also adopt policies, rules and principles that adapt and develop the provisions of this *Policy* in accordance with the particular nature of each territory, country or business, reporting them to the Company’s Compliance Unit through the channels established for these purposes.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Members of the management bodies and professionals of the Company and of the other companies of the Group who are also subject to other policies, rules or principles, whether applicable to a particular industry or deriving from the domestic laws of the territories or countries in which said companies do business, shall also be bound thereby, and the corresponding measures of coordination shall be established in order for said policies, rules or principles to be consistent with those set forth in this *Policy*.

Furthermore, all persons acting as representatives of the Company and of the other companies of the Group at companies and entities not belonging thereto shall comply with the provisions of this *Policy* and shall promote, to the extent possible, the enforcement of the principles hereof at said companies and entities.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company or another company of the Group assumes the management thereof, and in other cases, to the extent possible, promoting the application of the principles hereof.

### 3. Main Principles of Conduct

The main principles of conduct on which this *Policy* is based are described below:

- a. Not tolerate, permit or engage in any conduct constituting corruption in any of its forms, including extortion or bribery, in the course of business or professional activities or in relations with the public or private sector.
- b. Promote a preventive culture based on the principle of “zero tolerance” for business corruption and bribery, as well as for the commission of other acts constituting any form of fraud.

This “zero tolerance” principle for business corruption, bribery and any form of fraud is absolute in nature and takes precedence over the possibility of obtaining any type of benefit (financial or otherwise) for the Company and for the other companies of the Group, as well as for their directors, professionals and suppliers, when based on a business or transaction that is improper, illegal or contrary to law or to the Governance and Sustainability System, and particularly the ethical principles of the *Code of Ethics*.

- c. Take appropriate measures so that relations between the professionals of the companies of the Group and any government administration, authorities, officials or other persons who participate in the exercise of public functions, as well as political parties and similar institutions, are any event governed by the principles of cooperation, transparency and honesty.
- d. Have specific procedures to prevent any conduct that might be considered an act of corruption, the application of which must be supervised by the Company’s Compliance Unit or by the compliance units of the companies of the Group, as applicable.
- e. Implement appropriate training programmes and communication plans for the professionals of the Group with a frequency sufficient to ensure that their knowledge in the area covered by this *Policy* is kept up to date. In particular, the professionals of the companies of the Group shall receive specific training regarding the content of the *Code of Ethics* to prevent any instance of fraud and corruption in any form.
- f. Identify and assess the risks associated with all forms of fraud and corruption in the activities of the Company and of the other companies of the Group.
- g. Establish the appropriate controls and preventive measures (including, without limitation, through the internal rules and procedures approved for this purpose) for the identification, control, mitigation and prevention of all forms of fraud and corruption, and particularly in all activities involving third-party relationships.
- h. Ensure that the relationship between the companies of the Group and their suppliers is based on legality, business ethics, efficiency, transparency and honesty and that no supplier of the Group’s companies offers or gives to officials and other persons who participate in the exercise of public functions, authorities, third parties or any professional of the Group’s companies, within the context of the business activity carried out for or on behalf of the Group, whether directly or indirectly, gifts, presents or other improper benefits or unauthorised advantages, whether in cash or otherwise, in order to secure favourable treatment in the award or maintenance of contracts or in business relations or to obtain benefits for themselves or for the supplier company.
- i. Promote appropriate measures to ensure that suppliers comply with the policies, rules and procedures established within the Group’s boundary in connection with the prevention of corruption in any of its forms.



The Company and other companies of the Group have activated appropriate channels so that the members of their management decision-making body, its professionals, its suppliers and other third parties determined by applicable legal provisions can report potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System that concern or affect the their respective activities, including, in particular, acts and conduct that are potentially fraudulent or facilitate corruption in any of its forms.

These channels form part of the internal reporting system of the corresponding company of the Group pursuant to the provisions of the *Compliance and Internal Reporting and Whistleblower Protection System Policy*, and they constitute the preferred channel for reporting such conduct and acts and for the processing of grievances or reports that are submitted.

## 4. Revision of the *Policy*

The Sustainable Development Committee shall regularly review the contents of the *Policy*, ensuring that it reflects the recommendations and best international practices from time to time in effect, and shall propose to the Board of Directors those amendments and updates that contribute to the development and ongoing improvement thereof, taking into account any suggestions or proposals made by the compliance units and the professionals of the Company and of the other companies of the Group.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 20 December 2016 and was last amended on 20 June 2023.

# 9. Competition Law Compliance Policy



20 June 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 20/07/2023.

The Board of Directors of IBERDROLA S.A. (the “**Company**”) has the power to design, evaluate and continuously revise the Governance and Sustainability System, and specifically to prepare and update the various corporate policies, which set out the guidelines for conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”), in a sustained manner over time.

In fulfilling these responsibilities, within the framework of the law and the *By-Laws* and the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, as well as pursuant to the unquestionable commitment at the Group level to fostering free competition in favour of consumers and users and to comply with legal provisions in this area, the Board of Directors hereby approves this *Competition Law Compliance Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish the general framework and the principles of conduct that must govern the Company and the other companies of the Group in the various markets, areas of activity and industries in which they carry out their business and in their relationships and agreements with third parties, strengthening and consolidating both the culture of regulatory compliance as well as free competition, to the extent that all of this contributes to an efficient reallocation of productive resources, more efficient techniques and higher-quality products and services, with a resulting increase in the well-being of consumers and society as a whole.

The *Policy* expressly declares the firm commitment of the Group’s companies to maintaining effective competition in the markets in which they participate, in which they shall act in accordance with applicable regulatory provisions. For this reason, any type of practice that is collusive, abusive, restrictive or anticompetitive or that is aimed at hindering the action of the authorities entrusted with the supervision of these markets is categorically rejected. Both the Company and the other companies of the Group, as well as their directors and their professionals, shall actively cooperate with all of them, assisting them in the performance of their duties.

## 2. Scope of Application

This *Policy* applies at the Company and at all companies making up the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, the listed country subholding companies and their subsidiaries, pursuant to their own special framework of strengthened autonomy, may approve their corresponding competition law compliance policy applicable to each of said companies and to their subsidiaries to comply with the requirements deriving from their status as a listed company. In any event, such policy must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

Members of the management bodies and of the management team and professionals of the Company and of the other companies of the Group who are also subject to other policies, rules or principles, whether applicable to a particular industry or deriving from the laws of the territories or countries in which said companies do business, shall also be bound thereby, and the corresponding measures of coordination shall be established in order for said policies, rules or principles to be consistent with those set forth in this *Policy*.

The application of this *Policy* also takes into account the multinational nature of the Group and the particularities of the different jurisdictions in which the companies thereof are present, which affects both the substantive content of competition law and the potential consequences and sanctions deriving from non-compliance therewith.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Furthermore, all persons acting as representatives of the Company and of the other companies of the Group at companies and entities not belonging thereto shall comply with the provisions of this *Policy* and shall promote, to the extent possible, the application of the principles hereof at said companies and entities.

This *Policy* shall also apply, to the extent relevant, to joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company or another company of the Group assumes the management thereof, and in other cases, to the extent possible, promoting the application of the principles hereof.

### 3. Main Principles of Conduct

To achieve these goals and in line with the commitment to foster free competition in favour of consumers and users, the Company and the other companies of the Group adopt and promote the following main principles of conduct that must inform all of their activities:

- a. Foster a preventive culture based on the principle of “zero tolerance” towards anti-competitive practices.
- b. Establish the appropriate controls and preventive measures (including, without limitation, through the internal rules and procedures approved for this purpose) for the identification, control, mitigation and prevention of conduct that is contrary to competition law, as well as identified risks.

Specifically, and based on the provisions of this *Policy*, it is expected that specific protocols in various areas of competition law will be prepared to provide the professionals of the Group’s companies with additional tools and guidelines for conduct in very specific situations of potential risk, and particularly rules for: (i) conduct within the framework of industry associations for representatives of the Company and other companies of the Group who attend meetings and participate in activities; and (ii) action, in the event of inspection by the competition authorities, to facilitate the inspection.

- c. Compete freely and fairly in the marketplace.
- d. Focus their activity on the aim of contributing to the achievement of real and effective competition between companies operating in the different economic sectors, respecting the limits of conduct established by legal provisions in order to preserve, guarantee and foster a competitive environment.
- e. Avoid all types of contact with their competitors the purpose or effect of which is to coordinate their market practices or restrict competition through practices such as directly or indirectly fixing prices or other market conditions or the sharing of markets or customers.

In particular, they shall refrain from any form of conduct that falls under the category of a cartel, and especially from the sharing of markets or customers in the context of public tenders to which the companies of the Group may submit bids (such as submitting courtesy or cover bids, refraining from participating in certain tenders, rotating winning bids or participating in collective boycotts).

- f. Not engage in interactions with competitors aimed at exchanging anti-competitive information, particularly if it concerns strategic information relating to future prices or quantities) and refrain from entering into agreements or participating in concerted practices with competitors that restrict competition.

In this regard, representatives of the Group’s companies who are attending industry association meetings shall exercise particular care and caution to avoid exchanging commercially sensitive information with other competitors or reach any anti-competitive verbal agreement therewith during the course of such meetings or participating in other types of conversations or communications from which the existence of anti-competitive agreements or concerted practices could be inferred.

- g. Analyse and assess with particular caution from a competition perspective such agreements as the Company or the Group’s other companies may enter into with other companies operating at different levels of the production or distribution chain.
- h. In the event that any company of the Group has a dominant position in the markets in which it operates, adopt guidelines for conduct in its relationships with competitors, customers, suppliers and end users, as well as take specific precautions to prevent it from taking advantage of its position to impose abusive conditions on other market operators (whether by exploiting the other party (such as suppliers or customers) by means of financially abusive terms and conditions, by abuse of exclusivity, by expelling or harming the position of competitors in the market, or by any other means).



- i. Before entering into any transaction that might constitute a concentration (including, among others, those capable of significantly affecting the maintenance of effective competition), analyse the transaction to determine whether it: (i) might be considered to be a concentration; (ii) should be subject to prior notification to the competent authorities; or (iii) requires that execution or implementation be suspended until clearance has been obtained from the competition authorities in the relevant jurisdictions.
- j. Foster the use of the channels activated in the internal communication system provided for in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* to report or denounce potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System in terms of competition issues that concern or affect the scope of the companies of the Group's activities, their suppliers, or their interests and image.
- k. Encourage suppliers to comply with the competition policies, rules and procedures established within the Group's boundary.
- l. Strengthen and develop a culture of compliance with competition law and commitment to promoting free and fair competition, reinforcing the awareness of its professionals concerning the significance of this matter and particularly involving the members of the management team in this work, given that this is a particularly fast-changing area with significant implications for the daily activity of the Group's companies.
- m. Implement appropriate competition law training programmes and communication plans for the professionals of the Company and the other companies of the Group that are effective, comprehensive and adjusted to the specific business of each company to promote greater awareness of the significance and potential implications of this matter, at the same time as providing the necessary tools and knowledge to identify potential risks and adopt the necessary mitigation measures with sufficient frequency to ensure that their knowledge of the subject matter of this *Policy* is up-to-date.
- n. Provide all the assistance and cooperation that the competition authorities may require in the performance of their duties, and particularly for the investigation of any conduct that may constitute a violation of the legal provisions on competition.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 20 June 2023.

# 10. Corporate Tax Policy



20 December 2022

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 16/02/2023.

The Board of Directors of IBERDROLA, S.A. (the “Company”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “Group”). The Board of Directors is also responsible for formulating the tax strategy and approving investments and transactions that are particularly important from a tax standpoint because of the high amount or special characteristics thereof.

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and its sustainable development strategy, the Board of Directors hereby approves this *Corporate Tax Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* is intended to set forth the Company’s tax strategy, based on excellence and a commitment to the application of good tax practices within the framework of the corporate and governance structure of the Group.

The Company’s tax strategy consists basically of ensuring compliance with applicable tax laws and regulations and seeking to establish an appropriate coordination of the tax practices followed by the companies of the Group, all within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.

To that end, the Company takes into account all legitimate interests, including public interests, that converge in its business. In this connection, the taxes that the companies of the Group pay in the countries and territories in which they do business are their main contribution to sustaining public expenditures and, accordingly, one of their contributions to society and to the achievement of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. Main Principles of Conduct

Compliance by the companies of the Group with their tax obligations and their relations with tax authorities shall be governed by the following main principles of conduct, the application of which corresponds to each of them in accordance with the standards set out in section 5 below:

- a. compliance with tax rules in the various countries and territories in which the companies of the Group operate, paying all taxes due in accordance with the legal system.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





- b. the making of decisions on tax matters by the companies of the Group based on a reasonable interpretation of applicable legal provisions and in close connection with their activities.
- c. the prevention and reduction of significant tax risks, ensuring that taxes bear an appropriate relationship to the structure and location of activities, human and material resources, and business risks.
- d. the strengthening of the relationship with tax authorities based on respect for the law, fidelity, reliability, professionalism, cooperation, reciprocity and good faith, without prejudice to the legitimate disputes that, observing the aforementioned principles and in the defence of the corporate interest, may arise with such authorities concerning the interpretation of applicable legal provisions.
- e. the provision of information to the management decision-making bodies on the main tax implications of the transactions or matters submitted to it for approval, when they are a significant factor in making a decision.
- f. envisaging the taxes that Group companies pay in the countries and territories in which they operate as the principal contribution to sustaining public expenditures, and therefore as one of their contributions to society

## 4. Good Tax Practices

Applying the foregoing principles, the companies of the Group assume the following good tax practices:

- a. not to use artificial structures unrelated to their business for the sole purpose of reducing their tax burden nor, in particular, enter into transactions with related entities solely to erode the tax basis or to transfer profits to low-tax territories.
- b. avoid opaque structures for tax purposes, which are understood as structures calculated to prevent knowledge by the competent tax authorities of the party ultimately responsible for the activities or of the ultimate owner of the assets or rights involved.
- c. not to create or acquire companies resident in countries or territories that Spanish legal provisions deem to be tax havens or that are included in the EU blacklist of non-cooperative jurisdictions, with the sole exception of those cases in which the Group company in question is forced to do so because it is an indirect acquisition in which the company in question is part of a group of companies that are being acquired, in which case the provisions of the *Procedure for the Creation of or Acquisition of Equity Interests in Special Purpose Entities or Entities Domiciled in Tax Havens* approved by the Company's Board of Directors must be taken into account.

This procedure shall also apply in the case of creation or acquisition of entities residing in countries or territories not considered to be tax havens under Spanish legal provisions but included in the EU grey list of non-cooperative jurisdictions and with which Spain has not signed a treaty for the avoidance of double taxation.

- d. follow the recommendations of the good tax practices codes implemented in the countries and territories in which the companies of the Group do business, taking into account the specific needs and circumstances of all of the companies making up the Group.

In Spain, the Company has adhered to the *Code of Good Tax Practices* (the "**Code**") approved on 20 July 2010 by the full Forum of Large Businesses (*Foro de Grandes Empresas*) established on 10 July 2009 at the behest of the National Tax Administration Agency (*Agencia Estatal de Administración Tributaria*).

Without prejudice to any revision of this *Policy* by the Company's Board of Directors within the framework of ongoing improvement of the Governance and Sustainability System, the Company's commitment concerning compliance with, further development, and implementation of the *Code* shall extend to any other good tax practices that stem from the recommendations of the *Code* in effect at any time, even if not expressly set forth in this *Policy*.

The Company is also committed to compliance with the *OECD Guidelines for Multinational Enterprises* in the area of taxation.

- e. cooperate with the competent tax authorities in the detection of and search for solutions for fraudulent tax practices of which the Company is aware that may be used in the markets in which the companies of the Group have a presence.
- f. provide significant tax-related information and documents that may be requested by the competent tax authorities in the exercise of their powers, as soon as practicable and with the required scope.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- g. notify the appropriate body of the tax authority and sufficiently discuss therewith all significant issues of fact of which it has notice, in order to commence the appropriate investigative proceedings, if any, and to promote agreements and consents during the course of inspection proceedings, to the extent reasonably possible and without impairing good corporate management.
- h. make available to anyone who so desires the reporting channels required for them to report conduct that may involve the commission of an improper act or an act contrary to law or the Governance and Sustainability System, including the rules of conduct established in the *Code of Ethics*, and therefore including conduct in the tax area.

## 5. Application of the *Policy* within the Framework of the Corporate and Governance Structure of the Group

The application of this *Policy* shall be governed by the following principles in accordance with the configuration of the Group's corporate and governance structure:

- a. With respect to the Company

The Board of Directors of the Company, through its chairman, chief executive officer and members of its management team, shall promote due observance of the principles and good tax practices set forth in this *Policy* by the companies forming part of the Group with significant activities in the tax area.

The foregoing shall in any event be deemed to be without prejudice to the special framework of strengthened autonomy applicable to the listed country subholding companies.

- b. With respect to the country subholding companies

As regards the principles and good tax practices set out in this *Policy*, the country subholding companies shall assume the responsibilities of determining, organising, coordinating and supervising compliance, in the respective territories, countries or businesses in which they operate, with the standards that must be followed in the application of those taxes that, due to the nature thereof, affect more than one company of the Group.

Specifically, the boards of directors of the country subholding companies shall ensure compliance with this *Policy* at the territory or country level, specifying its content based on the laws applicable in each jurisdiction.

- c. With respect to the head of business companies

The head of business companies shall be responsible for complying with their tax obligations, in all events respecting the principles and good tax practices set out in this *Policy* and the standards established by the country subholding companies.

In particular, the boards of directors of the head of business companies shall be responsible for ensuring compliance with this *Policy* by the entities of the Group through which they carry out their respective businesses.

The provisions of the preceding paragraphs shall be without prejudice to respect for the corporate autonomy of the subsidiaries of the head of business companies domiciled in countries or territories other than that of the parent company or to their own responsibility in complying with their tax obligations while observing the principles and good practices set forth in this *Policy*.

Without prejudice to the provisions of law and the provisions set forth above in this section, the management body of each company of the Group shall be responsible for ensuring that the information such company provides to comply with the tax obligations of the tax group to which it belongs complies with applicable tax provisions as well as the principles and rules set forth in this *Policy*. Said information shall in all cases be prepared in accordance with the standards set by each country subholding company pursuant to the provisions established by the tax divisions of each territory, country or business.

## 6. Monitoring and Control

The companies of the Group shall adopt the control mechanisms necessary to ensure compliance with the tax laws and regulations, as well as the principles and good practices set forth in this *Policy*, as part of proper business management. They shall also use proper and sufficiently qualified human capital and material resources for such purposes.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



The Company's Global Tax Division (or division that assumes the duties thereof) shall approve and periodically review guidelines for the evaluation and management of tax risk applicable to all companies of the Group, which shall include objective standards to classify transactions based on the tax risk thereof, as well as different procedures for the approval thereof, and shall act as the body responsible for tax compliance within the Company, in coordination with the Company's Compliance Unit, proactively and independently endeavouring to ensure compliance with tax provisions as well as with the principles and good practices contained in this *Policy*.

The head of business companies shall report to the country subholding companies on an annual basis regarding the level of compliance with this *Policy*. In turn, the audit and compliance committees of the country subholding companies shall report to the Company's Audit and Risk Supervision Committee on the level of compliance with this *Policy*.

The Audit and Risk Supervision Committee shall, in accordance with the provisions of its regulations, provide to the Board of Directors information on the tax policies and standards applied by the Company during the financial year and, in particular, on the level of compliance with the *Policy* by the companies of the Group.

In addition, in the case of transactions or matters that must be submitted to the Board of Directors for approval, it shall report on the tax consequences thereof when they constitute a significant factor.

## 7. Transparency

The Company's annual corporate governance report shall set forth the degree of effective compliance with the *Code* by the Company, as well as with other similar codes or recommendations of other jurisdictions to which the companies of the Group have adhered, and shall report on the operation of the systems for controlling tax risks.

In addition, in compliance with the Company's commitment to transparency in relations and in communication with its Stakeholders, it shall disclose the most relevant information on the performance of the Group's companies in tax matters and its tax contribution to the maintenance of public expenditures in the main countries and territories in which it operates, endeavouring to ensure that the information is clear, useful and truthful.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 14 December 2010 and was last amended on 20 December 2022



# 11. Personal Data Protection Policy

20 June 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 20/07/2023.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, and its sustainable development strategy, the Board of Directors hereby approves this *Personal Data Protection Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish the common and general principles and guidelines for conduct that are to govern within the boundary of the Group as regards personal data protection, ensuring compliance with applicable law under all circumstances.

In particular, this *Policy* guarantees the right to the protection of personal data for all natural persons who establish relations with the companies belonging to the Group, ensuring respect for the rights to reputation and to privacy in the processing of the various categories of personal data from different sources and for various purposes based on their business activities, all in compliance with the Company’s *Policy on Respect for Human Rights*.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law, and to all people engaging in relations with entities belonging to the Group.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. General Principles relating to the Processing of Personal Data

Group companies shall thoroughly comply with personal data protection law in their jurisdiction, the laws that apply based on the processing of personal data that they carry out and the laws determined by binding rules or resolutions adopted within the boundary of the Group.

Group companies shall also strive to ensure that the principles set forth in this *Policy* are taken into account (i) in the design and implementation of all procedures involving the processing of personal data; (ii) in the products and services offered thereby; (iii) in all contracts and obligations that they formalize with natural persons; and (iv) in the implementation

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



of any systems and platforms that allow access by professionals of the Group's companies or third parties to personal data and the collection or processing of such data.

## 4. Main Principles relating to the Processing of Personal Data

The principles relating to the processing of personal data on which this Policy is based are described below:

a. Principle of legitimate, lawful and fair processing of personal data.

The processing of personal data shall be legitimate, lawful and fair, in accordance with applicable law. In this sense, personal data must be collected for one or more specific and legitimate purposes in accordance with applicable law.

When so required by law, the consent of the data subjects must be obtained before their data are collected.

Also when so required by law, the purposes for processing the personal data shall be explicit and specific at the time of collection thereof.

In particular, Group companies shall not collect or process personal data relating to ethnic or racial origin, political ideology, beliefs, religious or philosophical convictions, sexual orientation or practices, trade union membership, data concerning health, or genetic or biometric data for the purpose of uniquely identifying a person, unless the collection of said data is necessary, legitimate and required or permitted by applicable law, in which case they shall be collected and processed in accordance with the provisions thereof.

b. Principle of minimisation.

Only personal data that are strictly necessary for the purposes for which they are collected or processed and adequate for such purposes shall be processed.

c. Principle of accuracy.

Personal data must be accurate and up-to-date. They must otherwise be erased or rectified.

d. Principle of storage duration limitation.

Personal data shall not be stored for longer than is necessary for the purposes for which they are processed, except in the circumstances established by law.

e. Principles of integrity and confidentiality.

Personal data must be processed in a manner that uses technical or organisational measures to ensure appropriate security that protects the data against unauthorised or unlawful processing and against loss, destruction or accidental damage.

The personal data collected and processed by Group companies must be stored with the utmost confidentiality and secrecy, may not be used for purposes other than those that justified and permitted the collection thereof, and may not be disclosed or transferred to third parties other than in the cases permitted by applicable law.

f. Principle of proactive responsibility (accountability).

Group companies shall be responsible for complying with the principles set forth in this *Policy* and those required by applicable law and must be able to demonstrate compliance when so required by applicable law.

Group companies must perform a risk assessment of the processing that they carry out in order to identify the measures to apply to ensure that personal data are processed in accordance with legal requirements. When so required by law, they shall perform a prior assessment of the risks that new products, services or IT systems may involve for personal data protection and shall adopt the necessary measures to eliminate or mitigate them.

Group companies must maintain a record of activities in which they describe the personal data processing that they carry out in the course of their activities.

In the event of an incident causing the accidental or unlawful destruction, loss or alteration of personal data, or the disclosure of or unauthorised access to such data, the internal protocols established for such purpose by the Company's Corporate Security Division (or by such division as may assume the duties thereof at any time) and those that are established by applicable law must be followed. Such incidents must be documented and measures shall be adopted to resolve and mitigate potential adverse effects for data subjects.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



In the cases provided for by law, data protection officers shall be designated in order to ensure that Group companies comply with the legal provisions on data protection.

g. Principles of transparency and information.

Personal data shall be processed in a transparent manner in relation to data subjects, with the provision to data subjects of intelligible and accessible information regarding the processing of their data when so required by applicable law.

For purposes of ensuring fair and transparent processing, the Group company that is responsible for the processing must inform data subjects whose data are to be collected of the circumstances relating to the processing in accordance with applicable law.

h. Acquisition or procurement of personal data.

It is forbidden to purchase or obtain personal data from unlawful sources, from sources that do not sufficiently ensure the lawful origin of such data or from sources whose data have been collected or transferred in violation of the law.

i. Engagement of data processors.

Prior to engaging any service provider that may have access to personal data for which Group companies are responsible, as well as during the effective term of the contractual relationship, such Group companies must adopt the necessary measures to ensure and, when legally required, demonstrate, that the data processing by the data processor is performed in accordance with applicable law.

j. International transfers of data.

Any processing of personal data that is subject to European Union regulations and entails a transfer of data outside the European Economic Area must be carried out strictly in compliance with the requirements established by applicable law in the jurisdiction of origin. In addition, Group companies located outside the European Union must comply with any requirements for international transfers of personal data that are applicable in their respective jurisdictions.

k. Rights of data subjects.

Group companies must allow data subjects to exercise the rights of access, rectification, erasure, restriction of processing, portability and objection that are applicable in each jurisdiction, establishing for such purpose such internal procedures as may be necessary to at least satisfy the legal requirements applicable in each case.

## 5. Implementation

Pursuant to the provisions of this *Policy*, the Corporate Security Division, together with the Company's Legal Services (or such divisions as may assume the duties thereof at any time), shall develop and keep updated internal rules for global data protection management at the Group level, which shall be implemented by said division and which shall be mandatory for all members of the management team and professionals of the Company.

Likewise, the Corporate Security Division and the Legal Services Division of each country (or such divisions as may assume the duties thereof at any time), shall establish local internal procedures designed to implement the principles laid down in this *Policy* and to adapt the content thereof in accordance with applicable law in their respective jurisdictions.

The Legal Services Division of each country (or such division as may assume the duties thereof at any time) shall be responsible for informing the Company's Corporate Security Division of regulatory developments and news that occur in the area of personal data protection.

The Company's Systems Division (or such division as may assume the duties thereof at any time) shall be responsible for implementing the information technology systems of the companies of the Group, the information technology controls and developments that are appropriate to ensure compliance with the internal rules for global data protection management, and shall ensure that said developments are updated at all times.

In addition, the businesses and corporate divisions must (i) subject to the provisions of applicable law in each case, appoint the persons responsible for the data, who shall act on a coordinated basis and under the supervision of the Company's Corporate Security Division (or such division as may assume the duties thereof at any time); and (ii) coordinate with the Corporate Security Division (or such division as may assume the duties thereof at any time) any activity that

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



involves or entails the management of personal data, in all cases adhering to the special framework of strengthened autonomy of the listed country subholding companies.

Finally, the Cybersecurity Committee, created pursuant to the provisions of the *Cybersecurity Risk Policy*, shall monitor the general status of personal data protection at companies of the Group and shall endeavour to ensure proper Group-level coordination of risk practices and management in the area of personal data protection, assisting the Corporate Security Division (or such division as may assume the duties thereof at any time) in the approval of rules in the area of cybersecurity and data protection.

## 6. Control and Evaluation

### a. Control

The Corporate Security Division (or such division as assumes the duties thereof at any time) shall supervise compliance with the provisions of this *Policy* by the Company and the other entities of the Group. The foregoing shall in any event be without prejudice to the responsibilities vested in other bodies and divisions of the Company and, if applicable, in the management decision-making bodies of the companies within the Group.

Regular audits shall be performed with internal or external auditors in order to verify compliance with this *Policy*.

### b. Evaluation

The Corporate Security Division (or such division as assumes the duties thereof at any time) shall evaluate compliance with and the effectiveness of this *Policy* at least once per year and shall report to the Finance, Control and Corporate Development Division, or to the division assuming such duties at any particular time, on the results of such evaluation.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 21 July 2015 and was last amended on 20 June 2023.



# Part II. Resiliency, Innovation and Transformation Policies

1. Operational Resiliency Policy	 	193
2. Innovation Policy		196
3. Quality Policy		199
4. Policy on the Responsible Development and Use of Artificial Intelligence Tools	 	201
5. Corporate Security Policy		204



# 1. Operational Resiliency Policy



20 February 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 13/03/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, in order to lay down the general principles that are to govern all aspects of operational resiliency and in compliance with the provisions of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Operational Resiliency Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish the main principles of conduct as regards operational resiliency, that is, to provide a consistent, planned and coordinated response to internal or external disruptive circumstances or events or crises, of any nature, that might unexpectedly involve a significant degradation or disruption in the normal operations of the Group’s companies, in order to maintain its critical business operations and processes and key structures at previously established levels, and, if applicable, to re-establish operational capacity with the minimum impact and within the shortest possible period.

The *Policy* also includes the main principles that the operational resiliency model of the Company and the other companies of the Group (the “**Operational Resiliency Model**” or the “**Model**”) must follow, and it confirms, as a provider of essential services, its firm commitment to excellence as regards the continuity of the business and activities, ensuring at all times that its operational resiliency activities are fully in accordance with the law and with the Governance and Sustainability System.

## 2. Scope of Application

This *Policy* applies at the Company and at all companies of the Group, as well as at all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

## 3. Main Principles of Conduct

To achieve the goals specified in Section 1 above, the following main principles of conduct that must inform all of the operational resiliency activities of the Group’s companies are adopted and promoted:

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- a. Define the continuity strategies and plans that are necessary to minimise the impact of disruptive events or crises that might affect business continuity, to be regularly tested to improve and validate their capacities and response, endeavouring to ensure continuity of operational capacity and strengthening the resilience of the Group.
- b. Establish a comprehensive management process to lead, direct and control the activities of the Group's companies in response to disruptive events or crises.
- c. In relation to the external and internal context of each of the Group's companies, including the political environment, assess the social, economic, legal and cultural aspects, the technological and competitive context, internal capacities, resources and decision-making processes to address disruptive events or crises.
- d. Promote the continuous improvement of processes by measuring, evaluating and reporting on the performance and effectiveness of the results of the operational resiliency plans of the Group's companies.
- e. Allocate appropriate resources for the performance of the duties and responsibilities established in the Model and in the operational resiliency plans.
- f. Develop, provide and continuously improve the education and training of the staff assigned to the duties defined in the Operational Resilience Model.
- g. Promote an inclusive culture of operational resiliency and awareness within the Group, through an updated and continuous training programme.
- h. Via the Operational Resilience Model, implement a formal, documented and measurable management system that defines the framework of activities for the operational resiliency plans of the Group's companies, endeavouring to ensure continuous improvement in order to achieve its goals.
- i. Strengthen the relationship with the competent authorities based on respect for the law, fidelity, reciprocal trust, professionalism, cooperation and good faith, without prejudice to the legitimate disputes that, observing the aforementioned principles and in the defence of the corporate interest, may arise with such authorities.

The companies of the Group shall designate a spokesperson to manage relationships with the competent authorities for these purposes.

## 4. The Operational Resilience Model

The Corporate Security Division (or such division as assumes the duties thereof at any time) shall establish and regularly review an Operational Resiliency Model in which the methodologies, procedures and tools necessary to deploy the appropriate operational resiliency capacities shall be defined.

The Operational Resilience Model allows the Company and the companies of the Group to, among other things, support the strategic goals of the Iberdrola Group, protect their reputation, credibility and brand image, reduce the costs of disruptive shutdowns, protect life, property and the environment, improve their capacity to remain effective during disruptions, and maintain proactive and efficient control of risks. All of the foregoing shall be performed while ensuring compliance with their responsibilities as the provider of an essential service: electricity supply.

The Model, which shall be prepared in accordance with the main principles of conduct established in this *Policy*, must:

- Include a description of the organisational structure, procedures and plans related to operational resiliency and to the management of disruptive events or crises and recovery thereafter, as well as the allocation of resources and the clear attribution of duties and responsibilities to specific persons in this area.
- Define the range of measures and procedures necessary to increase the resilience of companies, their scope and priorities.
- Evaluate the risks to which the Group is exposed by using methodologies based on market standards and good practices, analysing potential impacts on business operation, and determining on that basis the critical processes and activities for continuity of the activities of the Group's companies, identifying priorities and establishing target recovery times in each case.
- Describe the processes that must be used to identify the interested parties that are significant for the operational resiliency plans, their needs and expectations, to determine their requirements.



- Establish monitoring and control methods, compliance metrics and analysis of evaluation results for the subsequent application of the most suitable corrective measures, all while maintaining appropriate coordination with the relevant risk and internal assurance divisions.
- Establish rules for the creation of resilience offices at the Company and at the country subholding companies, respectively, as a mechanism for coordinating and supervising the implementation of the defined resilience plans and, in the case of the Company, the effective implementation of the Operational Resilience Model.

## 5. Implementation

Based on the Operational Resiliency Model, both the Company and the country subholding companies within the scope of their territories and/or businesses shall prepare their respective operational resiliency plans, which shall include details of the tasks to be carried out in each financial year within the respective company and its subsidiaries, in order to effectively deploy, implement and execute the Operational Resiliency Model, applying it in each area for the defined scope in each case.

For this purpose, the Corporate Security Division at the Company and the corresponding divisions at the country subholding companies (or such divisions as assume the duties thereof at any time), through their respective resilience offices, shall coordinate the preparation of said operational resiliency plans with their corresponding corporate and business divisions in each area.

## 6. Monitoring and Control

The companies of the Group shall adopt the mechanisms necessary to ensure compliance with applicable law in terms of operational resiliency, as well as the Operational Resiliency Model and the resilience plans that are developed and specified, as part of proper business management.

In this regard, the Company's Corporate Security Division and the corporate security divisions of the country subholding companies (or such divisions as assume the duties thereof at any time), with the support of their respective operational resiliency office, shall monitor the definition, review and implementation of their respective resilience plans, as well as of the operational resiliency risk practices and management, in their respective territories and for the specific businesses.

Additionally, the Company's Corporate Security Division (or such division as assumes the duties thereof at any time), with the support of the Company's operational resiliency office, shall monitor the status of the Operational Resiliency Model and its global level of implementation.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 20 February 2024.



# 2. Innovation Policy



19 December 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 16/02/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, aware that innovation is a strategic variable that affects all of the businesses and activities of the Group’s companies, and in compliance with the provisions of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Innovation Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to define and disseminate the strategy that allows the Company and the other companies of the Group to continue to be leaders in innovation in the energy sector, leading the transition towards a healthier and more accessible energy model, based on electricity.

Along these lines, the foundations of the innovation strategy established at the Group level are sustainable development, the promotion of renewable energy and the exploitation of the opportunities offered by digitalisation and automation, as well as a wager on emerging technologies and driving the digital transformation of its businesses, thus contributing to the achievement of goals nine and eleven of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The wager on innovation is a priority for ensuring sustainability, efficiency and competitiveness, and for keeping the Company at the forefront of developing the new products, services and business models that are transforming the industry.

Therefore, the Company promotes the creation of an innovative ecosystem based on the attraction of outside talent and the exploration of new pathways for collaboration, in order to obtain knowledge and design new solutions that allow for the sustainable creation of value for the Company and its Stakeholders. It also promotes internal talent, implementing a culture of innovation at all levels, that facilitates the successful handling of the challenge of incorporating new technologies.

The Company sees innovation as an open and decentralised process. It is decentralised because it is carried out independently in each business unit, but consistently thanks to the support and coordination provided by the Company’s Innovation, Sustainability and Quality Division (or such division as may assume the duties thereof at any time). It is open because the Company considers itself to be a technology driver and, as such, its vocation is to involve all of its technology suppliers, including universities, technology centres and equipment manufacturers, in its innovation process.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

### 3. Main Principles of Conduct

To achieve the aforementioned goals, the following principles of conduct in relation to the innovation strategy of the companies comprising the Group are adopted and promoted at the Group level:

- a. lead innovation focused on energy efficiency and enabling greater electrification of demand;
- b. promote research, development and innovation (R&D) activities, focusing on efficiency aimed at the ongoing optimisation of the business operations of the Group's companies, management of facilities and equipment lifespans, reduction of operation and maintenance costs, decrease in environmental impact, as well as the development of new products and services to satisfy the needs of the customers;
- c. drive the digital transformation of the businesses of the Group's companies in order to improve the efficiency of its processes, the operation and maintenance of its assets and to increase the availability of its generation plants;
- d. keep the Group at the forefront of new technologies and disruptive business models, by encouraging a "culture of innovation" that pervades the entire organisation and promotes motivating work environments that favour and reward the generation of ideas and innovative practices by professionals, accepting risk implicit therein and recognising creative contributions;
- e. incentivise innovative ecosystems and encourage innovation in collaboration with start-ups, entrepreneurs and suppliers in order to develop new disruptive and sustainable business models, favour the exchange of knowledge and have a knock-on effect among them;
- f. foster partnerships and alliances with the academic, intellectual and technology world, by means of links that make it possible to multiply innovative capacity within the boundary of the Group and collaborate on the dissemination of knowledge;
- g. achieve innovations that foster sustainable growth, the efficient management of resources and a reduction in environmental impact, contributing with all of the foregoing to the social and economic development of the places in which the companies of the Group do business;
- h. engage in projects in the area of universalisation of energy services based on models that are environmentally sustainable, economically feasible and socially inclusive;
- i. incorporate innovation into all training within the companies of the Group by means of courses and specific programmes to develop skills relating to creativity;
- j. implement an innovation management system that includes the establishment of annual targets and goals as part of an ongoing improvement procedure, managing the Company's human and intellectual capital as a major pillar of the entire creative and innovation process;
- k. safeguard innovation in technological, commercial, industrial, scientific, organisational and financial fields, among others, encouraging fair competition among companies within the framework of a social market economy, which is a key factor for long-term sustainable development, and particularly information or knowledge considered (or that could be considered) to be a trade secret in view of the importance of the protection thereof, insofar as it provides an actual or potential competitive advantage and hence adds significant business value for the company of the Group that owns the information or knowledge;
- l. stimulate creative thinking within a diverse and inclusive environment;
- m. promote a system of technological monitoring and prospecting to identify opportunities and challenges for the businesses of the Group's companies and detect the need for innovation in processes or services, all in order to act in advance of technological changes and the new needs and risks of the market;
- n. circulate internally the knowledge gained, so that all professionals are familiar with the best practices applicable to their activity in the search for efficiency and effectiveness in the processes of the Group's companies;
- o. protect the results of the innovation process, managing intellectual and industrial property suitably and ethically, which shall in every case entail respect for the intellectual and industrial property rights of third parties;

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- p. support innovations that provide added value for users and boost the satisfaction of Iberdrola's people, shareholders and the financial community, customers and other Stakeholders of the Company.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 December 2023..

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



# 3. Quality Policy



19 December 2023

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 16/02/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and aware that outstanding management of all processes and resources of the companies belonging to the Group is an indispensable tool in the sustainable creation of value for all of its Stakeholders and for compliance with the provisions of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Quality Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to develop the instruments of the Group to strengthen the competitiveness of the energy products and services supplied through efficiency in energy generation, transmission and distribution processes, paying special attention to excellent management of processes and resources.

By developing these instruments, the Group strengthens its sustainable growth model within the context of a culture of excellence and quality management procedures, thus contributing to the achievement of goals seven, nine and twelve of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The Company conceives of quality as one of the basic principles making up the third of the corporate values of the Group, namely, driving force, which reflects its commitment to innovation and seeks to make into reality small and large changes that make life easier for people through efficiency, self-discipline and the constant search for ongoing improvement, which encompasses a commitment to other values like simplicity, agility and foresight.

The Group’s value creation model is based on three strategic pillars: profitable growth, operational excellence and optimisation of capital, with the people to whom the Group supplies energy, i.e. with its customers, as the central element of all of its activities. In this context, the ultimate aim of the Group’s sustainable and shared value creation model goes beyond the mere generation of profitability and also aspires to act as an engine and lever for social change.

The Company, through its Innovation, Sustainability and Quality Division (or such division as may hereafter assume the duties thereof), supports and coordinates the implementation, monitoring and verification of compliance with this *Policy* by all of the companies of the Group.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.



### 3. Main Principles of Conduct

To achieve the aforementioned goals, the Group accepts and promotes the following main principles of conduct that inform all of its quality-related activities:

- a. improvement in the satisfaction of the customer, both internal and external, which is a central element of the Group's activities and of the design and configuration of its products and services, such that they meet or exceed the expectations thereof;
- b. the drive towards operational excellence, strengthening a culture of continuous improvement and excellence in management in order to increase competitiveness and the creation of value for Iberdrola's people, shareholders and the financial community, and other Stakeholders of the Company;
- c. advancement of quality management systems, giving priority in the implementation thereof to contributing value to the various organisations of the Group. In particular, the transformation of the energy model towards greater electrification and the impact of digitalisation and the new business models on the activities of the Group make it necessary to continuously evaluate the tools supporting the processes, including quality management systems, in order to achieve operational excellence and excellence in management;
- d. a focus on the Stakeholders of the Company, working to identify and satisfy or even exceed their expectations; and
- e. the commitment of all professionals of the Group through teamwork, an appropriate flow of information, internal communication, training, equality of opportunity and recognition of achievements.

### 4. Quality Model of the Company

The Company's quality model forms part of the Group's Business Model, established through a global quality management system that coordinates and supervises the quality management systems of the various corporate areas and businesses of the Group to take advantage of the synergies deriving from belonging thereto and driving compliance with the main principles of conduct referred to above.

As part of such model, in order to properly supervise compliance with the provisions of this *Policy*, the Group has quality guidelines approved by the Company's Innovation, Sustainability and Quality Division, which define the strategic global quality lines, consistently with the main principles of conduct set out above and with the commitment to ongoing improvement, and which are communicated to the companies of the Group, which further develop and specify them in quality goals and challenges among their various organisational levels, respecting the corporate and governance structure of the Group.

Furthermore, to ensure homogeneous quality practices and levels within the Group, the Company's Innovation, Sustainability and Quality Division has also approved a manual and a set of general quality procedures, as well as a global scoresheet that regularly monitors the goals and action plans of the various corporate areas and businesses.

\*\*\*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 December 2023.





# 4. Policy on the Responsible Development and Use of Artificial Intelligence Tools DI C

20 February 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 13/03/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

Pursuant to the provisions of the Company’s *By-Laws* and as part of its commitment to the social dividend, the innovation and digital transformation strategy of the Group must be focused on the sustainable creation of value, in accordance with the *Purpose and Values of the Iberdrola Group* and with the commitments made in the *Code of Ethics*.

Aware of the significance of the development and implementation of artificial intelligence tools for the application of this strategy, and of the importance of ensuring its responsible use, in accordance with the Company’s corporate philosophy and the principles that inform its corporate culture based on ethics and the commitment to sustainable development, the Board of Directors approves this *Policy on the Responsible Development and Use of Artificial Intelligence Tools* (the “**Policy**”), which is aligned with the OECD Council’s Recommendation on Artificial Intelligence.

## 1. Purpose

The purpose of this *Policy* is to establish the common and general principles and guidelines for conduct that are to govern the design, development and application of artificial intelligence tools, defined as any automated system designed to function with different levels of autonomy and which may, with explicit or implicit aims, generate results such as predictions, recommendations or decisions, which in turn influence physical or virtual environments. It also has the purpose of regulating the responsible use of these tools, ensuring compliance with applicable law, the *Purpose and Values of the Iberdrola Group*, the *Code of Ethics* and the other rules that form part of the Governance and Sustainability System.

In this regard, this *Policy* establishes the principles and guidelines to ensure the responsible, transparent, secure and trustworthy use of artificial intelligence systems by the companies of the Iberdrola Group.

## 2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Finally, the principles established in this Policy shall also apply to the suppliers who develop artificial intelligence tools for the Company or the entities subject to this *Policy*, to the extent appropriate.

### 3. Main Principles of Conduct

To comply with the commitment outlined in Section 1 above, the companies to which this *Policy* applies must design, develop, apply and use artificial intelligence tools in accordance with the following main principles of conduct:

a. Principle of Respect for Human Beings and Social Wellbeing

Artificial intelligence systems will be developed and used as tools in the service of people, fully respecting human dignity and the environment, in accordance with the technological state of the art at any time and so that they benefit all human beings, endeavouring to ensure that the development thereof contributes to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

They shall endeavour to use artificial intelligence tools responsibly, in compliance with the Iberdrola Group's commitment to human rights and to the principles that inform the *Purpose and Values of the Iberdrola Group* and the *Code of Ethics*, facilitating the possibility of human beings controlling and supervising their design and use. In any event, they shall pay special attention to ensuring that artificial intelligence systems do not harm health or safety or have a negative impact on fundamental human rights.

b. Principle of Diversity, Non-Discrimination and Fairness

They shall endeavour to develop and use artificial intelligence systems so that they foster equality of access, gender equality and cultural diversity, at the same time as avoiding biases with discriminatory effects (based on race, ethnic origin, religion, sex, sexual orientation, disability or any other personal condition) and unfair prejudice.

c. Principle of Culture of Innovation

They shall endeavour to ensure that the design, development and application of artificial intelligence tools are aligned with the Group's innovation strategy, which seeks to keep it at the forefront of new technologies and disruptive business models, by encouraging a "culture of innovation" that pervades the entire organisation and promotes motivating work environments that favour and reward the generation of ideas and innovative practices.

d. Principle of Privacy

They shall ensure that artificial intelligence systems are developed and used in accordance with privacy and data protection laws, as well as with the Governance and Sustainability System, and also that they shall process data that comply with established standards of quality and integrity.

e. Principle of Transparency

Artificial intelligence systems shall be developed and used so that they permit adequate tracking and transparency, ensuring that users are aware they are communicating or interacting with an artificial intelligence system, for which purpose they shall duly inform affected persons of such system's capacities and limitations, as well as of the rights that protect them.

f. Principle of Security and Resilience

They shall endeavour to ensure that artificial intelligence systems are developed and used so that they minimise involuntary and unexpected harm and are resilient against unauthorised attempts to access them or alter their use or performance, and against unlawful and malicious third-party use, ensuring continuity of service provision at all times.

They shall have hardware, technical and software security mechanisms to protect and foster the proper functioning of their artificial intelligence systems against any alteration, misuse or unauthorised access (physical or cyber), as well as to guarantee the integrity of data that are stored or transmitted via those systems.

Without prejudice to the exceptions that may be established for well-founded reasons by the Digital Transformation Division (or such division as assumes the duties thereof at any time), they shall generally not develop or use artificial intelligence systems that are classified as high-risk pursuant to the standards established at any time.



g. Principle of Training and Awareness-Raising

They shall endeavour to ensure that the developers of artificial intelligence tools receive training on all aspects required to understand the risks implicit in the use of those systems, such as legal and ethical considerations, behavioural aspects and best security practices, so as to ensure that the end users of artificial intelligence tools can use them safely.

## 4. Instruments and Coordination of the Digital Transformation and Use of Artificial Intelligence

To achieve the specified goals, the Company has a Digital Transformation Division (or such division as assumes the duties thereof at any time), which may rely on an Artificial Intelligence Global Coordination Group that is created for this purpose and which shall act in coordination with any local groups created at the country subholding companies, and it shall prepare the procedures required to ensure the proper use of artificial intelligence and the management of the potential risks arising from the use thereof.

The Digital Transformation Division (or such division as assumes the duties thereof at any time) shall supervise compliance with the provisions of this *Policy* and regularly report to the Audit and Risk Supervision Committee thereon.

Similarly, the Digital Transformation Division (or such division as assumes the duties thereof at any time) shall review this *Policy* at least once per year to ensure that the content thereof conforms to the ongoing progress, innovations, risks and regulatory changes that are occurring in the area.

## 5. Supervision

The Digital Transformation Division (or such division as assumes the duties thereof at any time) shall supervise compliance with the provisions of this *Policy* and regularly report to the Audit and Risk Supervision Committee thereon.

Similarly, the Digital Transformation Division (or such division as assumes the duties thereof at any time) shall review this *Policy* at least once per year to ensure that the content thereof conforms to the ongoing progress, innovations, risks and regulatory changes that are occurring in the area.

\* \* \*

This Policy was initially approved by the Board of Directors on 10 May 2022 and was last amended on 20 February 2024.



# 5. Corporate Security Policy



20 February 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 13/03/2024.

The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, in order to lay down the general principles that are to govern all aspects of the corporate security activities and in compliance with the provisions of the *Purpose and Values of the Iberdrola Group*, the Board of Directors hereby approves this *Corporate Security Policy* (the “**Policy**”).

## 1. Purpose

The purpose of this *Policy* is to establish the main principles of conduct that are to govern security at the Group’s companies, to ensure the effective protection of people, of physical assets (including critical infrastructure), of information and of knowledge and of the control and communications systems, as well as of privacy of processed data, at all times endeavouring to ensure that security activities are fully in accordance with the law and scrupulously comply with the provisions of the *Policy on Respect for Human Rights*.

Through this *Policy*, the Company states its commitment to excellence in terms of security, which plays a leading day-to-day role at the companies of the Group, so that they remain secure, resilient and reliable in a continuously transforming digital community, where increasingly sophisticated hardware, cybersecurity and hybrid threats are arising, causing increased levels of demands from regulators, from customers and from the other Stakeholders with which the companies of the Group have a relationship, with respect to compliance with increasingly high security standards that allow for the construction and consolidation of long-lasting relationships of trust.

## 2. Scope of Application

This *Policy* applies at the Company and at all companies of the Group, as well as at all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles and guidelines set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

This *Policy* is developed and supplemented by the following specific policies, also approved by the Company’s Board of Directors: the *Personal Data Protection Policy* and the *Cybersecurity Risk Policy*, with regard to said areas.

## 3. Main Principles of Conduct

To realise the commitment set forth in Section 1 above, the following main principles of conduct that must inform all of the corporate security activities of the Group are established:

- a. Define a comprehensive security strategy with a preventive and proactive approach to guarantee a reasonable level of risk.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- b. Ensure the appropriate protection of assets (including critical infrastructure), to proactively manage risks.
- c. Guarantee the protection of the professionals of the companies of the Group, both in their workplace and in their professional travel, as well as the protection of persons when they are at the facilities or at any institutional event of the Group's companies.
- d. Define a security management model with a clear allocation of roles and responsibilities and effective coordination mechanisms, which integrates security and proactive risk management into decision-making processes.
- e. Ensure the adequate protection of information and knowledge, as well as of the control, information technology and communication systems, to proactively manage risks pursuant to the provisions of the *Cybersecurity Risk Policy* (or such regulation as may replace it at any time).
- f. Promote the identification of non-public information classified (or that could be classified) as confidential or secret, as well as the information considered (or that could be considered) to be a trade secret, and define standards for the appropriate protection thereof, ensuring their implementation.
- g. Promote the active fight against fraud and against attacks on the brand, image and reputation of the Group's companies and their professionals.
- h. Guarantee the right to the protection of personal data for all natural persons who establish relations with the companies belonging to the Group, in accordance with the provisions of the *Personal Data Protection Policy* (or such regulation as may replace it in the future).
- i. Adopt the measures necessary to prevent, neutralise, minimise or restore the harm caused by hardware, cybersecurity or hybrid security threats to normal business operations, based on criteria of proportionality to the potential risks and the critical nature and value of the affected assets and services.
- j. Comply with the main principles of conduct established in the *Operational Resilience Policy*.
- k. Foster an inclusive culture and awareness regarding security within the Group, through appropriate dissemination, education and training activities adapted to each recipient and with sufficient regularity to guarantee up-to-date knowledge in this area.
- l. Promote appropriate security training for all staff, both internal and external, defining hiring requirements and standards that take this training into account.
- m. Monitor the current organisational and environmental context, as well as the evolution of events that permit the identification of the most significant security threats in order to anticipate their potential impact.
- n. Promote best practices and innovation in the area of security.
- o. Collaborate with relevant Stakeholders (including the supply chain and customers) on security risks that affect the Group's companies, to strengthen the coordinated response to potential security risks and threats.
- p. Provide all assistance and cooperation that may be requested by the competent security institutions and bodies, including but not limited to regulators, security forces and bodies and governmental agencies, both domestic and international, in those countries in which the Group carries out its activities.
- q. Endeavour to ensure effective compliance with the obligations imposed by the Governance and Sustainability System and by applicable security regulations at any time, always acting in accordance with applicable law and the provisions of the *Code of Ethics* and the other rules of the Governance and Sustainability System.

## 4. Strategic Security Programme

The Corporate Security Division (or such division as assumes the duties thereof in the future) shall identify, implement and evaluate the actions necessary to prepare a Strategic Security Programme (the "**Programme**") in accordance with the principles and guidelines defined in this *Policy*, and it shall develop the internal rules, methodologies and procedures to ensure the appropriate implementation of the Programme by the Company and by the other companies of the Group, which shall adapt it to the particular features applicable in each of their territories and businesses.

The corporate security divisions (or such divisions, areas or functions as assume the powers thereof at any time) of each of the Group's companies shall endeavour to guarantee, with respect to their corresponding company, a level of maturity at the organisation at all times in terms of security, in accordance with the highest existing standards at any time, in view of the territory and of the business carried out by the corresponding company.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



In turn, the Corporate Security Division (or such division as assumes the duties thereof at any time) shall also endeavour to ensure the appropriate coordination of practices and the management of security risks among the various companies of the Group, as well as the maintenance of an appropriate level of maturity at Group level in terms of security.

## 5. Supervision and Control

The Corporate Security Division (or such division as assumes the duties thereof at any time) shall supervise compliance with the provisions of this *Policy*.

The foregoing shall in any event be without prejudice to the responsibilities vested in other bodies, areas, functions and divisions of the Company and, if applicable, in the management decision-making bodies of the companies within the Group.






Regular evaluations and audits shall be performed with internal or external auditors in order to verify compliance with this *Policy*.

\* \* \*

This *Policy* was initially approved by the Board of Directors on 23 September 2013 and was last amended on 20 February 2024.



# Part III. Risk Policies

1. General Risk Control and Management Policy	ED	208
<hr/>		
2. Corporate Risk Policies		213
<hr/>		
Corporate Credit Risk Policy	ED	213
Corporate Market Risk Policy	ED	213
Operational Risk in Market Transactions Policy	ED	213
Insurance Policy	ED	214
Investment Policy	ED	214
Financing and Financial Risk Policy	ED	214
Treasury Share Policy	ED	215
Risk Policy for Equity Interests in Listed Companies	ED	215
Purchasing Policy	 AC  DI ED  C	215
Information Technology Policy	ED	216
Cybersecurity Risk Policy	ED	216
Reputational Risk Framework Policy	ED	217
Occupational Safety and Health Policy	  C	217
<hr/>		
3. Specific Risk Policies for the Various Group Businesses		220
<hr/>		
Risk Policy for the Networks Businesses of the Iberdrola Group		220
Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group		221
Risk Policy for the Real Estate Business		222
<hr/>		



# 1. General Risk Control and Management Policy

20 February 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 13/03/2024.

The Board of Directors of IBERDROLA, S.A. (the “Company”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company, of its shareholders and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “Group”).

Among the risk policies, the *General Risk Control and Management Policy* (the “**Policy**”) identifies the principal risks of the Group’s companies and organises appropriate internal control and information systems, as well as the regular monitoring of such systems.

## 1. Object

The object of the *Policy* is to establish the basic principles and general framework for the control and management of all kinds of risks facing the Company and the other companies of the Group, and which must be applied in accordance with the provisions of the *Purpose and Values of the Iberdrola Group*.

The *Policy* is further developed and supplemented through specific policies that may be established for certain risks, corporate functions or businesses within the boundary of the Group.

The country subholding companies must adopt said risk policies of the Company and define the application thereof, approving guidelines on specific risk limits based on the nature and particularities of the businesses in the various countries and territories.

The management decision-making bodies of the head of business companies must approve the specific risk limits applicable to each of them and implement the control systems necessary to ensure compliance therewith.

## 2. Scope

The *Policy* applies to all companies that make up the Group, as well as to the companies that are not part of the Group in which the Company has an interest and over which it has effective control, within the limits established by the laws applicable to the regulated activities carried out by the Group’s companies in the various countries in which they operate.

Excluded from the scope of this policy are listed country subholding companies and the subsidiaries thereof which, pursuant to their own special framework of strengthened autonomy, have their own risk policies approved by their competent bodies. In any event, said risk policies must be in accord with the principles set forth in this *Policy* and in the other risk policies of the Company.

At those companies in which the Company has an interest but which do not form part of the Group, the Company shall promote risk principles, guidelines and limits consistent with those established in this *Policy* and in the supplementary risk policies and shall maintain appropriate channels of information to ensure a proper understanding of the risks.

## 3. Risk Factors – Definitions

From a general viewpoint, a risk is considered to be any threat that an event, action or omission may prevent the Group’s companies from reaching their objectives and successfully carrying out their strategies.

The risk factors to which the Group’s companies are subject generally are listed below:





- a. **Corporate Governance Risks:** arising from a possible breach of: (i) applicable law, (ii) the provisions of the Governance and Sustainability System, (iii) the recommendations of the *Good Governance Code of Listed Companies* of the National Securities Market Commission (“CNMV”) and its practical guides, and (iv) international standards in this area.

Potential consequences include: (i) the challenge of corporate resolutions; (ii) proposed supplements to the call to the General Shareholders’ Meeting as an expression of dissent by some shareholders regarding the management of the Board of Directors; (iii) requests received from the CNMV, or any sanction thereby; and (iv) divestment from or lack of interest in investing in shares of the Company.

- b. **Market Risks:** understood as the exposure of the results and assets of the Group’s companies to changes in prices and other market variables, including:
- **Financial:** exchange rate, interest rate, solvency, liquidity, inflation and the value of financial assets and liabilities.
  - **Energy and other raw materials:** electricity, gas and other fuel prices, CO<sub>2</sub> emission rights or other support mechanisms for renewables, as well as those related to other raw materials (including steel, aluminium, copper and polysilicon, amongst others).
- c. **Credit Risks:** defined as the possibility that a counterparty breaches its contractual obligations, thus causing an economic or financial loss to the Group’s companies, including the risks of payment and costs of replacement. Counterparties may include end customers, counterparties in financial markets or energy markets, partners, suppliers, contractors, financial institutions and insurance companies.
- d. **Business Risks:** defined as the uncertainty regarding the performance of key variables inherent in the various activities of the Group’s companies through their businesses, such as the characteristics of demand, weather conditions and the strategies of different players.
- e. **Regulatory and Political Risks:** are those arising from regulatory changes made by the various regulators, such as changes in compensation of regulated activities or in the required conditions of supply, or in environmental or tax regulations, including risks relating to political changes that might affect legal security and the legal framework applicable to the businesses of the Group’s companies in each jurisdiction, nationalisation or expropriation of assets, the cancellation of operating licences and the termination of government contracts.
- f. **Operational, Technological, Environmental, Social and Legal Risks:** those relating to direct or indirect economic losses caused by external events or inadequate internal processes, including those arising from:
- technological failures, human error and technological obsolescence;
  - operation and construction of facilities;
  - sabotage and/or terrorism;
  - those associated with market operations;
  - security of facilities, physical assets and information technology systems, including cyber-security;
  - trustworthiness of financial and non-financial information;
  - climate change, extreme natural phenomena and pandemics;
  - nature risks: environmental management and biodiversity;
  - communities affected by the facilities;
  - procurement and the supply chain, from both the industrial and social standpoint;
  - the safety and health of people;
  - diversity and Inclusion;
  - regulatory compliance;
  - fraud and corruption; and
  - litigation, arbitration and taxation issues.



- g. **Reputational Risks:** potential negative impact on the value of the Group's companies resulting from conduct on the part of the company that is below the expectations created among the various Stakeholders, as defined in the *Stakeholder Engagement Policy*, including behaviour or conduct relating to corruption.

Given the multidimensional nature of the risks, the taxonomy includes additional classification variables for improved monitoring, control and reporting of these risks. These additional categories include:

- classification of risks into structural, "hot topics" and emerging, the latter of which are understood as possible new threats with an uncertain impact and undefined growth probability, but which could eventually become material for the Group's companies.
- the inclusion of secondary risk factors, including financial, environmental, social, governance ("ESG"), fraud or corruption, tax, health, cybersecurity or third party risk factors.

## 4. Basic Principles

The Group's companies are subject to various risks inherent in the different countries, territories, industries and markets in which they do business and in the activities they carry out, which may prevent them from achieving their objectives and successfully implementing their strategies.

Aware of the significance of this issue, the Board of Directors of the Company undertakes to develop all of its capabilities in order for the significant risks to all the activities and businesses of the Group's companies to be adequately identified, measured, managed and controlled, and to establish through the *Policy* the mechanisms and basic principles for appropriate management of the risk/opportunity ratio, at a risk level that makes it possible to:

- a. attain Group-level strategic objectives with controlled volatility;
- b. provide the maximum level of assurance to the shareholders;
- c. protect the interests of shareholders, customers and other Stakeholders of the Group's companies;
- d. contribute to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), with a special focus on goals seven and thirteen;
- e. protect Group-level results and reputation;
- f. ensure corporate stability and financial strength in a sustained fashion over time; and
- g. raise awareness of the risk culture among the professionals of the Group's companies through communication and training programmes.

In pursuing this commitment as expressed through the basic principles, the Board of Directors and its Executive Committee rely on the support of the Audit and Risk Supervision Committee, which, as a consultative body, monitors and reports upon the appropriateness of the system for internal control and management of significant risks, with the support of the Internal Audit and Risk Division of the Company (or with that of such divisions as assume the duties thereof at any time), which reports functionally to the committee, and in coordination with the audit and compliance committees existing at the country subholding companies.

All actions aimed at controlling and mitigating risks shall conform to the following basic principles:

- a. **Integrate** the risk/opportunity vision into the Company's management, through a definition of the strategy and the risk appetite and the incorporation of this variable into strategic and operating decisions.
- b. **Segregate** functions, at the operating level, between risk-taking areas and areas responsible for the analysis, control and monitoring of such risks, ensuring an appropriate level of independence.
- c. **Guarantee** the proper use of risk-hedging instruments and the maintenance of records thereof as required by applicable law.
- d. **Inform** regulatory agencies and the principal external players, in a transparent fashion, regarding the risks facing the Group's companies and the operation of the systems developed to monitor such risks, maintaining suitable channels that favour communication.
- e. **Ensure** appropriate compliance with the corporate governance rules established by the Company through its Governance and Sustainability System and the update and continuous improvement of such system within the framework of the best international practices as to transparency and good governance, and implement the monitoring and measurement thereof.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- f. **Act** at all times in compliance with the values and standards of conduct reflected in the *Code of Ethics*, under the principle of “zero tolerance” towards improper conduct and acts that are illegal or contrary to law or the Governance and Sustainability System set forth in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and in the Anti-Corruption and Anti-Fraud Policy and the good practices and principles reflected in the *Corporate Tax Policy*.

## 5. Comprehensive Risk Control and Management System

The *Policy* and the basic principles underpinning it are implemented by means of a comprehensive risk control and management system, supported by the Company’s Risk Committee and based upon a proper definition and allocation of operational and supervisory duties and responsibilities and upon supporting procedures, methodologies and tools, suitable for the various stages and activities within the system, including:

- a. The establishment of a **structure of risk policies, guidelines, limits and indicators**, as well as of the corresponding mechanisms for the approval and implementation thereof, which review and dictate the risk appetite to be assumed each year in both qualitative and quantitative terms, in accordance with the objectives set out in the multi-year plan and the annual budget.
- b. The **ongoing identification of significant risks and threats**, taking into account their possible impact on key management objectives and the accounts (including contingent liabilities and other off-balance sheet risks).
- c. The **analysis of such risks**, both at each corporate business or function and taking into account their combined effect on the Group’s companies as a whole.
- d. The **measurement and control of risks following homogeneous procedures and standards common to all of the Group’s companies**.
- e. The **analysis of risks associated with new investments**, as an essential element in risk/return-based decision-making, including physical and transition risks related to climate change.
- f. The **maintenance of a system for monitoring and control of compliance with policies, guidelines and limits**, by means of appropriate procedures and systems, including the contingency plans needed to mitigate the impact of the materialisation of risks.
- g. The **ongoing evaluation of the suitability and efficiency** of applying the system and the best practices and recommendations in the area of risks for eventual inclusion thereof in the model.
- h. The audit of the comprehensive risk control and management system by the Internal Audit Division.

## 6. Risk Policies and Limits

The *Policy* is further developed and supplemented by the following policies, which are also subject to approval by the Company’s Board of Directors:

### **Corporate risk policies:**

- *Corporate Credit Risk Policy.*
- *Corporate Market Risk Policy.*
- *Operational Risk in Market Transactions Policy*
- *Insurance Policy.*
- *Investment Policy.*
- *Financing and Financial Risk Policy.*
- *Treasury Share Policy.*
- *Risk Policy for Equity Interests in Listed Companies.*
- *Purchasing Policy.*
- *Information Technology Policy.*



- *Cybersecurity Risk Policy.*
- *Reputational Risk Framework Policy.*
- *Occupational Safety and Health Policy.*

**Specific risk policies for the various businesses of the Group's companies:**

- *Risk Policy for the Networks Businesses of the Iberdrola Group.*
- *Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group.*
- *Risk Policy for the Real Estate Business.*

\* \* \*

This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 20 February 2024.



# 2. Corporate Risk Policies

19 March 2024

Adopted by the Board of Directors of Iberdrola España, S.A.U. on 18/04/2024.

## Corporate Credit Risk Policy DS

The *Corporate Credit Risk Policy* provides the framework for the monitoring and the management of credit risk from a global viewpoint covering the companies of the Group, credit risk being understood as all counterparty risks that, in the event of default by such counterparty, might cause certain companies of the Group to sustain an economic or financial loss.

The policy focuses on identified segments within the financial relationships of the Group's companies that create credit exposure and must be monitored.

Exposure to credit risk occurs in various ways, depending on the type of relationship with the counterparty, which takes the form of settlements, replacement costs and pending write-offs. In particular, the *Corporate Credit Risk Policy* establishes the identification and segmentation into homogeneous groups of the principal types of relations that give rise to credit exposure within the Group, the implementation of mechanisms to identify common counterparties, the application of corporate guidelines for acceptance of counterparties, as well as the establishment of risk limits in the aggregate and by counterparty, in accordance with credit quality standards.

Additionally, the risk policies for each business establish specific credit risk limits and guidelines in line with the characteristics thereof.

## Corporate Market Risk Policy DS

The *Corporate Market Risk Policy* provides a global framework for the monitoring and management of market risk within the boundary the Group, market risk being understood as any potential loss of margin or value due to adverse changes in price-determining factors.

In particular, the *Corporate Market Risk Policy* sets out differentiated guidelines for the management of the market risk associated with the various activities connected to the energy value chain:

- a. Energy management and sales activities associated with the core business for sale in the liberalised market (electricity production at the Company's own plants, including the supply of fuel and emission allowances, electricity and gas supply, forward, wholesale or retail sale of electricity and natural gas through the Company's own supply company, dedicated generation or cogeneration plants with or without a power purchase agreement and related hedging transactions).
- b. Regulated energy management or sale activities.
- c. "Discretionary trading" of electricity, natural gas, emission allowances and other fuel and associated products, with respect to which a global "stop-loss" limit is established at the Group level.

Additionally, the risk policies for each business establish specific market risk limits and guidelines adjusted to the characteristics thereof and to the countries and territories in which the Group's companies are present.

## Operational Risk in Market Transactions Policy DS

The *Operational Risk in Market Transactions Policy* establishes a global framework for the control and management of operational, regulatory and reputational risks that may arise in the day-to-day management of trading desks within the markets in which the companies of the Group operate.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



It is based on the implementation of a sound internal control framework with the following key elements: (i) a strong risk culture; (ii) proper segregation of duties; (iii) formalisation of clear policies and processes; and (iv) secure and flexible reporting systems.

It also establishes a number of specific guidelines, grouped into categories, which will apply to the various activities performed by each of the affected trading desks.

## Insurance Policy DS

The *Insurance Policy* provides the framework for the monitoring and management, through insurance, of the Company's global exposure to the impact of the operational risks associated with all the activities and businesses managed by the Company and the other companies making up the Group.

The policy states that the optimal scope and levels of risk retention should be based on the objective of optimising the total cost of the risk.

There is provision for the monitoring of the following, among others: (i) maximum annual loss, understood as "cost of premiums plus the maximum probable cost of the risk retained in insured events", (ii) risk to be assumed by the captive reinsurance company belonging to the Group, (iii) the main limits of the indemnities; and (iv) main deductibles assumed.

## Investment Policy DS

The *Investment Policy* provides a common framework for the analysis and monitoring of new investment or divestment projects of the businesses carried out by the companies making up the Group and of the risks associated therewith.

In particular, the *Investment Policy* sets general limits in terms of profitability and risk for each project, as well as the manner in which it fits into the overall Group-level strategy, the impact on results, and the years for recovery of the investment.

The *Investment Policy* also provides for monitoring the expected annual volume of investments and governs the issuance of guarantees to third parties, in addition to identifying the sources of potential delays and extra costs in construction projects.

## Financing and Financial Risk Policy DS

The *Financing and Financial Risk Policy* establishes the framework for the monitoring and management of financial risks within the boundary of the Group.

It provides that a Group-level strategy must be developed for the financing and management of financial risks that allows for the acquisition of the funds necessary to meet investment and operational needs under optimum cost and risk conditions:

- a. ensuring liquidity.
- b. setting the appropriate levels of risk to be assumed in order to optimise the cost/risk ratio within established limits.
- c. transferring the level of risk associated with financial variables that the Company does not wish to assume to external entities specialising in the management of such risks.
- d. maintaining solvency indicators that enable the Group's companies to maintain their credit rating in accordance with pre-established objectives.
- e. complying with the requirements of local regulators and the tax provisions applicable in each country or territory.

The *Financing and Financial Risk Policy* sets out the basic principles and guidelines applicable to all activities in respect of financial risk, as well as specific limits for the control of certain identified financial risks, namely currency risk, interest rate risk, liquidity risk and solvency risk, among others.

In particular, and in relation to the performance of the function of managing financial risk, it is established that the Finance and Treasury Division (or such division as may assume the duties thereof) will be responsible for coordinating and controlling the financial operations of the companies of the Group.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## Treasury Share Policy DS

The *Treasury Share Policy* provides the framework for the control and management of transactions in shares issued by the Company or financial instruments and contracts of any kind with shares of the Company as the underlying asset, by the Company or by any of the companies of its Group, and the risk associated therewith, with the expectation that said transactions shall be conducted in compliance with applicable regulations and with the resolutions adopted in this regard at a General Shareholders' Meeting, and that they shall always pursue lawful aims, such as:

- a. providing investors with sufficient liquidity and depth in the trading of the Company's shares.
- b. stabilising the share price after a public offer for the sale or subscription of shares through the loan of own shares by the Company and the granting of an option to the underwriters to purchase or subscribe shares.
- c. implementing programmes for the purchase of treasury shares approved by the Board of Directors or by the shareholders at a General Shareholders' Meeting and, in particular, making available to the Company the shares required to comply with the share delivery commitments previously assumed thereby under issuances of securities or corporate transactions, as well as compensation schemes or loyalty plans for shareholders (e.g., payment of dividends in kind), directors, officers or the other professionals of the Group's companies.
- d. honouring other previously-assumed lawful commitments.
- e. any other purpose allowed under applicable legal provisions.

The *Treasury Share Policy* also sets out a number of guidelines and limits to appropriately mitigate and limit treasury share risk.

## Risk Policy for Equity Interests in Listed Companies DS

The *Risk Policy for Equity Interests in Listed Companies* provides the framework for the monitoring and management of risks affecting the various holdings in listed companies in the form of shares and derivatives:

- a. in companies within the scope of consolidation (subsidiaries and affiliated companies).
- b. in financial investments (financial assets at fair value through profit or loss and available-for-sale financial assets).

## Purchasing Policy

The *Purchasing Policy* provides the overall framework for the control and management of the risks deriving from the purchase of materials and equipment and from contracting for works and services within the framework of the Group, with special emphasis being laid on adherence to ethical commitments at the Group level and of the suppliers of the companies making up the Group.

The policy rests on the following basic principles:

- promoting a strong risk culture and the development of a corporate culture based on ethics and honesty across the entire organisation, capable of supporting the professional and ethically responsible behaviour of the entire workforce, through strict application of the *Code of Ethics*.
- establishing, in a coordinated fashion, the standards and controls associated with purchasing activities for the benefit of the companies making up the Group, ensuring full adherence to the corporate organisation deriving from the Governance and Sustainability System.
- implementing the mechanisms required for purchasing decisions to in any event ensure the achievement of balance among technical competence, quality and price as well as the rating and quality of the supplier as a key condition for the contribution of value.
- establishing supplier selection procedures that conform to standards of objectiveness, impartiality and equal opportunity, ensuring at all times the professionalism of their workforce as well as loyalty to the Group's companies and their shareholders regardless of their own or third-party interests.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- promoting strict compliance by suppliers with contractual terms and conditions and with applicable law, placing special attention on respect for the environment and on the principles contained in the *Policy on Respect for Human Rights*, favourably assessing compliance with the provisions in the area of reconciliation and gender equality in the *Diversity and Inclusion and Anti-Harassment Policy*, and requiring acceptance of the principles of conduct set out in the *Code of Ethics* specifically applicable to the suppliers of the Group's companies.
- furthering a supplier relationship policy based on the principles of corporate ethics and transparency, striving for continuous improvement and mutual benefit and promoting innovation and development activities.
- fostering the motivation and active participation of professionals, as well as the training required for the performance of their tasks and the continuous education thereof.
- promote sustained, inclusive and sustainable economic growth, productive employment and decent work for all professionals forming part of the value chain of the Group's companies, in line with the provisions of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The *Purchasing Policy* establishes guidelines and limits regarding levels at which authority may be delegated and purchasing procedures within the Group's companies in accordance with the aforementioned principles, as well as regarding the organisation principles that must be observed to ensure full adherence to the corporate organisation deriving from the Governance and Sustainability System.

## Information Technology Policy DS

The *Information Technology Policy* establishes an overall framework for the governance and management of the processes and actions relating to information technology (IT) within the companies of the Group. It contemplates the management of risks associated with the use, ownership, operation, participation, influence and adoption of specific information technology, or the processes for the management and control thereof.

The *Information Technology Policy* also defines an integrated management framework that allows for a global technological focus and is intended to ensure the appropriate management of information technology and of the risks associated therewith, promoting the creation of value through an effective and innovative use of information technology and the satisfaction of internal and external users with the level of commitment and services provided, maintaining a balance between the generation of profits, the optimisation of risk levels and an efficient use of resources, based on standards of proportionality.

The policy also contains the guidelines of an information technology governance model that is common to the Group's companies, based on the creation of a Global IT Governance Committee, which will supervise compliance of information technology within the Group's companies, including the significant aspects of the audits and evaluations of compliance therewith and related action plans.

## Cybersecurity Risk Policy DS

The *Cybersecurity Risk Policy* establishes a global framework for the control and management of the cybersecurity risks applicable to all the companies of the Group. In particular, it refers to the risks arising from threats and vulnerabilities affecting the control systems or information technology and communications systems of the Group's companies, as well as any other asset forming part of their cyber-infrastructure.

It also establishes the guidelines for a common cybersecurity management model for all of the Group's companies, coordinated by a Cybersecurity Committee and based on the development of global rules and procedures to be applied within all the businesses and corporate functions, thus encouraging a strong culture of cybersecurity.

The *Cybersecurity Risk Policy* rests upon the following basic principles:

- raising awareness among all professionals, third-party suppliers, and partners regarding cybersecurity risks and ensuring that they have the knowledge, skills, experience and abilities needed to support the cybersecurity goals established within the boundary of the Group.
- ensuring that the cyber assets of the Group's companies have an appropriate level of cybersecurity and cyber-resilience and applying the most advanced standards to those that support the operation of critical cyber-infrastructure.





- fostering the existence of appropriate cybersecurity and cyber-resilience mechanisms for the systems and operations managed by third parties that provide services to the Group's companies.
- strengthening capacities for prevention, detection, reaction, analysis, recovery, response, investigation and coordination against terrorist activities and criminality in cyberspace.
- providing procedures and tools that permit rapid adaptation to changing conditions in the technological environment and to new cyberspace threats.
- collaborating with government bodies and agencies in order to contribute to the improvement of cybersecurity in the international sphere.
- complying with the cybersecurity principles established in the *Corporate Security Policy*.
- protecting information regarding the critical cyber-infrastructure and cybersecurity systems of the Group's companies.
- implementing efficiency-based cybersecurity measures that contribute to the functionality of the systems and the continuity of key services.
- acting in accordance with applicable law, the *Code of Ethics* and the Company's other internal rules.

The *Cybersecurity Risk Policy* sets out the commitment of the Group's companies to clearly and transparently report on their risks and incidents in the area of cybersecurity, in accordance with the provisions of law. The Company must inform the market through the National Securities Market Commission on the terms required by law regarding non-public cybersecurity risks and incidents directly or indirectly relating to the Company or any other company of the Group and that, if made public, may have a material impact on the price of the Company's shares or of any other security that the Compliance Unit defines as an affected security or related derivative instruments and that may constitute inside information, as these terms are defined in the *Internal Regulations for Conduct in the Securities Markets*.

Until said information is public, those persons who are aware of the existence of the risk or incident in question shall be deemed insiders, within the meaning of the provisions of the *Internal Regulations for Conduct in the Securities Markets*, may not engage in transactions regarding affected securities and will be subject to the duty of confidentiality, among other restrictions contemplated in said regulations.

## Reputational Risk Framework Policy

The object of the *Reputational Risk Framework Policy* is to establish a benchmark framework for controlling risks with an associated reputational impact and the management to be implemented by all of the divisions of the companies making up the Group on a coordinated basis with the ESG Division (or such division as may assume the duties thereof).

The management of corporate reputation seeks two complementary objectives: to bring out opportunities that trigger favourable behaviour towards the Company and the other companies of the Group, and to minimise and mitigate the reputational risk in the activities they perform.

There is a direct relationship between this policy and the *Stakeholder Engagement Policy*, the purpose of which include identifying the Company's Stakeholders, engaging them and strengthening relations of trust with them.

The *Reputational Risk Framework Policy* establishes various recommendations, including crisis management, and lists indicators for monitoring, like RepTrak, as well as standards for measuring the reputation of the Company and its subsidiaries.

## Occupational Safety and Health Policy

### 1. Purpose

The Company's Board of Directors, recognising the importance of occupational safety and health risks, endorses the implementation of the actions required to provide safe and healthy conditions for the prevention of work-related injuries and health impairments that are suited to the purpose, size and context of each organisation and to the specific nature of the risks for employees of both the Company and the other companies within the Group, as well as in their spheres of influence, thereby contributing to the achievement of goals three and eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## 2. Main Principles of Conduct

To achieve this goal, the companies of the Group adhere to and promote the following main principles, among others, that must inform all of their activities:

- a. Quality, productivity and the profitability of their activities are as important as the safety and physical, mental and emotional health of the people participating in the value chain, including their psychological and social well-being, all of which are permanent and fundamental Group-level objectives.
- b. The safety of such people must always prevail. The prevention of work-related injuries and health impairments can be achieved by allocating resources and training to this end.
- c. The integration of occupational safety and health in all business processes is a basic principle of effectiveness and efficiency and of collective responsibility.
- d. The understanding of health as a state of complete physical, mental and emotional well-being, promoting actions that create environments and living conditions that nurture and allow people to adopt and maintain healthy habits.

## 3. Occupational safety and health commitments

The purpose and basic principles regarding occupational safety and health at the Group level translate into the following commitments assumed by senior management and promoted at all organisational levels:

- a. Meeting or exceeding legal and other requirements in the area of occupational risk prevention.
- b. The elimination of threats and reduction of risks to occupational safety and health.
- c. The integration of occupational safety and health standards in all decisions, business processes and work methods, such that the members of the management team, managers, technicians and employees take full ownership of their responsibilities.
- d. The continuous improvement of the occupational safety and health management systems.
- e. The consultation and participation of all employees on workplace safety and health.

## 4. Instruments for the adoption and promotion of occupational safety and health commitments

Group-level occupational safety and health commitments are encouraged through:

- a. An organisational structure with clearly defined responsibilities, which is decentralised and based on the principle of subsidiarity.
- b. The *Occupational Safety and Health Policy*
- c. The acquisition and maintenance of occupational safety and health certifications in line with the strictest international standards.
- d. The efficient provision of appropriate technical, financial and human resources.
- e. The periodic preparation of specific strategic plans that determine strategic priorities and key matters relating to prevention.
- f. The establishment of specific, indicative, stimulating and verifiable objectives regarding occupational safety and health.
- g. The exchange of best practices in the area of occupational safety and health among all of the organisations of the Group.
- h. Ongoing preparation, training and information for officers, intermediate managers and employees in order to promote safe behaviour and raise awareness of the impact of their work on the safety of persons, processes and facilities.
- i. Effective coordination and collaboration with suppliers and providers in order for occupational safety and health to be present in all services and work performed at the facilities of the Group's companies.



- j. The establishment of links of cooperation with the various competent government agencies in occupational safety and health matters in order to become a positive benchmark in this area wherever the Group's companies engage in their activities.

Participation in international initiatives, ratings and indices relating to safety and health.

All of the foregoing such that the various levels of the organisation are aware of the importance of occupational safety and health in the planning and subsequent implementation of all activities, and that all employees contribute with their daily work to the achievement of the goals set in this field.



# 3. Specific Risk Policies for the Various Group Businesses

20 February 2024

Iberdrola España, S.A.U.'s Board of Directors on 13/03/2024 adopts those policies included in this Summary that are applicable to the Company:

- Risk Policy for the Networks Businesses of the Iberdrola Group.
- Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group.
- Risk Policy for the Real Estate Business.

## Risk Policy for the Networks Businesses of the Iberdrola Group

The *Risk Policy for the Networks Businesses of the Iberdrola Group* provides the framework for the monitoring and management of risks associated with the networks businesses of each country in which the Group has a presence within applicable regulations and the general guidelines set out in the *General Risk Control and Management Policy*, within the limits provided by applicable legal provisions on the regulated activities of each country or territory in which the Group's companies have a presence.

The policy applies to all regulated electricity and gas distribution and transmission/transport activities carried out by the Group's companies in:

### Spain

Regulated networks activities:

- a. Distribution of electricity, including the planning, development and operation and maintenance of networks.
- b. Billing and collection of usage fees and charges for direct-to-market customers and retailers.
- c. Reading of the meters of consumers connected to its networks.
- d. Cut-off and reconnection of customers on behalf of retail companies or on their own behalf for direct customers.

### United Kingdom

Regulated networks activities:

- a. Planning, development and operation and maintenance of electricity distribution and transmission networks.

### United States of America

Regulated networks activities:

- a. Electricity transmission and distribution.
- b. Gas distribution and storage.
- c. Retail sale of electricity and natural gas at regulated rates.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## Brazil

Regulated activities of:

- a. Regulated distribution of electricity, including the planning, construction, operation and maintenance of networks.
- b. Supply of electricity for sale at regulated rates, including contracting, measurement, billing, customer service, collection, cut-offs and re-connections for regulated customers.
- c. Planning, construction, operation and maintenance of electricity transmission facilities, including lines and substations.

Significant regulatory risks include those associated with the remuneration mechanisms and the incentives and penalties established by each of the regulatory frameworks applicable to each of the distributors in relation to: investments, operational costs, quality and continuity of supply, customer service, technical and commercial losses and, if the applicable regulation establishes an obligation to supply energy at a regulated rate, energy supply and customer arrears.

Significant risks also include operational risks (including health and safety, environmental management and cybersecurity), the evolution of demand (in Brazil) and the non-recovery of increases in financial costs and inflation, depending on the regulation of each market.

## Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group

The *Risk Policy for the Electricity Production and Customers Businesses of the Iberdrola Group* provides the framework for the monitoring and management of risks associated with the electricity production and retail businesses of the Group's companies within applicable regulations and the general guidelines set out in the *General Risk Control and Management Policy* in the various countries and territories in which they operate, defining the activities affected thereby and establishing appropriate management guidelines in accordance with the structure of each market:

- a. Production of renewable, nuclear, cogeneration and conventional thermal energy.
- b. Wholesaling of energy (electricity and natural gas) and other energy products (emission rights, green certificates and similar).
- c. Supply of fuel (for combined cycle, cogeneration and nuclear power plants);
- d. Retail sale of electricity, gas and energy services, including long-term sales of electricity through power purchase agreements ("PPAs").
- e. Management of integrated position, based on the particular nature of each country and territory, using energy derivatives.
- f. Investments in new generation plants, as well as investments to acquire customers or investments dedicated to supplying customers with electricity.
- g. Production and supply of hydrogen.
- h. Implementation of industrial heating and cooling projects and facilities.
- i. Operation and maintenance of facilities, including the ecological and environmental management thereof.

Main production and sale activities by country:

- **Spain:** production and sale of renewable and nuclear energy and gas at combined cycle and cogeneration plants. Retail sale of electricity and natural gas.
- **Mexico:** production and sale of renewable energy and gas at combined cycle and cogeneration plants.
- **United Kingdom:** production and sale of renewable energy and retail sale of electricity and natural gas.
- **Brazil:** production and sale of renewable energy.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- **United States of America:** production and sale of renewable energy.
- **Other countries:** production and sale of renewable energy in Australia, Portugal, Germany, France and other European countries. Retail sale of electricity and natural gas in Portugal, Germany, Italy and France.

Main risks managed:

- Market risk, mitigated by energy sales at regulated rates and to long-term fixed price customers (including long-term PPAs) and by hedges, as well as the risks associated with hydro, solar and wind resources and the availability of facilities.
- Credit risks associated with non-payment for energy by customers and by wholesale counterparties.
- Operational risks associated with the management of production plants and serving the millions of customers of the Group's companies.
- The regulatory risks under which businesses operate, associated with the various energy sources used to produce electricity in each country and territory.

## Risk Policy for the Real Estate Business

The *Risk Policy for the Real Estate Business* establishes the framework for the monitoring and management of risks affecting the business carried out by "Iberdrola Inmobiliaria, S.A." (Sociedad Unipersonal) in order to mitigate and reduce the risks associated with the fulfilment of its objectives within the general guidelines set out in the *General Risk Control and Management Policy*.

Particularly contemplated are the risks associated with activities of land management, real estate development and the lease of assets of "Iberdrola Inmobiliaria, S.A." (Sociedad Unipersonal) in Spain and in other countries and territories.



# Part IV. Governance Rules of the Corporate Decision-Making Bodies and other Functions and Internal Committees

1. Regulations of the Audit and Compliance Committee of Iberdrola España, S.A.U.	ED C	224
2. Basic Regulations for the Internal Audit Function	ED C	236
3. Regulations of the Compliance Unit of Iberdrola España, S.A.U.	ED C	244
4. Code of Incompatible Activities of Iberdrola Group Spain Companies with Regulated Activities	ED C	257



# 1. Regulations of the Audit and Compliance Committee of Iberdrola España, S.A.U.

18 July 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 18/07/2024.



<b>CHAPTER I. NATURE, OBJECT AND APPROVAL OF THE REGULATIONS</b>	<b>226</b>
Article 1.- Nature and Object	226
Article 2.- Approval, Amendment and Order of Priority among Provisions	226
<b>CHAPTER II. DUTIES OF THE COMMITTEE</b>	<b>226</b>
Article 3.- Duties	226
Article 4.- Information to the Board of Directors	230
Article 5.- Activities Report	231
Article 6.- Relations with the Audit Committees of Iberdrola, S.A. and of companies in which the Company Holds an Interest	231
<b>CHAPTER III. COMPOSITION, APPOINTMENT AND CESSATION OF OFFICE OF MEMBERS</b>	<b>231</b>
Article 7.- Composition.	231
Article 8.- Appointment	232
Article 9.- Term of Office	232
Article 10.- Cessation of Office	232
Article 11.- Training Plan	232
<b>CHAPTER IV. COMMITTEE MEETINGS</b>	<b>232</b>
Article 12.- Meetings	232
Article 13.- Call to Meeting	232
Article 14.- Establishment of a Quorum and Approval of Resolutions	233
Article 15.- Attendance at Committee Meetings	233

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





## **CHAPTER V. POWERS OF THE COMMITTEE, PARTICIPATION, RIGHT OF ITS MEMBERS TO RECEIVE INFORMATION, AND DUTIES** **234**

Article 16.- Powers and Advice	234
Article 17.- Participation and Right to Receive Information	234
Article 18.- Duties of Committee Members	234

## **CHAPTER VI. COMPLIANCE WITH, INTERPRETATION AND INTEGRATION OF THE REGULATIONS** **234**

Article 19.- Compliance	234
Article 20.- Interpretation and Integration of the Regulations	235



## CHAPTER I. NATURE, OBJECT AND APPROVAL OF THE REGULATIONS

### Article 1.- Nature and Object

1. Pursuant to the provisions of the *By-Laws* of Iberdrola España, s.a.u. (the “**Company**”), the Board of Directors establishes the Audit and Compliance Committee (the “**Committee**”), a permanent internal informational and consultative body without executive duties, with the power to inform, advise and make proposals to the Board of Directors within its scope of action and which shall be governed by the provisions set forth in the *By-Laws* and in these *Regulations of the Audit and Compliance Committee* (the “**Regulations**”).
2. These *Regulations* stem from the independent status of the Committee and are intended to establish its duties while defining the principles of conduct and setting forth its rules of internal operation, as well as its relations with the Internal Audit and Risk Division and with the Compliance Unit.

Furthermore, taking into consideration that the sole shareholder of the Company is Iberdrola, S.A., the listed parent company, within the meaning established by law, of the Group to which the Company belongs (the “**Group**”), these *Regulations* are also intended to establish, being the Company a subholding of the Group, the framework for relations and information exchange between the Committee and the Audit and Risk Supervision Committee of Iberdrola, S.A. and, if any, any committees of the head of business companies in which the Company holds an interest, such that they can adequately perform their respective duties without compromising their independence, in accordance with law and the respective provisions of the Governance and Sustainability System thereof, ensuring compliance at all times with the legal provisions applicable to each company.

### Article 2.- Approval, Amendment and Order of Priority among Provisions

1. These Regulations and any amendment hereof must be approved by resolution of the Board of Directors of the Company, at the proposal of the chair of the Board of Directors or of the chair of the Committee.
2. These *Regulations* further develop and supplement the by-law provisions applicable to the Committee, which shall prevail in the event of conflict with the provisions of these *Regulations*.

## CHAPTER II. DUTIES OF THE COMMITTEE

### Article 3.- Duties

1. The Committee shall perform its duties with full autonomy, without prejudice to the establishment of a suitable framework of cooperation and exchange of information regarding the performance of their duties with the audit committees that may be established at Group companies that are directly or indirectly controlled by the Company, as well as with the Audit and Risk Supervision Committee of IBERDROLA, S.A. AND TO THE PROVISIONS OF ARTICLE 6 BELOW.
2. In any event, the Committee shall have the following duties:
  - a. With regard to the Internal Audit and Risk Division:
    - i. Endeavour to ensure the independence and effectiveness of the Company’s Internal Audit and Risk Division, which is subordinate to the Committee, and that it has sufficient resources and that its members have suitable professional qualifications to carry out their duties most efficiently.
    - ii. Supervise and guide the work of the Internal Audit and Risk Division, ensuring that it exercises its powers proactively and that its activity is primarily focused on the significant risks of the Company and its Group (including reputational risks), receiving regular information on the activities it performs.
    - iii. Propose to the Board of Directors, for approval thereby, the appointment and removal of the Chief Internal Audit and Risk Officer. In order to prepare such proposal, the chair of the Committee shall liaise as appropriate with the Chief Internal Audit and Risk Officer of Iberdrola, S.A., reporting thereon to the Committee.
    - iv. Evaluate the operation of the Internal Audit and Risk Division and the performance of the Chief Internal Audit and Risk Officer.

The assessment shall be constructive and shall include an evaluation of the level of compliance with the annual activities plan and with any standards established for purposes of determining the variable components of the remuneration of the Chief Internal Audit and Risk Officer.



The conclusions from the assessment made by the Committee shall be submitted to the Board of Directors so that they may be taken into account when determining the remuneration thereof. The Chief Internal Audit and Risk Officer shall also be informed thereof.

- v. Propose the budget for the Company's Internal Audit Division and Risk for approval by the Board of Directors.
  - vi. Approve the annual activities plan of the Company's Internal Audit and Risk Division, in accordance with the general plan established by the Internal Audit and Risk Division of Iberdrola, S.A.
  - vii. Monitor the annual activities plan, verifying that:
    - the conclusions of the Internal Audit reports include weaknesses and improprieties detected, as well as the action plans for resolution thereof and monitoring of their implementation, and that are submitted on time or in a timely manner;
    - the Company's officers take into account the conclusions and recommendations contained in its reports;
    - the internal control and risk management systems function effectively and identify, manage, mitigate and quantify key risks (financial and non-financial) appropriately and that they remain within the indicated tolerance values; and
    - based on the provisions of the *General Risk Control and Management Policy*, that there is appropriate coordination with other functions entrusted with risk management, supervision and assurance powers and that the most significant risks (including reputational, corruption-related and emerging risks) are covered in compliance with the risk strategy of the Company and of the Iberdrola Group with respect to the Company and its subsidiaries.
  - viii. The Internal Audit and Risk Division shall regularly report on the implementation of the annual plan, informing the Committee of any significant incidents and changes that may arise in the course thereof.
  - ix. The Internal Audit and Risk Division shall submit to the Committee an annual activity report, for acknowledgement thereby, which shall contain at least a summary of the internal audit activities and reports carried out during the year, describing the work set out in the annual plan but not performed, or work carried out but not provided for in the initial plan, and shall include an inventory of weaknesses, recommendations and action plans. This report shall also be forwarded to the Chief Internal Audit and Risk Officer of IBERDROLA, S.A.
  - x. The Committee, through its chair, may request the presence of the Chief Internal Audit and Risk Officer at certain parts of the Committee's meetings during which aspects related to the scope of the powers or duties thereof are discussed, all in accordance with the provisions of Article 15.
- b. With regard to the internal control and risk management systems:
- i. Know and review the effectiveness of the internal control systems associated with the risks of the Company and of its directly or indirectly controlled companies, ensuring that they are aligned with the general processes and systems established by the Group.
  - ii. Ensure that the main risks of the Company and of its directly or indirectly controlled companies are identified, managed and properly reported in accordance with the *General Risk Control and Management Policy*, identifying at least the following on the basis thereof:
    - the different types of financial and non-financial risks (including operational, technological, cybersecurity, data protection, legal, social, environmental, political and reputational risks, or risks relating to corruption) facing the Company and its directly or indirectly controlled companies, including, among financial risks, contingent liabilities and other off-balance sheet risks;
    - the establishment and review of the risk map and levels that the Company deems acceptable;
    - the measures planned in order to mitigate the impact of identified risks in the event that they materialise; and
    - the information and internal control systems that will be used to monitor and manage the aforementioned risks, including contingent liabilities and other off-balance sheet risks.
  - iii. Together with the statutory auditors, analyse significant weaknesses in the internal control system detected during the audit, all without compromising the independence thereof. To this end, if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding follow-up period.



- iv. Promote, within the limits of its powers, a culture in which risk is a factor that is taken into account in all decisions and at all levels within the Company.
  - v. Issue, at least once every six months, a report for the Board of Directors on the internal control and risk management systems of the Company and directly or indirectly controlled companies, which the chair of the Committee shall subsequently make available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A., in order to enable the latter committee to fulfil the duties with which it has been entrusted with regard to the internal control and risk management systems of the Group.
  - vi. Inform the Board of Directors regarding the main litigation proceedings of the Company and its directly or indirectly controlled companies, in order to identify the risks and contingent liabilities arising from existing claims and proceedings.
  - vii. Supervise the data protection and cybersecurity activities that are reported to the Committee and report in turn to the Board of Directors.
- c. With regard to the auditing of accounts:
- i. Propose to the Board of Directors, with regard to the statutory auditors of the Company appointed by the sole shareholder, the terms and conditions of the contract therewith pursuant to the *Statutory Auditor Contracting and Relations Policy*, acting for this purpose in furtherance of the Company's interest.
  - ii. Review the content of the audit reports before they are issued in order to ensure that they contain no qualifications, and assess the results of each audit, supervising the response of the Company's Management to the recommendations made therein.
  - iii. On an annual basis and prior to the audit report, issue a report setting forth an opinion on whether the independence of the statutory auditors has been compromised. This report shall include a reasoned assessment and contain, in all cases, an opinion regarding the provision of each and every one of the additional services mentioned in paragraph (iv) below, considered individually and as a whole, other than the statutory audit, and in relation to the rules on independence or the legal provisions governing the auditing of accounts.
  - iv. Receive information regarding services of any kind in addition to the statutory audit that the Company's statutory auditors will provide to the Company or to the companies directly or indirectly controlled by the Company. The Committee shall prepare a report for the Board of Directors of the Company and shall make it available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A. for such purposes as may be appropriate.
  - v. Establish appropriate relationships with the statutory auditors to receive information regarding matters that might entail a threat to the independence thereof, for examination by the Committee, and regarding any other matters relating to the auditing of accounts, as well as ensure that there are no grounds for prohibition or disqualification.
- In any event, the Committee must annually receive written confirmation from the statutory auditors of their independence in relation to the Company or entities that are directly or indirectly subordinate thereto, as well as a detailed breakdown of information regarding additional services of any kind provided to and the corresponding fees received from such entities by the statutory auditors or by persons or entities connected thereto, pursuant to the legal provisions governing the auditing of accounts.
- vi. Receive information from the statutory auditors on a regular basis regarding any matters provided for in legal provisions on the auditing of accounts and in technical auditing standards in effect at any time, establishing suitable information channels for these purposes between the Company's Internal Audit and Risk Division and the Internal Audit and Risk Division of Iberdrola, S.A. with the Committee reporting to the Board of Directors when so provided by law or by the Company's Governance and Sustainability System.
  - vii. Act as a channel of communication between the Board of Directors and the statutory auditors, from whom the Committee shall receive information on a regular basis regarding the audit plan and the results of the implementation thereof.
- d. With regard to the process of preparation of the financial information:
- i. Supervise the process of preparing and presenting as well as the clarity and integrity of the financial information regarding the Company and its directly or indirectly controlled companies, receiving for such purpose the appropriate information from the audit committees that may be established at the head of business companies in which the Company holds an interest. The Committee shall ensure that any interim financial information prepared and submitted to the Company's Board of Directors adheres to the same accounting standards as those used in the annual financial reports.



- ii. Evaluate any proposed changes to accounting practices and policies within the framework of the general accounting practices and policies of the Group and submit recommendations or proposals to the Board of Directors aimed at protecting the integrity of the implementation thereof. This supervisory work of the Committee must be carried out continuously, and also performed specifically at the request of the Board of Directors.
  - iii. Prepare a report for the Board of Directors regarding the annual financial statements and the interim financial information. Said report shall be made available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A. in order to enable the latter to supervise the process of preparation and presentation of the economic and financial information regarding the Group as a whole as well as the integrity thereof.

The financial information for consolidation must be reported upon by the Committee before being submitted to the approval of the Board of Directors of the Company, pursuant to the provisions of the *Iberdrola Group Financial Information Preparation Policy*.
  - iv. Obtain information on significant adjustments identified by the statutory auditor or that result from revisions made by the Internal Audit and Risk Division of Iberdrola, S.A. and the position of the management team regarding said adjustments.
  - v. Ensure compliance with all legal requirements and the correct application of generally accepted accounting principles and of international financial reporting standards applicable to the Company's annual financial statements and directors' report.
  - vi. Report to the Board of Directors regarding the basic terms that, in order to safeguard the corporate interest, must be observed in transactions between the Company and its directly or indirectly controlled companies and the other companies within the Group.
- e. With regard to the non-financial information, supervise, based on the information sources available, the process for preparing and presenting as well as the clarity and integrity of the non-financial information of the Company and its directly or indirectly controlled companies and report on all of the foregoing to the Audit and Risk Supervision Committee of Iberdrola, S.A.
- f. With regard to the Compliance Unit:
- i. On its own initiative or upon a proposal of the Compliance Unit, propose to the Board of Directors the appointment of members thereof, considering the profiles that may be appropriate for the performance of the duties thereof, based on the Company's activities.
  - ii. Review and validate the annual budget of the Compliance Unit, prior to the submission thereof to the Board of Directors for final approval, and approve its annual activities plan, endeavouring to ensure that the Compliance Unit has the human and material resources required to perform its duties, and endeavouring to ensure the independence and effectiveness thereof.
  - iii. Each year, issue an opinion on compliance with the annual activities plan and the performance of the Compliance Unit, submitting it to the Board of Directors.
  - iv. Receive information from the Compliance Unit concerning significant matters relating to the effectiveness of the Company's Compliance System. In any case, the Committee must issue its opinion on the annual report prepared by the Compliance Unit regarding the effectiveness of the Company's Compliance System, as well as on the annual report on the effectiveness of the Compliance Systems of the Company and of the head of business companies in which the Company holds an interest, and shall forward both reports to the Board of Directors, for acknowledgement.
  - v. Receive information from the Compliance Unit in relation to any significant issue regarding regulatory compliance and the prevention and correction of improper conduct and acts that are illegal or contrary to law or the Governance and Sustainability System.
  - vi. Use the Compliance Unit to review the Company's internal policies and procedures in order to prevent improper conduct and identify policies or procedures that may be more effective in promoting the highest ethical standards.
  - vii. Have direct access, in accordance with the provisions of the *Regulations of the Compliance Unit*, to grievances or reports submitted through the internal reporting channels provided by the Company that might have a material impact on the financial statements or internal control thereof and, if it so deems necessary, propose appropriate actions to reduce the risk of future occurrences thereof. To this end, the Compliance Unit shall inform it of the existence of the aforementioned grievances or reports and shall provide it with any documentation requested in relation to the processing of the case files.



- viii. Report to the Board of Directors on proposed amendments of the *Regulations of the Compliance Unit* of the Company.
  - g. With regard to Related-Party Transactions:
    - i. Report on Related-Party Transactions, prior to the approval thereof by the sole shareholder or by the Board of Directors, as applicable, without prejudice to the exceptions established in the *By-Laws*.
    - ii. Ensure that Related-Party Transactions are fair and reasonable from the viewpoint of the Company.
    - iii. If the approval of a Related-Party Transaction does not require a prior report from the Committee in accordance with the *By-Laws*, the Committee shall participate in the internal information and periodic control procedure established by the Board of Directors in relation thereto, verifying the fairness and transparency of said transaction and, if applicable, compliance with the legal criteria applicable to the delegation of the Related-Party Transaction by the Board of Directors without a prior report from the Committee.
    - iv. Within the first six months following the close of each financial year of the Company, the Committee shall prepare an overview of the Related-Party Transactions with respect to which it has issued a report.
    - v. The Committee shall also inform the sole shareholder of Related-Party Transactions that might affect the classification of directors.
  - h. In relation to compliance with the regulations on the separation of regulated activities:
    - i. Give an opinion on the reports compiled in the area of separation of regulated activities and, particularly, on the annual report prepared by the Compliance director as set out in section 20 of the *Code for the Separation of Activities of Companies of the Iberdrola España Group with Regulated Activities* (the "**Code for the Separation of Activities**"), for submission to the Board of Directors.
    - ii. Report in advance on the amendments to the *Code for the Separation of Activities*.
    - iii. Report in advance on agreements concerning the appointment and removal of directors of the Group's regulated companies in Spain, ensuring the suitability of the proposed candidates for the effective independence of the management of said regulated companies.
  - i. Other powers:
    - i. Report on structural modifications that the Company plans to make, analysing their terms and financial conditions, including, if appropriate, the exchange ratio, as well as the accounting impact thereof.
    - ii. Report to the Board of Directors, prior to the adoption of the corresponding decisions thereby, regarding the creation or acquisition of equity interests in special purpose entities that are directly or indirectly controlled by the Company or entities registered in countries or territories that are considered to be tax havens or territories included in the EU blacklist of non-cooperative jurisdictions in effect at any time, as well as any other transactions of a similar nature that, due to the complexity thereof, might diminish the transparency of the Group's activities, and submit the report to the chair of the Audit and Risk Supervision Committee of IBERDROLA, S.A.
    - iii. On an annual basis, report to the Board of Directors regarding the status of the companies registered in tax havens or territories included in the EU blacklist of non-cooperative jurisdictions in effect at any time and special purpose entities that are directly or indirectly controlled by the Company and, if applicable, regarding the operating condition thereof, and submit the report to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A.
    - iv. On an annual basis, submit to the Board of Directors for approval a report on the level of compliance with the *Corporate Tax Policy* and the tax standards applied, and also submit said report to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A.
3. The Committee shall also be responsible for any other duties that may be assigned thereto by the *By-Laws* or the Board of Directors.

#### Article 4.- Information to the Board of Directors

Where appropriate, the chair of the Committee shall report to the Board of Directors on any resolutions approved or significant events occurring at Committee meetings, which report shall be submitted at the first meeting held by the Board after the relevant Committee meeting.



## Article 5.- Activities Report

The Committee shall submit to the Board of Directors for approval a report on its activities during the prior financial year within six months following the close thereof. Said report shall subsequently be made available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A.

## Article 6.- Relations with the Audit Committees of Iberdrola, S.A. and of companies in which the Company Holds an Interest

1. The relations of the Committee with the Audit and Risk Supervision Committee of Iberdrola, S.A. and with the audit committees that may be established at the companies directly or indirectly controlled by the Company shall be governed by the provisions of the *General Framework of Relations of Coordination and Information among the Audit Committees of Iberdrola and its Group* approved by the Board of Directors of Iberdrola, S.A. and adopted by the Board of Directors of the Company in order to ensure the cooperation, coordination and exchange of information required for the proper performance of their respective duties, while respecting the corporate autonomy of all companies of the Group.
2. The coordination relationships shall be channelled through the chairs of the audit committees of the Company and of the relevant company belonging to the Iberdrola Group, with the purpose of informing the Committee of the matters handled by such companies that might have a potentially significant impact at the level of the Iberdrola Group.
3. If other companies directly or indirectly controlled by the Company have their own audit committees, said committees may have their own regulations governing the principles of conduct and the rules of internal operation thereof, and whose scope, in compliance with the level of guarantees required by the Governance and Sustainability System as well as with the principles of coordination and information that must govern the relations among the audit committees of the Group companies to ensure the full discharge of their respective duties, shall conform to the provisions of these *Regulations*, without prejudice to such adjustments as may be needed in view of the circumstances of each company.
4. In order to fulfil the duties assigned to the Committee in these *Regulations* in connection with Internal Audit, the Chief Internal Audit and Risk Officer of the Company shall establish the appropriate framework of relations of cooperation, coordination and information with the internal audit and risk divisions that may be established at other companies directly or indirectly controlled by the Company, always in compliance with the *Basic Regulations for the Internal Audit Function*, in order to ensure the coordination and exchange of information required for the proper performance of their respective duties, while respecting the corporate autonomy of all companies of the Group.

Along the same lines, the Company's Compliance Unit shall establish the appropriate framework of relations of cooperation, coordination and information with the compliance units or functions that may be established at other directly or indirectly controlled by the Company, while respecting the corporate autonomy of all companies of the Group.

## CHAPTER III. COMPOSITION, APPOINTMENT AND CESSATION OF OFFICE OF MEMBERS

### Article 7.- Composition.

1. The Committee shall be composed of a minimum of three and a maximum of five directors, at least one of whom shall be an external director pursuant to Article 28 of the Company's *By-Laws*.
2. The Committee shall have a chair and a secretary, who should not have the status of director, with the secretary being responsible for the maintenance, conservation and custody of the minute book of the Committee and of the corporate documentation generated in connection with the operation thereof.
3. In the event of absence, the chair shall be replaced by the member with the longest length of service in office, and in case of equal length, by the oldest among those present. In the event of absence of the secretary, he or she shall be replaced by the Committee member with the shortest length of service in office, and in case of equal length, by the youngest among those present.



## Article 8.- Appointment

1. Both the members and the chair of the Committee shall be appointed by the Board of Directors.
2. The Board of Directors shall endeavour to ensure that the members of the Committee as a whole, and especially the chair thereof, have the expertise, qualifications and experience appropriate for the duties they are called upon to perform in the area of accounting, auditing and management of risks, both financial and non-financial, and that at least one of them has experience in information technology. It shall also endeavour to ensure that the members of the Committee have relevant technical knowledge in the finance and internal control area, as well as in relation to the energy sector, provided, however, that they need not be experts in these fields.

## Article 9.- Term of Office

1. Unless otherwise resolved by the Board of Directors, directors who are members of the Committee shall remain in office for as long as they remain directors of the Company.
2. Directors who are members of the Committee and are re-elected as directors of the Company by resolution of the sole shareholder in the exercise of the powers of shareholders at a General Shareholders' Meeting shall continue holding their positions on the Committee, without the need for a new election, unless the Board of Directors resolves otherwise.

## Article 10.- Cessation of Office

Committee members shall cease to hold office:

- a. When they cease to be directors of the Company.
- b. By resolution of the Board of Directors.

## Article 11.- Training Plan

1. The Committee shall have a periodic training plan that ensures that their members update their knowledge relating to new developments in accounting rules, the specific regulatory framework of the Company's businesses, internal and external audit, the management and supervision of risks, internal control and technological advances relevant to the Company.
2. In addition, prior to the first meeting that they attend, new Committee members shall take an orientation programme that facilitates their active participation from the very beginning.

# CHAPTER IV. COMMITTEE MEETINGS

## Article 12.- Meetings

1. The Committee shall meet as many times as its chair deems necessary for the fulfilment of its duties, and at least four times per year or when so requested by half of its members. Prior to the commencement of each financial year, the Committee shall set a schedule for its ordinary meetings, including tentative agendas and any appearances that are deemed necessary, which schedule may be changed by resolution of the Committee itself or by decision of the chair thereof. The meetings shall be held in person at the place designated in the call to meeting.
2. The chair of the Board of Directors and the chief executive officer, if any, may request informational meetings with the Committee on an exceptional basis.

## Article 13.- Call to Meeting

1. The secretary shall call the meetings of the Committee, at the direction of the chair thereof, through the use of new technologies, and particularly through the directors' website as a fundamental tool for the efficient performance of the duties of the Committee, setting forth the place, date and time of the meeting and the agenda to be dealt with thereat.
2. The call to meeting shall be sent sufficiently in advance for the Committee members to receive it no later than the third day prior to the date of the meeting, except for meetings that must be called on an urgent basis.





3. No prior call to a meeting of the Committee shall be required if all of its members are present and unanimously agree to the holding of the meeting and to the items of the agenda to be dealt with.

#### **Article 14.- Establishment of a Quorum and Approval of Resolutions**

1. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of a majority of its members.
2. Members of the Committee may give a proxy to another member thereof by notice addressed to the secretary of the Committee by any of the means set forth in the preceding article and including specific instructions on the direction of the vote.
3. Meetings shall be presided over by the chair of the Committee, who shall be assisted by the secretary.
4. If so allowed by the chair thereof with respect to one or more directors in view of the circumstances of each case, Committee meetings may be held by conference systems or any other means that permit the recognition and identification of remote attendees, permanent communication among them regardless of their location, as well as participation and the casting of votes, all in real time, using any procedures that ensure that connections are made while fully verifying the identity of the participants and ensuring the duty of secrecy and the protection of the corporate interest in securing access to the information transmitted and generated at the meeting, both during the deliberations therein and with respect to the decisions and resolutions adopted, with the members being required to comply with the security and privacy protocols established by the Company. Wherever they are located, attendees shall be deemed to have attended the same individual meeting for all purposes relating to the Audit and Compliance Committee. The meeting shall be deemed to have been held at the registered office.
5. If no Committee member objects thereto, votes may be cast in writing and without a meeting, in which case the provisions of the *By-Laws* regarding meetings of the Board of Directors shall apply.
6. Resolutions shall be approved by an absolute majority of the votes cast by the members present at the meeting in person or by proxy. In the event of a tie, the chair shall have the tie-breaking vote.
7. The secretary of the Committee shall prepare minutes of each meeting held, which shall be approved at the end of the meeting or at the beginning of the meeting held immediately thereafter.

#### **Article 15.- Attendance at Committee Meetings**

1. At the request of the chair of the Committee, which request shall be submitted for these purposes to the chair of the Company's Board of Directors, any member of such Board of Directors may be called to attend meetings of the Committee. The chair of the Committee may also request, through the secretary of the Board of Directors, the appearance before the Committee of any officer or employee of the Company as well as of any member of the management and internal decision-making bodies of companies in which the Company has an effective interest and whose appointment has been proposed by the Company, provided that there is no legal impediment thereto.
2. Persons who are not members of the Committee may not attend its meetings when the issues being discussed are beyond the scope of the powers or duties of such persons.
3. The Committee may request the presence at its meetings of both the Company's statutory auditor and the auditors of any entity in which the Company has an effective interest, provided that there is no legal impediment thereto. The Company's statutory auditor shall in no event attend the decision-making portion of the Committee's meetings.
4. The presence at Committee meetings of officers, professionals or other directors, whether executive or not, shall be on an occasional basis and only when required, after an invitation from the chair of the Committee through the secretary thereof, shall be strictly limited to those items on the agenda for which they are called, and they shall not attend the decision-making portion of the Committee's meetings.



## CHAPTER V. POWERS OF THE COMMITTEE, PARTICIPATION, RIGHT OF ITS MEMBERS TO RECEIVE INFORMATION, AND DUTIES

### Article 16.- Powers and Advice

1. The Committee may, through the secretary of the Board of Directors, freely access any information or documents available to the Company regarding matters within the purview of the Committee and that the Committee deems necessary to perform its duties, without prejudice to the obligations arising from any applicable legal provisions ,notwithstanding the restrictions arising from rules on the separation of regulated activities in Spain.
2. The Committee may also seek, at the Company's expense, cooperation or advice from outside professionals, who shall address their reports directly to the chair of the Committee and who may attend the Committee meetings, as well as the meetings of the Board of Directors when requested to do so, with the right to speak but not to vote. In such case, the Committee shall ensure that any potential conflicts of interest do not compromise the independence of the outside advice received.
3. Said experts shall in any event be hired in compliance with the provisions of the Company's *By-Laws*.

### Article 17.- Participation and Right to Receive Information

1. In order to promote a diversity of opinion that enriches the analyses and proposals of the Committee, its chair shall ensure that all members freely participate in the deliberations, without being affected by any internal or third-party pressures, and shall encourage constructive dialogue among them, promoting free expression and a critical attitude.
2. The secretary of the Committee shall channel and provide the information and documentation required to the other members of the Committee sufficiently in advance of each meeting so that they can analyse it and properly prepare for the meeting.

### Article 18.- Duties of Committee Members

1. Committee members must act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence. In particular, attendance at Committee meetings shall be preceded the sufficient dedication of its members to analyse and evaluate the information received.
2. In exercising their powers, the members of the Committee shall comply with the provisions of these *Regulations* and applicable law on professional scepticism and critical attitude regarding the conclusions reached by the executive directors and members of senior management of the Company, acknowledging the arguments for and against, and with each of the members, and the Committee as a whole, forming their and its own position.
3. Committee members shall be subject as such to all of the duties of a director set forth in the *By-Laws*, to the extent they are applicable to the responsibilities discharged by the Committee.

## CHAPTER VI. COMPLIANCE WITH, INTERPRETATION AND INTEGRATION OF THE REGULATIONS

### Article 19.- Compliance

1. The members of the Committee, as well as any other directors to the extent they are affected, have the obligation to know and comply with these *Regulations*, for which purpose the secretary of the Board of Directors shall provide them all with a copy hereof.
2. In addition, the Committee shall have the obligation to ensure compliance with these *Regulations*, adopting such measures as may be appropriate for that purpose.



## Article 20.- Interpretation and Integration of the Regulations

1. These Regulations shall be interpreted in accordance with law and the Governance and Sustainability System of the Company.
2. Any question or dispute regarding the interpretation of these *Regulations* shall be resolved by an absolute majority of votes of the members of the Committee itself, and in the absence of such resolution, by the chair of the Committee, who shall be assisted by such persons, if any, as may be appointed by the Board of Directors for such purpose. The Board of Directors shall be informed of the interpretation and resolution of the questions or disputes that may have arisen.
3. In the absence of a specific rule, the provisions of the *By-Laws* regarding the operation of the Board of Directors shall apply to the Committee, to the extent they are not inconsistent with the nature or duties thereof.



# 2. Basic Regulations for the Internal Audit Function

20 February 2024

Adopted by the Board of Directors of Iberdrola España S.A.U. at the meeting held on 13/03/2024.



<b>TITLE I.- NATURE AND REGULATION</b>	<b>238</b>
Article 1.- Nature of the Internal Audit and Risk Division and of the Internal Audit Divisions	238
Article 2.- Regulation	238
<b>TITLE II. ORGANISATION OF THE INTERNAL AUDIT AND RISK DIVISION AND OF THE INTERNAL AUDIT DIVISIONS</b>	<b>238</b>
Article 3.- Internal Audit Divisions	238
Article 4.- Chief Internal Audit and Risk Officer and Heads of the Internal Audit Divisions	239
Article 5.- Framework for Relations of Coordination and Information between the Internal Audit and Risk Division and the Internal Audit Divisions	239
<b>TITLE III. POWERS OF THE INTERNAL AUDIT AND RISK DIVISION AND OF THE INTERNAL AUDIT DIVISIONS</b>	<b>240</b>
Article 6.- Scope	240
Article 7.- Powers relating to the Audit and Risk Supervision Committee or the Audit and Compliance Committees, as applicable	240
Article 8.- Powers to Supervise the Effectiveness of the Internal Control System	240
<b>TITLE IV. RESOURCES, BUDGET AND ANNUAL ACTIVITIES PLAN</b>	<b>241</b>
Article 9.- Material and Human Resources	241
Article 10.- Annual Activities Plan and Budget	241
Article 11.- Activities Report and Recommendations	242
<b>TITLE V. POWERS AND DUTIES</b>	<b>242</b>
Article 12.- Powers	242
Article 13.- Duties	243

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## TITLE VI. COMPLIANCE, INTERPRETATION AND AMENDMENT 243

Article 14.- Compliance	243
Article 15.- Interpretation	243
Article 16.- Amendment of the Basic <i>Regulations</i>	243

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



These *Basic Regulations for the Internal Audit Function* (the “**Basic Regulations**”) govern the nature, organisation, competencies, powers and duties of the internal audit function that correspond to the Internal Audit and Risk Division of IBERDROLA, S.A. (the “**Internal Audit and Risk Division**” and the “**Company**”, respectively) and of the Internal Audit divisions (or such divisions as hereafter assume the duties thereof) of the various companies of the group of which the Company is the controlling entity, within the meaning established by law (the “**Internal Audit Divisions**” and the “**Group**”, respectively).

These *Basic Regulations* have been approved by the Company’s Board of Directors upon the terms proposed by the chairman thereof pursuant to the proposal of the Audit and Risk Supervision Committee (the “**ARSC**”), all in accordance with the provisions of the *Regulations of the Audit and Risk Supervision Committee*, and are included within the Company’s Governance and Sustainability System.

## TITLE I.- NATURE AND REGULATION

### Article 1.- Nature of the Internal Audit and Risk Division and of the Internal Audit Divisions

The Internal Audit and Risk Division is an internal unit of the Company that hierarchically reports to the chairman of the Company’s Board of Directors and functionally reports to the ARSC. Its basic activity consists of independently and proactively endeavouring to ensure the effectiveness of the governance, risk management and internal control processes within the boundary of the Group.

For their part, the Internal Audit Divisions shall perform duties equivalent to the internal audit duties of the Internal Audit and Risk Division at least at those country subholding and head of business companies of the Group that have audit and compliance committees (the “**ACCs**”).

### Article 2.- Regulation

#### 1. Internal regulations

The Internal Audit and Risk Division and the Internal Audit Divisions are governed by the provisions of these *Basic Regulations* and, if applicable, by the applicable provisions of the bylaws or regulations of the companies of the Group of which they are a part.

Internal Audit Divisions belonging to listed companies that have their own internal regulations in this area shall be governed by such regulations.

In addition, the Internal Audit Divisions shall conform their activities to the framework of relations of coordination and information among the Internal Audit and Risk Division and the Internal Audit Divisions prepared by the Chief Internal Audit and Risk Officer upon the terms of Article 5 below.

#### 2. External regulations

Without prejudice to the provisions of the Governance and Sustainability System, these *Basic Regulations* and the other internal rules of the Company, the Internal Audit and Risk Division and the Internal Audit Divisions, as well as the professionals assigned thereto, shall conform their conduct to the International Standards for the Professional Practice of Internal Auditing approved by the Institute of Internal Auditors (IIA), which contains, among other things: (i) the definition of internal auditing; (ii) the International Standards for the Professional Practice of Internal Auditing in effect from time to time; and (iii) the *Code of Ethics*.

## TITLE II. ORGANISATION OF THE INTERNAL AUDIT AND RISK DIVISION AND OF THE INTERNAL AUDIT DIVISIONS

### Article 3.- Internal Audit Divisions

All of the companies of the Group within which ACCs are created shall have an Internal Audit Division, without prejudice to any specific provisions applicable thereto by reason of their status as listed companies, nationality, law or any other circumstances.

Furthermore, those companies that do not have an ACC may also create their own Internal Audit Division.



#### Article 4.- Chief Internal Audit and Risk Officer and Heads of the Internal Audit Divisions

1. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions should have the knowledge, skills and experience appropriate to the duties they are asked to perform, especially with respect to internal audit, risk management, internal control and governance.
2. Pursuant to the provisions of the Company's Governance and Sustainability System, the Company's Board of Directors is responsible for the appointment and removal of the Chief Internal Audit and Risk Officer, upon a proposal of the ARSC and after a report of the Appointments Committee.

For its part, the board of directors of the company in question is responsible for the appointment and removal of the head of an Internal Audit Division, upon a proposal or prior report (as provided by the internal regulations of the company in question) of the respective ACC (if any).

The chair of the ACC shall consult with the Chief Internal Audit and Risk Officer before the appointment of the heads of the Internal Audit Divisions of the country subholding companies.

In order to appoint the heads of the Internal Audit Divisions of head of business companies with an ACC, the chair of the ACC of the head of business company shall have such prior consultations with the head of the Internal Audit Division of its respective country subholding company, who in turn shall consult on this issue with the Chief Internal Audit and Risk Officer.

In order to appoint the head of the Internal Audit Division of a company without an ACC, the chair of the board of directors of this company shall first consult with the chairman of the Company's Board of Directors.

3. The Chief Internal Audit and Risk Officer shall be deemed a member of the senior management of the Company, and shall report hierarchically to the chairman of the Board of Directors thereof. The heads of the Internal Audit Divisions shall belong to the management team of their corresponding companies.
4. The ARSC is the body that evaluates the operation of the Internal Audit and Risk Division and the performance of the director thereof pursuant to the provisions of the *Regulations of the Audit and Risk Supervision Committee*, for which purpose it shall obtain any opinion that might be held by the chairman of the Board of Directors of the Company.

In a similar vein, these duties correspond to the respective ACC, if any, or if none to the board of directors, with respect to the head of an Audit Division.

5. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall manage the operation and the budget, respectively, of the Internal Audit and Risk Division and of the corresponding Internal Audit Divisions, under the principles of independence and efficiency in management, and shall be responsible for implementing the relevant measures and action plans and endeavouring to ensure the proper performance of the duties thereof.

#### Article 5.- Framework for Relations of Coordination and Information between the Internal Audit and Risk Division and the Internal Audit Divisions

1. The Chief Internal Audit and Risk Officer shall establish an appropriate framework for relations of coordination and information between the Internal Audit and Risk Division and the Internal Audit Divisions and shall develop the strategy, guidelines and overall supervision of the Internal Audit function at the Group level.
2. Specifically, the Chief Internal Audit and Risk Officer shall:
  - a. Define the strategic lines and scale of the internal audit function at the Group level.
  - b. Participate in determining the processes for determining and evaluating the objectives of the heads of the Internal Audit Divisions (of companies that are not listed companies or subsidiaries thereof) and for setting the remuneration thereof, as well as in determining the profiles and development and career plans of its team.
  - c. Supervise and coordinate the annual activities plans of the Internal Audit Divisions, which must be coordinated with the activities plan of the Internal Audit and Risk Division, and to which it shall transmit the guidelines and directives of the Board of Directors and of the ARSC of the Company.
  - d. Supervise the annual activity reports of the Internal Audit Divisions.



- e. Establish directives regarding quality requirements and the promotion of global certifications, and promote periodic evaluations of the Internal Audit Divisions.
3. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall hold regular coordination and information meetings. Such meetings may also be attended by those internal auditors that the Chief Internal Audit and Risk Officer deems appropriate for the proper performance of the function.

## TITLE III. POWERS OF THE INTERNAL AUDIT AND RISK DIVISION AND OF THE INTERNAL AUDIT DIVISIONS

### Article 6.- Scope

The Internal Audit and Risk Division and the Internal Audit Divisions shall independently and objectively provide assurance and consulting services to add value and improve the operations of the Company and of the other companies of the Group, providing a systematic and disciplined focus in order to evaluate and improve the efficiency of the risk management, control and governance processes at the Group level.

The nature and scope of any consulting work performed by the Internal Audit and Risk Division and the Internal Audit Divisions shall be previously agreed with the relevant division of the Group company. In no case may the Internal Audit and Risk Division or Internal Audit Divisions assume management responsibilities or participate in making executive decisions.

### Article 7.- Powers relating to the Audit and Risk Supervision Committee or the Audit and Compliance Committees, as applicable

1. The Internal Audit and Risk Division shall assist the ARSC (and the Internal Audit Divisions shall assist their corresponding ACCs) in developing the powers of said committee, especially as regards supervision of the effectiveness of the internal control and risk management system, relations with the statutory auditor, and supervision of the process of preparing the financial and non-financial information of the company in question.
2. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall be in charge of preparing the information requested of them by the relevant ARSC and ACC, respectively. They shall also attend the corresponding meetings of the ARSC and the ACC to which they are called when dealing with issues within their respective domains (including meetings held to formulate or approve annual or interim financial information and annual non-financial information).

In particular, the Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall provide to the ARSC or the ACC, as appropriate, and within their respective areas of competence, the information required for them to (without limitation): (i) supervise the effectiveness of the internal control and risk management systems; (ii) reach a conclusion as to whether the accounting policies have been properly applied; and (iii) know the significant adjustments identified by the Internal Audit and Risk Division or the Internal Audit Division, as applicable, in the review of the financial and non-financial information.

3. The Internal Audit and Risk Division shall be the regular body for communication between the ARSC and the rest of the Company's organisation, without prejudice to provisions of the *Regulations of the Board of Directors*, the *Regulations of the Audit and Risk Supervision Committee* and the *General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its group* regarding the duties entrusted to other areas, particularly the Office of the Secretary of the Board of Directors and other divisions.

### Article 8.- Powers to Supervise the Effectiveness of the Internal Control System

1. The Internal Audit and Risk Division and the Internal Audit Divisions shall objectively and independently supervise the effectiveness of the internal control system established at the Group level, which is made up of a set of risk management and control mechanisms and systems. By way of example and not limitation, and within the scope of their respective domains, they shall be particularly responsible for supervising:
  - (i) **The effective operation** of the comprehensive risk control and management system established at the Group level, as described in the *General Risk Control and Management Policy*, and the adaptation thereof to ensure compliance with the risk policies.





- (ii) **The effective operation** of the Internal Control over Financial Reporting (ICFR) System established by the Company for preparing and presenting the financial information of the companies of the Group, including information that the Company must regularly publish due to its status as a listed company.
  - (iii) **The effective application** of the rules, procedures and substantive activities that make up the compliance systems of the Group's companies, which aim to prevent, manage and mitigate the risk of legal and ethical violations, as well as crime prevention programmes.
  - (iv) **The effective operation** of the overall framework for the control and management of cybersecurity risks within the boundary of the Group, as well as the framework for the governance and management of the processes and actions relating to information technology (IT) within the boundary of the Group.
  - (v) **The effective operation** of the mechanisms established at the Group level for implementing the environmental and social policies.
  - (vi) **Verification** that the investment and divestment processes comply with applicable risk policies and guidelines and that the procedures pursuant to which they are performed ensure proper internal control and effective management of the related risks.
  - (vii) **The effective operation** of the Internal Control over Non-Financial Reporting (ICNFR) System established by the Company for preparing and presenting the non-financial information of the companies of the Group.
2. The Internal Audit and Risk Division and the Internal Audit Divisions shall also engage in any other actions needed to perform their duty of ensuring the effective operation of the internal control system established at the Group level.
  3. The Internal Audit and Risk Division and the Internal Audit Divisions shall also have such other powers of a singular or permanent nature as are assigned thereto by the board of directors of the relevant company or that are vested therein by the Governance and Sustainability System.
  4. In performing the above duties, as well as in preparing the annual activities plans provided for in Article 10 of these *Basic Regulations*, they must take into account the powers of assurance of other areas of the Company and of the other companies of the Group in order for the responsibilities of the Internal Audit and Risk Division and the Internal Audit Divisions to be clearly defined and in order for there to be proper mechanisms of coordination with other assurance functions.
  5. Furthermore, the Internal Audit and Risk Division and the Internal Audit Divisions, as applicable, must be informed of the provision of any assurance services to the companies of the Group by outside service providers. When appropriate, the Internal Audit and Risk Division and the Internal Audit Divisions shall coordinate such services when related to their respective domains.

## TITLE IV. RESOURCES, BUDGET AND ANNUAL ACTIVITIES PLAN

### Article 9.- Material and Human Resources

Both the Internal Audit and Risk Division and the Internal Audit Divisions shall have access to the human, financial and technological resources necessary to perform their duties.

### Article 10.- Annual Activities Plan and Budget

1. The Chief Internal Audit and Risk Officer shall prepare a proposed annual activities plan of the Internal Audit and Risk Division and shall submit it for the approval of the ARSC. Such proposal:
  - (i) shall contain the budget of the Internal Audit and Risk Division for engaging in its activities during the next financial year;
  - (ii) shall take into account the principal financial and non-financial risk areas of the businesses (including reputational risks);
  - (iii) shall clearly identify and define the responsibilities of each business for proper coordination with any other assurance functions, like the risk management and control, financial and non-financial information control, compliance and external audit units.
  - (iv) shall establish the audit objectives and the work to be performed, as well as the resources necessary for the implementation thereof, both human (internal and external) and financial and technological; and

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- (v) shall take into account any suggestions that the Board of Directors, the ARSC and the members of senior management have communicated thereto.
2. Once approved by the ARSC, the budget for the Internal Audit and Risk Division shall be sent to the chairman of the Company's Board of Directors, who shall present it to the Board of Directors for review.
3. The heads of the Internal Audit Divisions shall present to the relevant ACC the proposed annual activities plan and budget for the performance of their activities during the next financial year, for approval thereof and submission to the chair of the board of directors of the relevant company, who shall submit it to such board of directors for review in the case of the annual activities plan and for approval with respect to the budget.

If an Internal Audit Division belongs to a company of the Group that does not have an ACC, the board of directors of such company shall be in charge of approving the activities plan and budget proposed by such Internal Audit Division.

4. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall periodically review their respective annual activity plans in order to evaluate the adequacy thereof to cover the risks identified and, if applicable, propose to the ARSC or to the relevant ACC for approval the changes they deem appropriate.  
If an Internal Audit Division belongs to a company of the Group that does not have an ACC, the board of directors of such company shall be in charge of approving said changes to the annual activities plan.
5. Compliance with the annual activities plan shall be one of the objectives of the Chief Internal Audit and Risk Officer and of the heads of the Internal Audit Divisions.

## Article 11.- Activities Report and Recommendations

1. The Chief Internal Audit and Risk Officer shall regularly report to the ARSC (and the heads of the Internal Audit Divisions shall report to their corresponding ACCs) on the implementation of the budget and the annual work plan, including any impacts and limitations on scope arising during the development thereof, as well as the results and the conformance to the recommendations of the Internal Audit and Risk Division (or Internal Audit Divisions, as applicable). At the end of each financial year, a report on the activities thereof shall also be submitted thereto, which report must contain at least a summary of the activities performed and reports issued during the financial year, explaining what work provided for in the annual plan has not been carried or performed without being provided for in the initial plan, as well as an inventory of weaknesses, recommendations and action plans.
2. In particular, the Chief Internal Audit and Risk Officer shall regularly report to the ARSC (and the heads of the Internal Audit Divisions shall report to their corresponding ACCs) the recommendations resulting from the audit work thereof and on the status thereof, if applicable.
3. The Chief Internal Audit and Risk Officer shall also regularly report to the ARSC on whether the members of senior management of the Company take into account the conclusions and recommendations contained in its reports.

## TITLE V. POWERS AND DUTIES

### Article 12.- Powers

1. The Internal Audit and Risk Division, through its director, shall have access to the documentation, information or information systems it deems necessary or appropriate for the exercise of its powers, without prejudice to observing the law and the internal rules of the Company and of the other companies of the Group.
2. In the exercise of its powers, the Internal Audit and Risk Division may obtain assistance from any member of the management team or professional of the Company, as well as from other specialised areas both within and outside of the Company.
3. The Chief Internal Audit and Risk Officer shall generally have the powers necessary to carry out the duties he or she is called upon to perform.
4. The Chief Internal Audit and Risk Officer shall act transparently, informing the affected parties of the purpose and scope of its activities whenever practicable
5. The foregoing shall similarly apply to the heads of the Internal Audit Divisions.

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



### Article 13.- Duties

The members of the Internal Audit and Risk Division and of the Internal Audit Divisions must:

1. Act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence.
2. Refrain from disclosing any information, data, reports or background information to which they may have access while in office, nor use any of the foregoing for their own benefit or that of third parties, without prejudice to any applicable duties of transparency and reporting. This duty of confidentiality shall survive even after the members no longer hold such position.

## TITLE VI. COMPLIANCE, INTERPRETATION AND AMENDMENT

### Article 14.- Compliance

1. The members of the Internal Audit and Risk Division and of the Internal Audit Divisions have the obligation to know and comply with these *Basic Regulations*, for which purpose they shall be permanently published on the Company's corporate website and shall form part of the management tools of the Internal Audit and Risk Division. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall also inform all of their members of any change in these *Basic Regulations*.

The professionals of companies of the Group have the obligation to know these *Basic Regulations* to the extent they are affected hereby and to comply with the provisions applicable thereto, for which reason the Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall ensure the proper dissemination hereof.

2. The Chief Internal Audit and Risk Officer and the heads of the Internal Audit Divisions shall have the duty to ensure compliance with these *Basic Regulations*.

### Article 15.- Interpretation

1. Any questions or disputes regarding the interpretation of the *Basic Regulations* shall be resolved by the Chief Internal Audit and Risk Officer, who shall take into consideration the provisions of the Governance and Sustainability System, and if none apply, to the International Standards for the Professional Practice of Internal Auditing approved by the Institute of Internal Auditors (IIA). In the event of questions or conflicts, the director shall request the opinion of the ARSC.
2. The Chief Internal Audit and Risk Officer shall inform the following of the standards of interpretation that have been adopted: (i) the heads of the Internal Audit Divisions; and (ii) the secretary of the ARSC, who in turn shall communicate them to the secretary of the Company's Board of Directors.

### Article 16.- Amendment of the Basic Regulations

Any amendment to these *Basic Regulations* must be approved by Company's Board of Directors, which amendment shall be submitted thereto by its chairman, at the proposal of the ARSC.

Without prejudice to the foregoing, the Board of Directors may make amendments to these *Basic Regulations* without a prior proposal from the ARSC within the context of reforms to the Governance and Sustainability System that make advisable or require technical non-substantive amendments to the *Basic Regulations*.



# 3. Regulations of the Compliance Unit of Iberdrola España, S.A.U.

16 February 2024

This Regulation was approved, in its current version in force, by Iberdrola España, S.A.U.'s Board of Directors at the meeting held on 16/02/2024.



<b>TITLE I. NATURE AND OBJECT</b>	<b>246</b>
Article 1. Nature and Object	246
<b>TITLE II. COMPOSITION</b>	<b>246</b>
Article 2. Composition and Positions	246
Article 3. Director of Compliance	247
<b>TITLE III. POWERS AND COORDINATION IN THE COMPLIANCE AREA</b>	<b>247</b>
Article 4. Powers regarding the <i>Code of Ethics</i>	247
Article 5. Powers regarding the Effectiveness of the Compliance System and relating to the Internal Reporting and Whistleblower Protection System	248
Article 6. Powers regarding Crime Prevention	248
Article 7. Powers regarding Separation of Activities	249
Article 8. Other Powers	249
Article 9. Relations of the Unit with the Compliance Unit of IBERDROLA, S.A. and with the Compliance Bodies of the Controlled Companies in Compliance Matters	249
<b>TITLE IV. MEETINGS</b>	<b>250</b>
Article 10. Meetings	250
Article 11. Call to Meeting	250
Article 12. Place of Meetings	250
Article 13. Establishment of a Quorum	250
Article 14. Resolutions	250
Article 15. Conflicts of Interest	251
Article 16. Attendance	251

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



<b>TITLE V. RESOURCES, BUDGET AND ANNUAL ACTIVITIES PLAN</b>	<b>251</b>
Article 17. Material and Human Resources	251
Article 18. Budget	251
Article 19. Annual Activities Plan and Performance of the Unit	251
<b>TITLE VI. POWERS OF THE UNIT AND DUTIES OF ITS MEMBERS</b>	<b>251</b>
Article 20. Powers and Advice	251
Article 21. Duties of Unit Members	252
<b>TITLE VII. INFORMATION MANAGEMENT PROCEDURE</b>	<b>252</b>
Article 22. Internal Reporting System	252
Article 23. Management of Grievances or Reports	252
Article 24. Submission of Grievances or Reports	253
Article 25. Acceptance of Grievances or Reports for Processing	253
Article 26. Processing of Case Files	254
Article 27. Resolution of Case Files	255
Article 28. Protection of Personal Data	255
<b>TITLE VIII. AMENDMENT, COMPLIANCE AND INTERPRETATION</b>	<b>256</b>
Article 29. Amendment	256
Article 30. Compliance	256
Article 31. Interpretation	256



## TITLE I. NATURE AND OBJECT

### Article 1. Nature and Object

1. The Compliance Unit (the “**Unit**”) of IBERDROLA ESPAÑA, S.A. (the “**Company**”) is a collective permanent and internal body, configured in accordance with the highest standards of independence and transparency, and linked to the Audit and Compliance Committee.
2. The Unit is the body of the Company responsible for proactively and autonomously ensuring the implementation and effectiveness of the Company’s compliance system (the “**Compliance System**”), configured in accordance with the provisions of its Governance and Sustainability System, for which purpose it is vested with the broadest powers, budgetary autonomy and independence of action, all without prejudice to the responsibilities of other bodies and divisions of the Company.

The Compliance System is made up of all rules, formal procedures and material actions –including the Company’s crime prevention programme and its internal reporting system (described in Title VII below, the “**Internal Reporting System**”)– that are intended to ensure that the Company acts in accordance with ethical principles, the law and internal rules, particularly the Governance and Sustainability System, to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the directors, persons, members of its supply chain thereof within the organisation.

3. The Unit shall be governed by the provisions of these *Regulations of the Compliance Unit* (the “**Regulations**”) and the other rules forming part of the Company’s Governance and Sustainability System, as well as by any other applicable internal rules.
4. The establishment of the Unit should be understood to be without prejudice to the existence at IBERDROLA, S.A. and at the Group’s head of business companies of their own compliance unit (as well as the existence at other companies forming part of the Group of their own compliance unit or function), which are particularly responsible for proactively and autonomously ensuring the implementation and effectiveness of the compliance system of their respective companies, which includes, among other rules and procedures, their own crime prevention programme.
5. For the purposes of the provisions of these *Regulations*, “**Group**” shall mean the Company and the companies comprising it, of which IBERDROLA, S.A. is the controlling company within the meaning established by law.

## TITLE II. COMPOSITION

### Article 2. Composition and Positions

1. The Unit shall be made up of the following persons, appointed for an indefinite term by the Board of Directors, at the proposal of the Audit and Compliance Committee, who shall hold the positions indicated below:
  - a. the chair of the Unit, a position held by a professional external to the Group’s companies, who shall be an expert of recognised prestige in compliance matters;
  - b. the members of the Unit, one of whom shall be the chief compliance officer of the Company (the “**Director of Compliance**”), and others who may include the heads of various areas or functions related to risk management in the area of compliance; and
  - c. the (non-member) secretary of the Unit, who shall have the powers required to perform the duties thereof, with knowledge in the area of compliance.
2. Pursuant to the provisions of the Governance and Sustainability System, particularly with respect to the decentralisation of the effective management of the businesses and the corresponding individualisation and separation of responsibilities arising therefrom for each of the companies of the Group, those persons who are members of the compliance units of IBERDROLA, S.A. may not form part of the Unit.

The directors of the Company, of IBERDROLA, S.A. may also not be members of the Unit.



3. The members of the Unit shall act with independence of judgement in the performance of their duties, shall have multidisciplinary profiles and must have the knowledge, skills and experience appropriate to the powers vested therein.
4. The Audit and Compliance Committee, on its own initiative or upon a proposal of the Unit, may propose to the Board of Directors the appointment of new members of this body, considering the profiles that may be appropriate for the performance of the duties thereof based on the Company's activities.
5. The secretary of the Unit shall have the following main duties: (i) preparing the minutes of meetings of the Unit; (ii) certifying the resolutions and decisions thereof; (iii) ensuring the formal and substantive legality of its activities and conformance thereof to the internal rules, and particularly to the Governance and Sustainability System; (iv) generally channelling the relations of the Unit with its members (in all matters relating to the operation thereof, in compliance with the instructions of its chair and under the supervision thereof), and providing the support necessary for the proper operation of the Unit and the conduct of its meetings.

### Article 3. Director of Compliance

The Director of Compliance shall manage the operation of the Unit and its budget and shall be responsible for carrying out the corresponding measures and action plans and ensuring that the Unit proactively and autonomously complies with its duties, regularly reporting thereto on the performance of said activities, and shall perform such other duties as are assigned thereto in the rules, and particularly in the Governance and Sustainability System.

## TITLE III. POWERS AND COORDINATION IN THE COMPLIANCE AREA

### Article 4. Powers regarding the *Code of Ethics*

1. As regards the *Code of Ethics* (excluding section C thereof regarding the directors of the Group's companies), the Unit shall have the following main powers:
  - a. Promote the dissemination of the content of the *Code of Ethics* and encourage an understanding thereof and compliance therewith among their professionals, members of its supply chain and other Stakeholders.
  - b. Submit to the Compliance Unit of IBERDROLA, S.A. any queries or concerns that are raised in relation to the content or application of or compliance with the *Code of Ethics* for the interpretation thereof.
  - c. Adopt and incorporate into its internal rules and regulations the behavioural procedures and protocols approved by the Compliance Unit of IBERDROLA, S.A. in order to ensure compliance with the *Code of Ethics* or, where appropriate, approve its own procedures and behavioural protocols for the aforementioned purpose.
2. In order to promote the dissemination of the content of the *Code of Ethics* among the professionals of the Company, the Unit shall include training and internal communication activities in its annual activities plan.
  - a. Training initiatives shall be communicated to the division in charge of the human resources function for the coordination thereof, if appropriate, pursuant to the provisions of the general training activities plan.
  - b. Internal communication initiatives shall be communicated to the division in charge of this function for implementation, if appropriate, pursuant to the provisions of the corresponding communication plan.
3. The Unit shall be supported by the division in charge of the procurement function in the dissemination of the content of the *Code of Ethics* among the members of its supply chain.
4. Proposals for the external dissemination of the *Code of Ethics* among the other Stakeholders of the Company shall be sent by the Unit to the division in charge of the communication function within the Company for assessment thereof and possible inclusion in the communication plan at the Group level in accordance with the general priorities and objectives established in each case.
5. The compliance units of the head of business companies subordinate to the Company shall in turn promote the dissemination of the content of the *Code of Ethics* within their respective purviews through the divisions in each case assuming the functions of human resources, procurement and communication. The Unit shall ensure that this dissemination follows the general guidelines established by the Compliance Unit of IBERDROLA, S.A. and that the particular features applicable in each country or territory and in the various businesses are taken into account.



## Article 5. Powers regarding the Effectiveness of the Compliance System and relating to the Internal Reporting and Whistleblower Protection System

1. The Unit shall:
  - a. establish the basic elements of the structure and operation of the Company's Compliance System, annually evaluate the effectiveness thereof, as well as the overall effectiveness of the compliance systems of the Company and of the companies directly or indirectly controlled thereby (the "**Controlled Companies**"), in this latter case for purposes of preparing the report provided for in section 3 of Article 9.
  - b. report to the Audit and Compliance Committee regarding significant matters relating to the effectiveness of the Compliance System.
  - c. proactively monitor the application and effectiveness of the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and the dissemination of the contents thereof among the people to whom it is addressed, to the extent within its purview.
2. The Unit shall be the body responsible for the management of the Company's Internal Reporting System, without prejudice to the delegation of such management to the Director of Compliance.

In this regard, the Unit shall be responsible for receiving grievances or reports sent through the Internal Reporting System in accordance with the provisions of Title VII of these *Regulations*, processing the corresponding case files, moving forward the procedures for verification and investigation of the grievances or reports received, and making the corresponding decisions in relation to the files processed.
3. The Unit shall endeavour to ensure the implementation of the protection measures provided for in the Company's Compliance System and in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* for the persons who submit grievances or reports through the Internal Reporting System and for the persons affected thereby.
4. The Unit shall also be responsible for establishing the tools required to ensure the recording and registration of the corresponding activities that make up the Compliance System.

## Article 6. Powers regarding Crime Prevention

1. The Unit shall be responsible for drafting, approving, adopting, keeping permanently updated and endeavouring to ensure the application of the behavioural and supervisory protocols it deems necessary or appropriate for the prevention and detection of the risk of commission of criminal offences and, in general, of improprieties and acts that are illegal or contrary to law or the Governance and Sustainability System relating to or affecting the activities of the Company and that make up the crime prevention programme thereof.
2. In addition, the Unit shall:
  - a. At least once per year, evaluate the observance and effectiveness of the Company's crime prevention programme and assess the appropriateness of modification and regular update thereof if the circumstances so require.
  - b. Foster a preventive culture based on the principle of "zero tolerance" towards improper conduct and acts that are illegal or contrary to law or the Governance and Sustainability System and on the application of ethical principles and principles of responsible behaviour that should govern the conduct of the members of the management decision-making bodies and of the professionals of the Company and of its Controlled Companies, irrespective of their level, their geographic location or their functional subordination, as well as the conduct of the suppliers of all of them.
  - c. Disseminate the contents of the *Anti-Corruption and Anti-Fraud Policy* and monitor the implementation of specific procedures to prevent any conduct that might be considered an act of corruption, to the extent within its purview.
  - d. Promote the preparation and implementation of suitable training programmes for the professionals of the Company and of the Controlled Companies regarding crime prevention and the fight against corruption and fraud with sufficient frequency to ensure the refreshment of knowledge in these matters.





## Article 7. Powers regarding Separation of Activities

1. The Unit must endeavour to ensure effective compliance with applicable legal provisions on the separation of regulated activities.
2. The Unit is also responsible for performing the duties assigned thereto by the *Code for the Separation of Activities of the Companies of Grupo Iberdrola España with Regulated Activities*, and particularly to supervise and assess compliance with the obligations established therein and to prepare the annual report, in accordance with the provisions of said code, which shall be submitted to the Audit and Compliance Committee for its opinion and for the latter to submit it for the information of the Company's Board of Directors.

The Unit shall forward a copy of said report to the Compliance Unit of IBERDROLA, S.A.

## Article 8. Other Powers

The Unit shall also be directly vested with such other powers, whether of a particular or permanent nature, that may be assigned thereto by the Audit and Compliance Committee or the Board of Directors, or that are vested therein by applicable law and the internal rules of the Company, particularly the Governance and Sustainability System.

## Article 9. Relations of the Unit with the Compliance Unit of IBERDROLA, S.A. and with the Compliance Bodies of the Controlled Companies in Compliance Matters

1. While respecting the purviews proper to IBERDROLA, S.A. and to the head of business companies, the Unit shall act on a coordinated basis with the Compliance Unit of IBERDROLA, S.A. and shall establish the framework for relations of coordination, cooperation and information among the various compliance units and heads of compliance of the Controlled Companies and with the Unit in order to promote the highest ethical standards in the compliance area, particularly but not limited to issues relating to investigation procedures, the analysis and evaluation of criminal risks, the measures and controls implemented for the mitigation thereof, internal compliance rules, and the promotion of training plans.

In this regard, the Unit shall establish the appropriate mechanisms for coordination with the compliance units and heads of compliance of the Controlled Companies in accordance with the provisions laid down by the Compliance Unit of IBERDROLA, S.A. in order to:

- a. foster knowledge sharing and maximising the generation of synergies and the exploitation thereof among the compliance systems of said companies;
  - b. propose improvements and initiatives for the optimisation and responsible use of financial and human resources allocated to the compliance function within the Company and at the Controlled Companies;
  - c. monitor and systematise the compliance training plans or programmes of the Company and of the Controlled Companies; and
  - d. collaborate in the preparation of public compliance information that the Company and the Controlled Companies disclose within their purview.
2. The Unit shall establish the basic principles of structure and operation of the compliance systems of the Controlled Companies as well as the main duties and responsibilities of the various bodies involved.

To this end, the Unit shall promote the exchange of best practices and the approval of general rules encouraging the Company and the Controlled Companies to have homogeneous, solid, comprehensive and effective compliance systems that conform to the particularities of each country or territory and of the various businesses.

3. On an annual basis, the Unit shall issue: (i) a report evaluating the effectiveness of the Company's Compliance System; and (ii) with the help of the compliance units of the head of business companies of the Controlled Companies, a report evaluating the effectiveness of the compliance systems of the Company and its Controlled Companies. These reports shall be submitted to the Audit and Compliance Committee for it to issue its opinion and forward them to the Board of Directors. Both reports shall also be forwarded to the Compliance Unit of IBERDROLA, S.A.

The Unit may subsequently publish information contained in these reports in a transparent and clear manner, as a mechanism to make explicit the effectiveness of its compliance culture and its own social commitment to the public interest.



## TITLE IV. MEETINGS

### Article 10. Meetings

The Unit shall meet as many times as necessary to exercise the powers entrusted thereto.

### Article 11. Call to Meeting

1. The secretary of the Unit shall, by order of the chair thereof, call the Unit to meeting at least three days in advance thereof, except in the case of urgent meetings.
2. The call to meeting shall be carried out by any means allowing for receipt thereof and, except in justified cases, shall include the agenda for the meeting and have attached thereto any information that may be deemed necessary.
3. No prior call to a meeting of the Unit shall be required when all of its members are present and unanimously agree to the holding of the meeting and to the items of the agenda to be dealt with.

### Article 12. Place of Meetings

1. Meetings of the Unit shall be held at such place as is designated in the call to meeting or, in the absence thereof, at the registered office of the Company.
2. Meetings of the Unit may be held in several places connected to each other, or by remote means using remote communication systems that permit the recognition and identification of the attendees, permanent communication among them, and participation in discussion and the casting of votes, all in real time (including videoconference or remote attendance systems or any other similar system). The members of the Unit in attendance at any of such interconnected places shall be deemed to have attended the same meeting of the Unit for all purposes and the meeting shall be deemed to have been held at the registered office.

### Article 13. Establishment of a Quorum

1. A valid quorum for Unit meetings shall be established with the attendance, in person or by proxy, of more than half of its members.
2. The chair of the Unit shall preside over meetings of the Unit. In the event of vacancy, illness, incapacity or absence of the chair of the Unit, the member having the longest length of service in the Unit, and if equal lengths of service, the oldest, shall act as such.
3. The secretary of the Unit shall act as secretary for the meeting. In the event of vacancy, illness, incapacity or absence of the secretary of the Unit, the person appointed by the chair of the meeting for such purpose shall act as secretary.
4. Unit members may give a proxy to another member by notice delivered by any of the means allowing for receipt thereof, addressed to the chair or to the secretary of the Unit and including the terms on which the proxy is given, provided that it includes specific instructions for each of the items on which the proxy representative must vote. In no case may they give a proxy in connection with matters affecting them personally or regarding which they are involved in any conflict of interest situation.

### Article 14. Resolutions

1. Resolutions of the Unit shall be adopted by a majority of the votes of the members present at the meeting in person or by proxy. In the event of a tie, the chair of the Unit shall have the tie-breaking vote.
2. All resolutions adopted shall be recorded in minutes signed by the chair and the secretary of the Unit or by the persons acting in their stead. They shall be approved at the same meeting or at the meeting held immediately thereafter and shall be entered in a book of minutes of the Unit that shall be in the custody of the secretary thereof.
3. Voting by the Unit may occur in writing without a meeting provided that no member objects thereto. In this case, the members of the Unit may deliver to the secretary their votes and the considerations they wish to appear in the minutes. Resolutions adopted using this procedure shall be recorded in the minutes.



### Article 15. Conflicts of Interest

1. The members of the Unit involved in a potential conflict of interest must give notice thereof to the Unit itself, which shall also have the power to resolve questions or conflicts that might arise in this regard.
2. A conflict of interest shall be deemed to exist in those situations in which the interest of the member of the Unit conflicts, whether directly or indirectly, with the interest of the Company and with their duties as a member of the Unit.
3. An interest of the member of the Unit shall exist if a matter dealt with by the Unit affects such member or a natural or legal person connected thereto.
4. If a member of the Unit is involved in a conflict of interest, they must refrain from participating in the matter in question and leave the meeting until a decision is made, and such member shall be subtracted from the number of Unit members for purposes of calculating the quorum and majorities at the relevant meeting and with respect to the matter at hand.

### Article 16. Attendance

1. The chair of the Unit may request the attendance at meetings of any director of the Company and of its Controlled Companies, of any professional of the Group's companies, and of any member of the compliance units of the Group's companies, or seek their opinion at any time.
2. Requests for attendance by members of the Company's Board of Directors shall be channelled through the secretary thereof.

## TITLE V. RESOURCES, BUDGET AND ANNUAL ACTIVITIES PLAN

### Article 17. Material and Human Resources

1. The Unit shall enjoy the required autonomy, freedom to take initiatives and capacity for control, and shall have the material and human resources necessary to perform its duties.
2. The personnel of the Unit must have the knowledge, skills and experience appropriate to the powers vested therein.

### Article 18. Budget

1. Prior to the commencement of each financial year, the Unit, at the proposal of the Director of Compliance, shall submit to the Audit and Compliance Committee a draft budget for carrying out its activities during the upcoming financial year.
2. Once validated by the Audit and Compliance Committee, the draft budget shall be sent to the Board of Directors for final approval.

### Article 19. Annual Activities Plan and Performance of the Unit

1. Prior to the commencement of each financial year, the Unit, at the proposal of the Director of Compliance, shall submit an annual activities plan for the next financial year to the Audit and Compliance Committee for approval thereby.
2. Each year, the Audit and Compliance Committee shall give its opinion on compliance with the annual activities plan and the performance of the Unit and shall forward it to the Board of Directors.

## TITLE VI. POWERS OF THE UNIT AND DUTIES OF ITS MEMBERS

### Article 20. Powers and Advice

1. Provided that applicable law so allows, the Unit shall have access to the information, documents, offices, directors and professionals of the Company, including the minutes of the meetings of the management, supervisory and control bodies, as may be necessary for the proper performance of its duties.



The members of the Board of Directors and the professionals of the Company must also provide the cooperation requested by the Unit for the proper performance of its duties.

Requests addressed to directors or that cover minutes of meetings of the Company's management decision-making body or of the Audit and Compliance Committee shall be channelled through the secretary of the Board of Directors.

1. The Unit may also seek cooperation or advice from outside professionals.
2. To the extent possible and provided it does not affect the effectiveness of its work, the Unit shall seek to act transparently, informing the affected directors and professionals of the purpose and scope of its actions whenever practicable and appropriate.

### Article 21. Duties of Unit Members

1. Unit members must act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence.
2. Unit members shall keep confidential the deliberations and resolutions of this body and, in general, shall not disclose any communications, reports, grievances, data, reports or background information to which they may have access while in office, nor use any of the foregoing for their own benefit or that of third parties, without prejudice to the duties of transparency and information imposed by the Company's Governance and Sustainability System and by applicable law. The duty of confidentiality of the members of the Unit shall survive even after the members no longer hold such position.

## TITLE VII. INFORMATION MANAGEMENT PROCEDURE

### Article 22. Internal Reporting System

1. The Company has implemented an Internal Reporting System in accordance with applicable legal provisions. Without prejudice to the provisions of these *Regulations*, the principles governing the Internal Reporting System are set out in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and in the *Code of Ethics*.
2. The Unit shall investigate any conduct that may involve the commission of any impropriety or any act that is illegal or contrary to law or the Governance and Sustainability System, particularly including any conduct that might constitute a criminal offence, a serious or very serious administrative offence, or a breach of European Union law, with implications for the Company, its contractual relationship with its suppliers, or the interests and image of the Company.
3. The Unit may commence an investigation if it is aware of facts or circumstances that might constitute an impropriety or an act from among those indicated in the preceding section, whether on its own initiative or by virtue of a grievance or report received through the internal reporting channels (as defined in the following section) or by any other means.
4. The internal reporting channels activated by the Company (the "**Internal Reporting Channels**"), which form part of its Internal Reporting System, allow its directors, persons, members of the supply chain and other third parties as determined by law to report any of the conduct referred to in section 2 above and to process the grievances or reports received in connection therewith, all without prejudice to the ability to address such grievances or reports to the Spanish Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) (A.A.I.) or to any other competent institution, body or entity.

The Internal Reporting System includes all the Internal Reporting Channels set up by the Company for the communication of grievances or reports related to such conduct by the aforementioned persons.

5. The principles, rules of conduct and guarantees established in this Title VII shall apply to the investigation files handled by the Unit, regardless of the manner in which they are commenced.

### Article 23. Management of Grievances or Reports

1. The management of grievances or reports sent through the Internal Reporting Channels is the responsibility of the Unit, without prejudice to the delegation of this duty to the Director of Compliance in accordance with applicable legal provisions.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



2. In order to perform such duty, the Unit and the Director of Compliance shall comply with the provisions of these *Regulations*, the *Compliance and Internal Reporting and Whistleblower Protection System Policy* and the *Code of Ethics*.
3. In the management of grievances or reports received through the Internal Reporting Channels, the confidentiality of the identity of the whistleblower and of any third party mentioned in the grievance or report, and of the activities carried out in the management and processing thereof, as well as the protection of personal data, must be guaranteed, preventing access to the content of the investigation by personnel who are not expressly authorised to do so.
4. The Unit shall also handle and respond to all enquiries submitted to it through the Internal Reporting System that are within its purview.

#### Article 24. Submission of Grievances or Reports

1. Directors, persons, members of the supply chain of the Company and other third parties as determined by law may report, including anonymously, any of the conduct referred to in section 2 of Article 22: (a) in writing, using the appropriate form available on the Company's corporate website; and (b) by any other means established by the Company, which may include contact by telephone.

At the request of the whistleblower, the grievance or report may also be presented in a face-to-face meeting with the Unit's staff to be held no later than seven days of the request.

2. In any case, those who submit a grievance or report through the Internal Reporting Channels shall be informed, in a clear and accessible manner, of the existence of external reporting channels to the competent authorities and, where appropriate, to the institutions, bodies or entities of the European Union.
3. Verbal communications, including those made in a face-to-face meeting, by telephone or voice messaging, must be documented in one of the following ways:
  - a. by recording the conversation in a secure, durable and accessible format; or
  - b. through a complete and accurate transcript of the conversation prepared by the staff responsible for handling it.

Without prejudice to the rights thereof under the legal provisions regarding the protection of personal data, the whistleblower shall be given the opportunity to verify, correct and agree to the transcription of the conversation by signing it.

4. The confidentiality of the grievance or report received shall also be guaranteed if the grievance or report is received by the Unit by a means not provided for herein or has been made to any director, professional or supplier of the Company that has immediately forwarded it to the Unit in compliance with the provisions of the *Code of Ethics*.

#### Article 25. Acceptance of Grievances or Reports for Processing

1. Once a grievance or report has been received, the Unit shall send an acknowledgement of receipt to the whistleblower within seven calendar days of receipt (unless this might jeopardise the confidentiality of the grievance or report or the whistleblower has not identified themselves or has declined to receive information about the whistleblower's communication), and shall determine whether or not to process it.
2. The fact that the whistleblower does not disclose their identity shall not bar the Unit from processing the grievance or report if it is reasonably plausible.
3. If the matter affects a company of the Group that has its own compliance body or function, or a professional performing duties at such company, the Unit shall forward the grievance or report to said body (or to the head of the compliance function) for it to proceed with the autonomous and independent evaluation and processing thereof in accordance with its own rules, which shall be consistent with the principles established in the *Compliance and Internal Reporting and Whistleblower Protection System Policy*.

In the event that the matter affects more than one company of the Group or persons from different companies thereof, the appropriate coordination measures shall be adopted by the corresponding compliance units, bodies and functions in order to handle the grievance or report in the most efficient manner.



4. The Unit shall not process any grievance or report in which the conduct complained of is clearly unfounded or implausible or is not likely to constitute an act referred to in section 2 of Article 22.
5. The decision to not accept the grievance or report for processing shall be reasoned, sufficiently documented and notified to the whistleblower within five business days of the decision, unless the whistleblower has not identified himself or has declined to be informed of the outcome of their communication.
6. For purposes of deciding whether to accept a grievance or report for processing, the Unit may request the whistleblower, if the whistleblower has identified himself and has not waived the right to receive information, to clarify or complete it by providing the documentation or data necessary to verify the existence of an act or conduct of the kind referred to in section 2 of Article 22.
7. The Audit and Compliance Committee shall have direct access to the grievances or reports submitted through the Internal Reporting Channels that might have a material impact on the financial statements or internal control of the Company. To this end, the Unit shall inform said committee of the existence of the aforementioned grievances or reports and shall provide it with any documentation requested in relation to the processing of the case files.

### Article 26. Processing of Case Files

1. Once a grievance or report within the purview of the Unit has been accepted for processing, the Unit shall appoint an investigating officer to carry out the investigation and process the case file, with the power to entrust these duties to an external investigating officer.
2. If the grievance or report is submitted against a member of the Unit, such member shall not participate in the processing thereof.
3. If the grievance or report concerns a director, the chair of the Unit shall inform the secretary of said body in order for the secretary to assist the chair in the processing of the case file. In these cases, to ensure independence, the investigating officer shall be a person from outside the companies of the Group.
4. The maximum period for carrying out the investigation and replying to the whistleblower shall not exceed three months from receipt of the grievance or report, except in cases of particular complexity requiring an extension of the period, in which case the period may be extended by up to a maximum of an additional three months.
5. The investigating officer shall verify the truthfulness and accuracy of the information contained in the grievance or report received, and specifically of the conduct in question, while respecting the rights of the affected parties. For such purposes, the investigating officer shall give all affected parties the opportunity to be heard, shall receive the statements of witnesses and shall carry out such proceedings as the investigating officer deems necessary.

In particular, the investigating officer must inform those affected by the grievance or report of the acts or omissions attributed to them and of their right to be heard at any time during the investigation at the time the investigating officer initiates the investigatory activities. This information must be provided in such time and manner as is deemed appropriate to ensure the proper outcome of the investigation.

6. All professionals of the Group's companies have the duty to faithfully cooperate in the investigation. The participation of witnesses and affected parties shall be considered strictly confidential.
7. The investigation shall be carried out pursuant to the provisions of an internal protocol adopted or approved by the Unit, all affected parties shall be informed regarding the processing of their personal data, and any other duty imposed by applicable legal provisions shall be complied with.
8. In all investigations, the rights to privacy, respectability, defence and the presumption of innocence of the persons investigated or affected shall be guaranteed, and all measures shall be taken that are required to avoid any kind of retaliation against the whistleblower upon the terms of applicable legal provisions.

In particular, as provided by applicable legal provisions, the Company undertakes to not adopt, and to ensure that the professionals of the Group do not adopt, any form of retaliation, whether direct or indirect, including threats of or attempted retaliation, against directors, professionals, suppliers or other third parties as determined by law who have reported any potential impropriety or the potential commission of any act that is illegal or contrary to law or the Governance and Sustainability System that may be investigated by the Unit, unless the grievance or report is false or such person has acted in bad faith.



Likewise, as provided by applicable legal provisions, the Company undertakes to not adopt, and to ensure that the professionals of the Group do not adopt, any form of retaliation against any natural person who, within the framework of the organisation in which the whistleblower works, assists him/her in the process, or is related to him/her, as a representative of the employees, co-worker or relative, as well as against any legal person for whom the whistleblower works or with whom the whistleblower has another type of relationship in an employment context or in which the whistleblower has a significant shareholding.

9. At any time during the proceeding, the Unit and the investigating officer may seek the advice and cooperation of the professionals of the Group's companies, and particularly the division in charge of the finance and control functions and of the legal affairs division for purposes of determining the consequences and manner to proceed with respect to any grievance or report.

They may also seek the advice of independent third parties to assist them in any proceedings or whenever they deem it appropriate.

10. The Unit shall keep a record of the grievances or reports received through the Internal Reporting Channels and of any internal investigations to which they have given rise.

### Article 27. Resolution of Case Files

1. Once the processing of the case file has been completed, the investigating officer shall forward the file together with a proposed decision to the Unit for resolution as it deems appropriate and shall notify the whistleblower thereof within the period established in section 4 of Article 26 above.
2. In the event that the decision concludes that a professional has committed an improper act or an act that is illegal or contrary to law or the Governance and Sustainability System, the Unit shall notify the division responsible for the human resources function of the Company for the application of the appropriate disciplinary measures, the adoption and content of which shall be reported to the Unit.
3. If it is an improper act or act that is illegal or contrary to law or the Governance and Sustainability System that affects a member of the Company's Board of Directors, the Unit shall submit the decision to the Board of Directors, through the secretary of said management decision-making body, for application of any of the measures provided for in the Governance and Sustainability System, the adoption and content of which shall be reported to the Unit.
4. If the decision rendered concludes that a supplier of the Company has committed an improper act or an act that is illegal or contrary to law or the rules of conduct laid down in the *Code of Ethics*, the Unit shall notify the division of the Company responsible for procurement in order to exercise such contractual rights as may be appropriate, of which the Unit shall be informed.
5. If it is verified that a breach of the Governance and Sustainability System has occurred that is not covered by sections 2, 3 or 4 above, the Unit shall adopt the measures that it deems appropriate.
6. If the result of the investigation reveals the possible adoption of legal actions, the Unit shall give notice of the case file to the legal affairs division for purposes of commencing the relevant governmental or court actions in each case, of which the Unit must be informed. In particular, if the facts might indicate that a crime may have been committed, the legal affairs division shall immediately forward the information to the Public Prosecutor's Office (*Ministerio Fiscal*), and it shall be forwarded to the European Public Prosecutor's Office if the facts affect the financial interests of the European Union.

### Article 28. Protection of Personal Data

1. The delivery of personal information through the Internal Reporting Channels shall comply with the provisions of personal data protection legislation.
2. As a general rule, the party affected by the grievance or report shall be informed of the existence thereof at the time that the investigating officer commences the investigation proceedings. However, in those cases in which there is a significant risk that such notice may threaten the ability to effectively investigate the grievance or report or to collect any required evidence, notice to the affected person may be delayed for as long as such risk exists, pursuant to the provisions of personal data protection legislation.
3. Persons submitting a grievance or report through the Internal Reporting Channels must guarantee that the personal data provided are true, accurate, complete and up to date.



4. Data processed within the framework of the investigations shall be deleted in accordance with the provisions of personal data protection legislation.
5. Pursuant to the legal provisions applicable in each case, users of the Internal Reporting Channels may at any time exercise the rights of access, rectification, erasure, objection and limitation of processing of their personal data by sending a written communication to the registered office of the Company, in compliance with the legal requirements from time to time in effect, and indicating the specific right they wish to exercise.

## TITLE VIII. AMENDMENT, COMPLIANCE AND INTERPRETATION

### Article 29. Amendment

The amendment of these *Regulations* must be approved by resolution adopted by the Board of Directors on the initiative of the Board itself, of the Audit and Compliance Committee, of the chair of the Unit, of one-third of the directors or of the members of the Unit itself, after a report from the Audit and Compliance Committee unless the amendment is on the initiative thereof or of the Board of Directors itself.

### Article 30. Compliance

1. The members of the Unit have the obligation to know and comply with these *Regulations*, for which purpose the secretary of the Unit shall provide them with a copy.
2. The Unit shall have the obligation to ensure compliance with these *Regulations*.

### Article 31. Interpretation

1. These *Regulations* shall be interpreted in accordance with the Company's Governance and Sustainability System.
2. Any question or dispute regarding the interpretation of these *Regulations* shall be resolved by majority vote within the Unit itself, and in the absence of such resolution, by the chair of the Unit, who shall be assisted by the secretary or by such persons, if any, as may be appointed by the Unit for such purpose. The Audit and Compliance Committee shall be informed of the interpretation and resolution of the questions or disputes that may have arisen.
3. In the absence of a specific rule, the provisions of the *Regulations of the Board of Directors* regarding the operation of the Board and, in particular, those regarding the call to meetings, granting of a proxy to another director, establishment of a quorum, meetings without prior notice, proceedings at meetings and system for adopting resolutions, casting of votes in writing and without a meeting and approval of the minutes of meetings, shall apply to the Unit to the extent that they are not inconsistent with the nature thereof.

\* \* \*



# 4. Code of Incompatible Activities of Iberdrola Group Spain Companies with Regulated Activities

19 October 2023

This Code was adopted, in its current version, by Iberdrola España, S.A.U.'s Board of Directors on 19/10/2023.



<b>PREFACE</b>	<b>259</b>
<b>PRELIMINARY TITLE. DEFINITIONS</b>	<b>259</b>
Article 1. Definitions	259
<b>TITLE I. PURPOSE AND SCOPE OF APPLICATION</b>	<b>260</b>
Article 2. Commitment of the Group and purpose	260
Article 3. Scope of application	260
<b>TITLE II. LEGAL SEPARATION OF ACTIVITIES</b>	<b>261</b>
Article 4. Legal separation	261
Article 5. Performing of Regulated Activities and Liberalised Activities by different companies	261
Article 6. Differentiated identification of Regulated Companies and Liberalised Companies	261
Article 7. Common services	261
<b>TITLE III. FUNCTIONAL SEPARATION AND COMPLIANCE WITH THE INDEPENDENCE STANDARDS</b>	<b>261</b>
Article 8. Functional separation and independence standards	261
Article 9. Effective decision-making capacity of Regulated Companies	261
Article 10. Group supervisory powers	262
Article 11. Non-participation of individuals responsible for the management of Regulated Companies in organisational structures of the Iberdrola Group for the day-to-day management of Liberalised Activities	262

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Article 12. Independence and protection of the professional interests of the individuals responsible for managing Regulated Companies	263
Article 13. Prohibition on holding shares in Liberalised Companies	263
Article 14. Protection of Commercially Sensitive Information	263

## **TITLE IV. APPROVAL 264**

Article 15. Approval and amendment	264
------------------------------------	-----

## **TITLE V. COMMUNICATION AND DISSEMINATION 264**

Article 16. Communication and dissemination	264
---	-----

## **TITLE VI. SUPERVISION, COMPLIANCE, ASSESSMENT AND UPDATING OF THE CODE 265**

Article 17. Supervision and compliance. Compliance Unit	265
Article 18. Assessment	265
Article 19. Updating, amendment or development	265

## **TITLE VII. ANNUAL REPORT 265**

Article 20. Annual report	265
---------------------------	-----



## PREFACE

IBERDROLA ESPAÑA, S.A.U. (the “Company”) heads a group of companies, as defined by law (the “Group”), which carry out their activities mainly within the electricity and gas sectors in Spain.

Section 8.2 of Act 24/2013, dated 26 December, on the Electricity Sector (the “Electricity Sector Act”) classifies as Regulated Activities operation of the system, operation of the market and the transmission and distribution of electricity. In addition, Section 60.1 of Act 34/1998, dated 7 October, on the Hydrocarbon Industry (the “Hydrocarbon Industry Act”) attributes the aforementioned classification to the activities of regasification, basic storage, transportation and distribution of natural gas.

Within the context of the liberalisation process, the supply of electricity and gas at regulated prices – which, in both sectors, formed part of the regulated activity of distribution – was terminated on 1 July 2008 in the case of gas and on 1 July 2009 in the case of electricity.

Moreover, since the latter date, last resort supply has been introduced in favour of certain consumers and which, in accordance with the provisions of Royal Decree-act 6/2009, dated 30 April, establishing the adoption of certain measures in the electricity sector and approving the social bonus, must be offered by last resort retailers within the ambit of Liberalised Activities, which encompass the production and retailing of both electricity and natural gas.

In accordance with the principle of incompatible activities set out in section 12.1 of the Electricity Sector Act and section 63.1 of the Hydrocarbon Industry Act, Liberalised Activities cannot be carried out by companies that undertake any of the aforementioned Liberalised Activities.

However, Spanish legislation expressly acknowledges that, as occurs within the Group, companies pertaining to a single group can undertake Regulated Activities and Liberalised Activities in Spain, providing they are undertaken by different companies and comply with the independence criteria set out in paragraphs a), b) and c) of sections 12.2 of the Electricity Sector Act and 63.4 of the Hydrocarbon Industry Act.

Companies that undertake Regulated Activities, in accordance with paragraph d) of sections 12.2 of the Electricity Sector Act and 63.4 of the Hydrocarbon Industry Act, must have a code of conduct establishing the measures adopted to ensure fulfilment of the aforementioned independence criteria and of employees' specific obligations in this area, from which only those electricity companies with fewer than 100,000 customers connected to their networks are exempted. The Company in turn pertains to a group of companies whose parent company, as defined by law, is IBERDROLA, S.A. (the “Iberdrola Group”). In accordance with the provisions of its corporate Governance and Sustainability System, the Company is the subholding company in Spain encompassing all businesses related to energy within that country and is responsible for enforcing compliance with regulations governing the separation of regulated activities in Spain.

In compliance with the aforementioned regulations, the Company's Board of Directors has approved this Code of Incompatible Activities for Iberdrola Group Spain companies with regulated activities (the “**Code**”).

## PRELIMINARY TITLE. DEFINITIONS

### Article 1. Definitions

For the purposes of this *Code*, the following definitions shall apply:

- a. Liberalised Activities: the production and sale of electricity and gas, as well as the provision of energy charging services in Spain.
- b. Regulated Activities: the distribution and transmission of electricity, as well as the regasification, basic storage, transportation and distribution of gas in Spain.
- c. Compliance Unit : collective permanent and internal body configured in accordance with the highest standards of independence and transparency, and linked to the Audit and Compliance Committee. The Unit is the body of the Company responsible for proactively and autonomously ensuring the implementation and effectiveness of the Company's compliance system (the “Compliance System”), configured in accordance with the provisions of its Governance and Sustainability System, for which purpose it is vested with the broadest powers, budgetary autonomy and independence of action, all without prejudice to the responsibilities of other bodies and divisions of the Company.
- d. Organisational structures for the day-to-day management of Liberalised Activities: those committees or working groups of the Liberalised Companies that are entrusted with the day-to-day management and development of the following activities related to Liberalised activities in Spain:

NOTICE: This translation is for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- Operation and maintenance of generation and sales facilities and other assets necessary for undertaking their activities.
  - Planning, construction, expansion, improvement and development of the assets necessary for undertaking their activities.
  - Negotiation, sale, invoicing and collection for electricity, both wholesale and supply to end users.
  - Contracting access to third-party installations as necessary for undertaking their activities.
- e. Commercially Sensitive Information: any specific information that is non-public, knowledge of which by the employees, managers or directors of the Liberalised Companies could provide them with a competitive advantage.
- f. Individuals responsible for management of the Regulated Companies: members of the Board of Directors assigned executive tasks, as well as those Individuals Responsible for Management of any or some of the following functions in the Regulated Companies:
- Operation and maintenance, planning, construction, expansion, improvement and development of the transportation, distribution, and other assets necessary for undertaking their activities.
  - Reading and measurement of electricity.
  - Installation, verification and supervision of facilities.
  - Application of the proper consumer protection measures.
- g. Regulated Companies: the companies of the Group that carry out Regulated Activities.
- h. Liberalised Companies: the companies of the Group that carry out Liberalised Activities.

## TITLE I. PURPOSE AND SCOPE OF APPLICATION

### Article 2. Commitment of the Group and purpose

1. The Group has an activity separation code by which the Company assumes the legally established agreements specified in the legal and functional separation of the Regulated Companies, ensuring independence in the daily management of the cited companies and of those responsible for their management, all in the terms and conditions established in the legislation in force and in this *Code*.
2. This Code contains the measures adopted by the Group to ensure the effective separation of activities therein and enforce the legally established independence standards. This *Code* specifically establishes:
  - a. The measures adopted to ensure the effective separation of activities within the Group and compliance with the independence standards on the part of the employees, managers and directors of the companies of the cited Group and, particularly, those in charge of the management of Regulated Companies and other executives and employees.
  - b. The procedures for putting it into practice, for evaluating its compliance and for drawing up the information related to the *Code* itself.
3. All employees, managers and directors of the regulated and liberalised companies, as affected, must meet the objectives and comply with obligations included in this *Code* and respect it when undertaking their professional activities within the Group.

### Article 3. Scope of application

This *Code* is applicable to all directors, managers and employees of the Regulated Companies of the Group that carry out activities in Spain, under the scope determine for each of them, regardless of their hierarchical level (except those from electricity distribution companies of the Group with less than 100,000 customers connected to their networks), as well as to directors, managers and employees of the Liberalised Companies of said Group to the extent that they are affected by applicable regulations regarding the separation of activities.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



## TITLE II. LEGAL SEPARATION OF ACTIVITIES

### Article 4. Legal separation

The Group is a vertically integrated group of companies that operates in the electricity and gas sectors and in which, on the one hand, Regulated Activities and, on the other, Liberalised Activities, are carried out through different companies.

This legal separation is materialised as per the provisions of the following articles.

### Article 5. Performing of Regulated Activities and Liberalised Activities by different companies

1. The sole corporate purpose of the Group's companies carrying out Regulated Activities is the performance thereof, whereby they cannot perform activities of production, retailing or provision of energy recharging services, nor have stakes in companies conducting such activities.
2. It corresponds to the Company, as a subholding company, by way of its Board of Directors, to disseminate, implement and ensure compliance with the policies, strategies and general guidelines of the Iberdrola Group in Spain, bearing in mind their characteristics and peculiarities, and is tasked with enforcing compliance with the regulations governing the separation of regulated activities. In the performance of this duty, the Company must adopt the necessary measures aimed at ensuring effective separation of Regulated Activities and Liberalised Activities, as well as the legally established independence standards.

### Article 6. Differentiated identification of Regulated Companies and Liberalised Companies

The denominations of Regulated Companies shall contain elements that are sufficiently differentiated from the denominations of Liberalised Companies. For this purpose, a sufficiently differentiating element shall be inclusion in the corporate denomination of the reference to the regulated activity involved.

Regulated Companies shall not be misleading in their information and in the presentation of their brand and brand image as regards the self identity of Liberalised Companies.

### Article 7. Common services

1. The principle of incompatible activities does not prevent Regulated Companies and Liberalised Companies from benefitting from common services provided both internally and externally.
2. In the case of external common services, due measures must be taken so that the following are avoided at all times: (i) confusion between Regulated and Liberalised companies; and (ii) promotion of Liberalised Companies by Regulated Companies.
3. In all cases, in the provision of common services, the distribution of costs and the provision of services shall be carried out in accordance with objective and transparent market criteria, thereby avoiding any discrimination, subsidy, or competitive advantage.

## TITLE III. FUNCTIONAL SEPARATION AND COMPLIANCE WITH THE INDEPENDENCE STANDARDS

### Article 8. Functional separation and independence standards

The Group ensures the effective functional separation of Regulated Activities and compliance with the legally established independence standards through the measures and obligations in this Code for those responsible for the management of Regulated Companies and the other executives and employees as laid down in the following articles.

### Article 9. Effective decision-making capacity of Regulated Companies

1. Within the limits set out in this Code, Regulated Companies shall have effective decision-making capacity, independently from all other companies of the Group, in relation to those activities necessary for the operation, maintenance and performance of day-to-day activities and, specifically, for:
  - a. Operating, maintaining and performing the assets of electricity transmission and distribution (in the electricity sector).

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



- b. Operating, maintaining and performing the activities of liquefied natural gas regasification and of transportation, basic storage and distribution of natural gas (in the hydrocarbon sector).
2. The Group's companies shall not give instructions to Regulated Companies or those responsible for their day-to-day management, nor regarding their management or the specific decisions relating to:
  - a. The construction or upgrading of electricity transmission and distribution assets that must be undertaken within the limits set out in the annual financial plan or equivalent instrument to which Article 10.3 refers.
  - b. The construction or upgrading of assets of liquefied natural gas regasification and of transportation, basic storage and distribution of natural gas that must be undertaken within the limits set out in the annual financial plan or equivalent instrument to which Article 10.3 refers.
  - c. The contracting of services from other Iberdrola Group companies if they fail to offer economic conditions comparable to those that would be obtained externally.
3. Regulated Companies shall have the human, material and financial resources that are adequate and necessary to carry out their day-to-day activities independently.
4. Decisions concerning the operation, maintenance, and development of the networks of the Regulated Companies within the limits of the annual financial plan or equivalent instrument shall be adopted and, where appropriate, amended, by those responsible for the management of each of the Regulated Companies, without approval being required from other Iberdrola Group companies.

### Article 10. Group supervisory powers

1. The Company has economic supervisory powers as well as for the management of Regulated Companies and of the remaining companies that make up the Group. The Company's Board of Directors shall set the strategic goals in the context of its general supervisory functions which, at no time, implies the power to give instructions to Regulated Companies regarding their ordinary activities. In this regard, the Board of Directors of Regulated Companies will be the body in charge of supervising the effective separation of activities in each of the companies from Liberalised activities as well as of the compliance by managers and other employees and executives with the independence criteria set by current legal provisions and this Code.
2. Supervisory functions shall be carried out by the single or collective administration or management bodies of the Company that are assigned such functions, whose meetings, in the case of collective bodies, can be attended by directors, officers or managers of Regulated Companies to enable the performance of said supervisory functions.
3. In the performance of said supervisory functions, the Company shall approve the annual financial plan of Regulated Companies and establish the limits on their level of indebtedness, shall not interfere in the viability of the budget created by the regulated company as a single company, although Regulated Companies can annually submit to the Company those proposals it deems appropriate for ensuring that it has sufficient human, material and financial resources to carry out its day-to-day activities.
4. Those single or collective administration or management bodies of the Company that are assigned supervisory functions shall be informed in advance regarding individual investments made by Regulated Companies in accordance with the annual financial plan and the overall debt limits set by the Company in relation to the companies that make up the Group.

### Article 11. Non-participation of individuals responsible for the management of Regulated Companies in organisational structures of the Iberdrola Group for the day-to-day management of Liberalised Activities

1. Individuals responsible for the management of the Group's Regulated companies shall not participate in Organisational Structures of the Group which are directly or indirectly responsible for the day-to-day management of Liberalised Activities. In addition, the distribution network administration officer shall not participate in the day-to-day management of transmission activities.
2. The Management bodies of Regulated Companies and Liberalised Companies shall submit to the Compliance Unit, respectively, an updated list of the individuals responsible for the management of the first, as well as the organisational structures of the day-to-day management of the second.



3. The individuals responsible for the management of Regulated Companies can intervene in any organisational structure in order to fulfil the Group's supervisory and control powers in relation to Regulated Companies, in accordance with the provisions of Article 10 above.

### Article 12. Independence and protection of the professional interests of the individuals responsible for managing Regulated Companies

The Group ensures the independence and protection of the professional interests of the individuals responsible for managing Regulated Companies through the following measures:

- a. Agreements concerning the appointment and removal of directors of Regulated Companies can only be adopted upon a report from the Company's Audit and Compliance Committee, who shall ensure the suitability of the proposed candidates for the effective independence of the management of Regulated Companies.
- b. The appointment, promotion and withdrawal of employees and managers who are responsible for managing Regulated Companies shall only be made by decision of the governing body of said companies and in accordance with requirements, conditions or causes that ensure the separation of activities and independence standards legally established and in this Code.
- c. The individuals responsible for managing Regulated Companies shall have sufficient powers to perform their functions independently. The job profiles and the individuals assigned thereto shall be defined and chosen, respectively, according to the needs and interests of the Regulated Companies.
- d. The withdrawal or dismissal of individuals responsible for managing Regulated Companies shall not be based on causes originating from the affected person's compliance with the rules contained in this Code.
- e. The remuneration for individuals responsible for managing Regulated Companies arising from the duties that they undertake shall be established by the Regulated Companies themselves and may be linked to the management of Liberalised Activities. In any case, their remuneration will be determined following criteria that guarantee their independence.

### Article 13. Prohibition on holding shares in Liberalised Companies

Regulated Companies and individuals responsible for managing Regulated Companies shall not hold, directly or indirectly, equity interests or shares in companies that carry out Liberalised Activities.

### Article 14. Protection of Commercially Sensitive Information

1. Commercially Sensitive Information must be properly identified through the corresponding procedures in place at Regulated Companies.
2. Regulated Companies and their employees, managers and directors shall not share Commercially Sensitive Information with Liberalised Companies.
3. Access to Commercially Sensitive Information by external advisors from Regulated Companies shall be subject to strict confidentiality obligations, whereby they shall be prohibited from disclosing any such information to third parties and, particularly, to Liberalised Companies.
4. In any event, whenever such Commercially Sensitive Information must be legally disclosed to Liberalised Companies and third parties, it shall be disclosed non-discriminately to all the Liberalised Companies' competitors.
5. If the Commercially Sensitive Information is of a privileged or relevant nature and affects the shares or other negotiable securities issued by companies from the Iberdrola Group or by third parties, the provisions set out in the *Internal code of conduct in the Securities Markets* of IBERDROLA, adopted by the company's board of directors shall apply, as well as those laid down by the pertinent legislation currently in force.
6. To fulfil the confidentiality of Commercially Sensitive Information of Regulated Companies, the following is established:
  - a. All Commercially Sensitive Information of Regulated Companies identified as such must be safeguarded by their respective system administrator, who shall be tasked with this function (the "**System Administrator**").



- b. Databases containing said Commercially Sensitive Information must have restricted access ensuring that employees, managers and directors of Liberalised Companies cannot access them. As an exception, express allowance is made for the possibility that employees involved in the provision of common services within the Iberdrola Group may have access to databases containing Commercially Sensitive Information, for the sole purpose of performing the activities contemplated in the corresponding services contract. The defining of access profiles and their assigning to Iberdrola Group employees shall be done by the System Administrator, attending to the specific needs of each employee to perform their functions.
- c. In any event, all necessary security measures must be taken so that Commercially Sensitive Information is not accessible from external systems.
- d. The System Administrator must draw up a security document of mandatory compliance for all personnel that accesses Commercially Sensitive Information, including the following aspects: its scope of application; the measures, regulations, procedures and rules aimed at ensuring the level of security required by current regulations; the functions and obligations of personnel; the structure of the files; the procedures for notification, management and response to incidents; and the procedures for making backup copies and recovery of information.

The security document must be revised whenever relevant changes are made in the information system or in its organisation. Likewise, all personnel falling within its scope of application must be informed.

- e. Identification and authentication measures:
    - The System Administrator must compile an updated list of users with authorised access to Commercially Sensitive Information.
    - The System Administrator must set up identification procedures for accessing such information. For that purpose, the corresponding procedures for assigning, distributing and storing passwords must be set up.
    - Users shall only have access to the data and resources they require for their functions, which can be verified through the corresponding access control mechanisms.
  - f. Only personnel authorised in the security document can be authorised to access premises housing systems that contain Commercially Sensitive Information.
7. Employees and managers from Regulated Companies shall receive regular in-house training on functional separation, especially on protecting the confidentiality of Commercially Sensitive Information. It is mandatory for new employees and managers who join Regulated Companies to take part in said training events.
  8. The individuals responsible for managing Regulated Companies shall regularly inform their employees and executives regarding their confidentiality obligations.
  9. The confidentiality obligation must especially apply to workers who are transferred from Regulated Companies to Liberalised Companies and have had access to Commercially Sensitive Information of Regulated Companies.

## TITLE IV. APPROVAL

### Article 15. Approval and amendment

1. Approval of this Code and any amendment thereto shall correspond to the Company's Board of Directors, at the proposal of the Compliance Unit and following a report by the Company's Audit and Compliance Committee.
2. Likewise, this Code and any amendment thereto must be assumed by the Regulated Companies, through the corresponding agreements from their respective governing bodies.

## TITLE V. COMMUNICATION AND DISSEMINATION

### Article 16. Communication and dissemination

1. The *Code* shall be communicated to and disseminated among the Group's employees and managers and especially among those from Regulated Companies.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.





2. The *Code* shall also be disseminated externally, particularly via the Company's corporate website.

## TITLE VI. SUPERVISION, COMPLIANCE, ASSESSMENT AND UPDATING OF THE CODE

### Article 17. Supervision and compliance. Compliance Unit

1. The Compliance Unit shall be the body of the Company in charge of the supervision and assessment of compliance with the obligations established in this *Code*. The Compliance Unit shall be fully independent and have sufficient powers to properly perform their functions in accordance with the provisions contained in the Regulations of the Compliance Unit.
2. The Compliance Unit Manager's dismissal may not, under any circumstances, be based on grounds originating in the performance of the duties conferred by this *Code*.
3. The Compliance Unit shall have access to all information, documents and offices of the Group's companies as required to properly perform their functions, in accordance with the provisions of the Company's *Compliance Unit Regulations*.
4. In the performance of their duties, the Compliance Unit shall act in a transparent manner, keeping the affected employees, managers and directors informed at all times as to the purpose and scope of their verification and assessment actions.
5. Employees, managers and directors of Iberdrola Group companies shall give the Compliance Unit any help they may require to properly perform their functions.
6. Managers at the Group's companies (particularly the individuals responsible for managing Regulated Companies) shall permanently foster compliance with the obligations of this *Code*.

### Article 18. Assessment

1. The Compliance Unit shall assess compliance with and effectiveness of the *Code* and regularly report thereon to the governing bodies of Regulated Companies. The foregoing is notwithstanding the powers that, in accordance with the Company's corporate governance system, have been given to the Audit and Compliance Committee within its specific scope of action and the Compliance Unit at the Business Unit parent companies of the Group.
2. The Compliance Unit shall notify the affected companies as to the results of the assessment as well as any shortcomings detected, if any, in order that they may immediately adopt the appropriate measures to ensure compliance with the provisions of this *Code*.

### Article 19. Updating, amendment or development

Based on the results of the assessment, the Compliance Unit may propose to the Company's Board of Directors, following a report by the Company's Audit and Compliance Committee, the updating, amendment or development of this *Code*.

## TITLE VII. ANNUAL REPORT

### Article 20. Annual report

1. On the basis of the assessment referred to in Title VI above, the Compliance Unit shall compile an annual report, and the Regulated Companies shall be informed as to the content and results thereof. This report must specify the measures adopted to ensure compliance with the functional separation of Regulated Activities and the independence standards established in the applicable laws and this *Code*.
2. The Company's Audit and Compliance Committee will issue a previous opinion on the annual report, which shall be submitted to the Company's Board of Directors for its knowledge along with the Compliance Unit's report. The foregoing is notwithstanding the powers conferred for such purpose upon the Audit and Risk Supervision Committee and the Compliance Unit of IBERDROLA, S.A.
3. The annual report shall also be submitted to the Spanish Ministry for Ecological Transition and Demographic Challenge, and to the National Markets and Competition Commission (or any other body which may take on their functions in such matters in the future) and shall be published in accordance with the applicable regulations.

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Iberdrola  
España