SCOTTISHPOWER RENEWABLES

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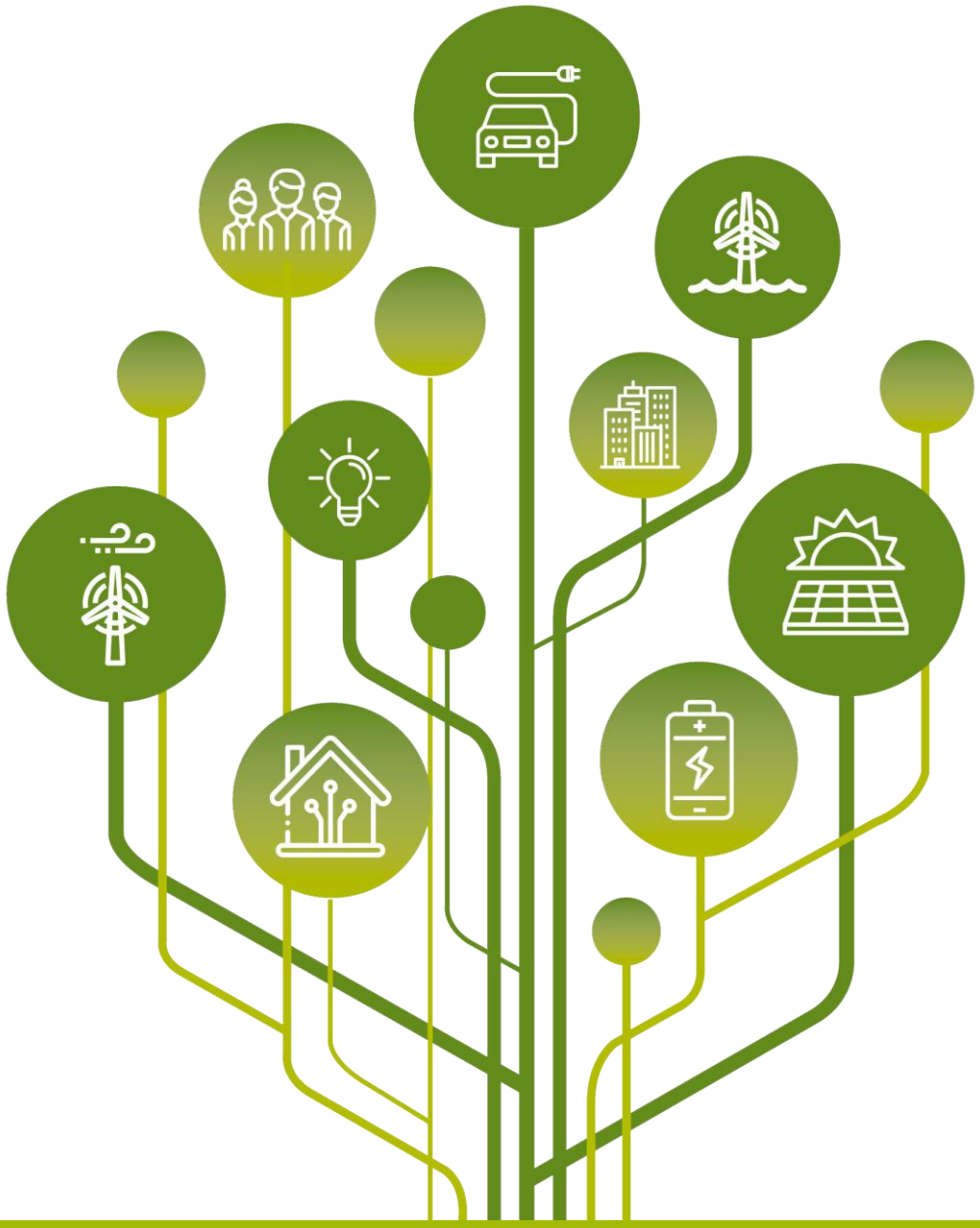

21 June 2022

ScottishPower Renewables' Governance & Sustainability System

Sustainable Development Goals | CC Climate Change and Environment | SE Shareholder Engagement | GD Gender Diversity | DS Decentralised Structure | C Compliance

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SCOTTISHPOWER RENEWABLES

1. FOREWORD

The Company and its Group

ScottishPower Renewables is a business division of ScottishPower which is responsible for the origination, development, construction and operation of renewable energy generation plants, principally onshore and offshore wind, with a growing presence in emerging renewable technologies and innovations such as battery storage and solar.

ScottishPower Renewables is owned by ScottishPower Renewable Energy Limited (the "**Company**").

The Company is a wholly-owned subsidiary of the ScottishPower Group, which is wholly-owned by the Iberdrola Group.

Group Corporate Governance Model

Iberdrola

Iberdrola, S.A ("**Iberdrola**") which is listed on all four stock exchanges of Spain, is the ultimate parent and head of the Iberdrola Group, of which ScottishPower is a wholly-owned member.

The Iberdrola Board of Directors approves Iberdrola's corporate governance system, the **Iberdrola Governance & Sustainability System**, as updated from time to time.

As its corporate governance system, Iberdrola Governance & Sustainability System contains the principles, rules, and guidelines (e.g. corporate policies, internal procedures and protocols, etc.) which govern the general and overall conduct of the Iberdrola Group, as well as its respective directors and employees.

At a high-level, the Iberdrola Governance & Sustainability System is formally structured around the environmental, social and corporate governance ("**ESG**") model. Accordingly, the five chapters of the Iberdrola Governance & Sustainability System consist of these three central topics, fronted by a chapter on its legal constitution (by-laws), and a chapter on the group's purpose and values.

ScottishPower

Scottish Power Limited is the principal sub-holding company of the Scottish Power Limited group ("**ScottishPower**" or the "**ScottishPower Group**"). In other words, it is the country sub-holding company of the Iberdrola Group for the UK.

Amongst other things, the Scottish Power Limited Board of Directors is responsible for disseminating, implementing and supervising the general strategy and the basic management guidelines of ScottishPower, at the country (UK) level, subject to UK-specific requirements.

Accordingly, the Scottish Power Limited Board of Directors approves ScottishPower's corporate governance system, the **ScottishPower Governance & Sustainability System**, which incorporates as far as applicable (*mutatis mutandis*) the key policies and features of the Iberdrola Governance & Sustainability System, as supplemented/amended by UK-specific and/or ScottishPower Group-specific policies and processes.

Consequently, the ScottishPower Governance & Sustainability System is structured in the same manner as the Iberdrola Governance & Sustainability System, following the ESG model.

The Company as a ScottishPower Business

The three main business divisions of ScottishPower, together with their subsidiary groups, are each owned and headed up by their respective head of business sub-holding companies (each, a "**Business Subholding Company**"). The Company is a Business Subholding Company.

Each of the Business Subholding Companies are (indirectly) wholly-owned by ScottishPower. Similar to Scottish Power Limited's role as the country subholding company, each Business Subholding Company's Board of Directors is responsible for disseminating, implementing and supervising the general strategy and the basic management guidelines of its respective business division, subject to that business's specific or local requirements.

Accordingly, the Company's Board of Directors approves the Company's business's own corporate governance system, i.e. its own **Governance & Sustainability System**, which in turn incorporates

as far as applicable (*mutatis mutandis*) the key policies and features of the ScottishPower Governance & Sustainability System, as supplemented/amended by any business-specific policies and processes

Consequently, the Company's own Governance & Sustainability System is structured in the same manner as the ScottishPower Governance & Sustainability System, following the ESG model as well.

UK Reporting Requirements

In terms of the UK Companies (Miscellaneous) Reporting Regulations 2018, the Company does not formally apply a corporate governance code which is specifically set by UK company law or a regulator. Instead, and as described above, the Company's Board has adopted the ScottishPower Governance & Sustainability System for the ScottishPower Group.

The Company's Corporate Governance System therefore comprises key policies of the Iberdrola Governance & Sustainability System and features unique to ScottishPower, which together ultimately derive from rules and principles that are based on widely recognised good governance recommendations and applicable law.

This book describes and contains the main policies and documents comprising the Company's Governance & Sustainability System, as adopted by the Company.

Governance & Sustainability System

Introduction to the Governance & Sustainability System

The following *Introduction to the Governance & Sustainability System* was approved by the Company on 21 June 2022.

SCOTTISHPOWER RENEWABLES

Introduction to the Governance and Sustainability System

1. ScottishPower Renewable Energy Limited and the Iberdrola Group

1. ScottishPower Renewable Energy Limited (the **Company**) is a wholly-owned (business) sub-holding company of the Iberdrola Group in the United Kingdom whose activities comprise the origination, development, construction and operation of renewable energy generation plants, principally onshore and offshore wind, with a growing presence in emerging renewable technologies and innovations such as battery storage and solar (the **ScottishPower Renewables Business**).

2. The history of the Iberdrola Group dates back over 170 years to the incorporation of its parent company, Iberdrola, S.A. ("**Iberdrola**") under the name Hidroeléctrica Ibérica, S.A. in 1901 in Bilbao in order to meet the growing demand for electricity at that time in the main industrial regions of northern Spain. It is now a global energy leader, the number one producer of wind power and one of the world's biggest electricity utilities companies by market capitalisation, supplying energy to millions of customers in dozens of countries.

3. The Iberdrola Group's activities are focussed in the energy sector whereby Iberdrola heads up a group leading in electricity production, transmission, distribution and supply, all essential commodities for millions of users and customers, through the use of environmentally-friendly energy sources and technologies and the promotion of digital transformation.

4. The Company's activities are defined by its express commitment to the *Purpose and Values of the Iberdrola Group* as well as its *Code of Ethics.* These underpin the Company's corporate purpose and activities, which in turn constitute the Company's corporate identity and corporate philosophy.

   The purpose of the Iberdrola Group, as adopted by the Company is to "continue working together each day to build a healthier, more accessible and more electric energy model", which contributes to the United Nations' Sustainable Development Goals (**SDGs**) (especially those relating to universal access to electricity, the supply of affordable and clean energy and the fight against climate change, 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 the protection of human rights, the social market economy and the ethical principles generally accepted in its scope of activities.

   The corporate values which define the manner in which the Company functions are known within the Iberdrola group as the fundamental notions and guidelines of: "sustainable energy", "integrating force", and "driving force". These notions, together with the purpose described above, constitute the ideological basis of the Company and its business.

5. The Company's adoption of the *Purpose and Values of the Iberdrola Group* means that it has a purpose, not purely limited to the achievement of financial benefit, but rather one which aspires to the creation of sustainable business value, and the delivery of results and benefits with which to remunerate capital investors, other stakeholders and the communities in which the Company operates via the 'social dividend'.

6. Consequently, the Company shares Iberdrola's corporate interest in its focus on creating shared sustainable value in line with its purpose, distinct set of values and the commitments undertaken in accordance with the *Code of Ethics*.

   In this regard, the Company considers its stakeholders to be integral to the Company's identity and necessary to its business which generates the 'social dividend' that is ultimately shared with those stakeholders.

7. In acknowledgement of the Company's size, and the essential nature of its activities for the economy and society, it is further recognised that those activities and the scope of the *Purpose and values of the Iberdrola group* on the whole extend beyond the widest definition of its stakeholders to communities in general and society at-large.

From this perspective, and in accordance with its purpose and values, the Company recognises its role as a key actor and driver as part of a global collective effort in sustainable development and progress.

8. Finally, the Company's identity is further defined by its internal rules, which are grouped around three main principles: environmental and anti-climate-change performance, social commitment and the application of best corporate governance practices. These principles have been developed as a framework for all the members of the Company's Group to achieve its purpose and corporate interest, deliver its social dividend, and realise its stated values, with guarantees to each member's defined business, identity and independence.

9. In short, the Company aspires to be an institution that exceeds corporate precepts, that is open and committed to its stakeholders and the communities in which it operates, and that comprehensively delivers its business in accordance with its economic and ESG undertakings.

2. The corporate and governance structure of the Iberdrola Group

10. As the ultimate parent company, Iberdrola heads up a group of companies in Spain, Portugal, other EU Member States, the United Kingdom, the USA, Australia, Mexico and Brazil, among other countries. The Iberdrola Group is structured into three corporate tiers of governance, with: (1) Iberdrola, S.A., as the ultimate holding company, being responsible for the supervision and control of the overall group and its strategy, (2) (country) sub-holding companies, including Scottish Power Limited (**ScottishPower**), being responsible for the ownership, organisation and coordination of the business divisions operating within that country, and (3) the heads of business companies, being responsible for the day-to-day administration and effective management of each of the business divisions (which in the context of the ScottishPower Group includes the ScottishPower Renewables Business), all without prejudice to each subsidiary's corporate independence.

11. This corporate and governance structure is designed to operate in tandem with the Iberdrola Group's business model, to enable the global integration of the businesses, maximise operational efficiency amongst the business divisions, and ensure the effective dissemination, implementation and monitoring of the general group strategy, management guidelines and best practice.

    Accordingly, the business model is designed around a decentralised decision-making structure (subsidiarity), coupled with robust coordination mechanisms to facilitate the global integration of the Iberdrola Group's various businesses. This model includes a system of checks and balances as part of this decentralised management structure.

3. ScottishPower Renewables' Governance and Sustainability System

12. The Company's corporate governance system is called the Governance and Sustainability System, which comprises the internal regulatory framework for the Company and its group. This framework is established, independently by the Company, to govern the Company's adherence to the stated purpose and values, and how its business goals and aims are achieved.

13. The Company's Governance and Sustainability System consists of (i) the constitutional rules approved by the Company's governing bodies, and (ii) rules applying to the whole Iberdrola Group which have been approved by Iberdrola's Board of Directors (in the exercise of Iberdrola's duty to approve the organisational model of the Iberdrola Group) and which have been adopted by the Company, thus incorporating them into its Governance and Sustainability System. The Governance and Sustainability System is formally arranged into five principal sections or 'chapters': (i) Chapter One, which contains the Company's by-laws; (ii) Chapter Two, regarding the Company's corporate Purpose, which includes the *Purpose and Values of the Iberdrola Group*, the *Code of Ethics*, the *General Sustainable Development Policy* and the *Stakeholder Engagement Policy*; (iii) Chapter Three, containing the Company's policies on the environment and climate action; (iv) Chapter Four, containing the Company's social commitment policies; and (v) Chapter Five, regarding corporate governance and regulatory compliance policies, risk policies, rules on governance of the corporate decision-making bodies and other functions and internal committees.

14. The first chapter of the Company's Governance and Sustainability System comprises the by-laws of the Company, i.e. its *Articles of Association*, as adopted (and amended from time to time) by the sole shareholder of the Company in accordance with the UK Companies Act 2006.

15. The *Articles of Association* of the Company are its legal constitution. They set out the Company's basic administrative and management structure, and govern its legal relationship with its parent company, The *Articles of Association* empower the Directors of the Company to make all the relevant arrangements as they deem fit for the proper management and transaction of the Company's affairs.

16. The second chapter of the Governance and Sustainability System is entitled 'Purpose'. It contains the *Purpose and Values of the Iberdrola Group*, the *Code of Ethics*, the *General Sustainable Development Policy* and the *Stakeholder Engagement Policy*.

    The *Purpose and Values of the Iberdrola Group* define the Iberdrola Group's corporate philosophy which applies to all its businesses, including the Company. Building on that philosophy, the *Code of Ethics* defines the ethical practice and sustainable development commitments (for the benefit of all the stakeholders that participate in the Group's value creation chain) to which all directors, employees and suppliers of the group are to be held. The *General Sustainable Development Policy* and the *Stakeholder Engagement Policy* expand further on those topics, in line with Iberdrola's sustainable development strategy.

17. Building upon the above themes, the remaining three Chapters of the Governance and Sustainability System are structured around three categories of corporate policies: (i) 'Environmental and Climate Action', containing the Iberdrola Group's environmental policies; (ii) 'Social Commitment', containing the Iberdrola Group's policies promoting equal opportunity, diversity, and non-discrimination; and finally, (iii) 'Corporate Governance', containing the necessary 'traditional' rules and policies governing the main corporate decision-making bodies, administration and management and the development of the Company and its business(es).

    The function of these corporate policies is to explicitly set out the expected standards of conduct around the values stated in those policies, against which all management decisions on the relevant topics are to be made. Accordingly, these corporate policies are intended to be clear guidelines of conduct for directors and employees as to the proper performance of their duties, including their exercise of any discretion thereon. It is therefore implicit in this approach that, any business action or decision taken in adherence to these policies may be assumed to have thereby complied with the Company's purpose, values and corporate interest in relation to that subject matter.

18. Consistent with the *Purpose and values of the Iberdrola group* and the commitment to contribute to the achievement of the SDGs and ESG requirements, the Company's Governance and Sustainability System differentiates those corporate policies which are general key policies (such as the *General Sustainable Development Policy* and the *Stakeholder Engagement Policy*) from those with a specific purpose.

19. In the third Chapter of the Governance and Sustainability System, the Environmental and Climate Action policies, which are aligned with the goals and the commitments established by the Paris Agreement and the United Nations' 2030 Agenda for Sustainable Development, constitute Iberdrola's response to environmental challenges such as climate change and biodiversity loss. They recognise that there are opportunities arising from, and for, the energy and ecological transition. In line with the *Purpose and Values of the Iberdrola Group* and its sustainable development strategy, these policies reflect the Company's commitment to combating climate change, to green recovery and to the environment in all its forms, while generating value for its customers, shareholders and other stakeholders.

20. Similarly, and within the framework of the Company's sustainable development strategy, the Social Commitment policies in the fourth Chapter of the Governance and Sustainability System reflect the Iberdrola Group's commitment to human rights, the development of professional relationships based on diversity, inclusion and sense of belonging, recognising that these principles are essential for promoting equal opportunity and non-discrimination in the management of people.

21. Finally, in the fifth Chapter of the Governance and Sustainability System the Corporate Governance, policies and rules, incorporating best practices and designed to promote the company as a benchmark in this area, are grouped into three Parts: (i) 'corporate governance and regulatory compliance policies; (ii) risk policies; (iii) rules on the governance of the corporate decision-making bodies and of other internal functions. Included here are also ScottishPower- or Business-specific policies which have been approved or adopted by the Board of Directors of the Company as appropriate to the Company's operations in the UK and as required by local laws and regulations.

22. The corporate governance and regulatory compliance policies define the directives and guidelines for the conduct of the shareholders, directors and professionals of the Group. These policies contain the detailed guidelines and directives regarding conduct which ensure that the Group's strategy is

consistent with its values and principles, including in particular those which are defined in the *Purpose and Values of the Iberdrola Group* and its sustainable development strategy, all to the benefit of both the Group and the communities in which it operates.

23. The purpose of the risk policies is to establish the basic principles and general framework for the control and management of the risks that the Company and its Group may be vulnerable to, especially including corporate risks and the specific risks of the various Iberdrola Group businesses.

24. The governance rules of the corporate decision-making bodies and of other internal functions include regulations, codes 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. Specifically, this section includes the *Terms of Reference of the Company's Board of Directors* and any committees of that Board, as relevant. The *Terms of Reference of the Company's Board of Directors* (amongst other things) states the Company's purpose and its business in the context of its position within the Iberdrola Group. They expressly recognise that the Company's corporate interest is focused on creating shared sustainable value, a commitment to the social dividend and engagement with stakeholders, the Company's role as a corporate pioneer, and other basic principles underpinning the key aspects and parameters of the Company's corporate structure, including any unique commercial, corporate and institutional features of the Iberdrola Group.

25. As summarised above, the Company's Governance and Sustainability System is formally organised into five Chapters, which are consistent with the five books of the Iberdrola Governance and Sustainability System. The Company's Governance and Sustainability System is updated from time to time in accordance with the Group's decision-making regulations and procedures to reflect any updates made to the Iberdrola policies, strategies and guidelines to the extent applicable, and in compliance with the model and structure described above.

26. In the interests of ensuring compliance and regulatory transparency, the full text and/or a summary of the documents comprising the Company's Governance and Sustainability System shall be made digitally available online on the Company's corporate website at www.scottishpowerrenewables.com.

27. The Company's Governance and Sustainability System is subject to a process of continuous review to ensure that it remains relevant, conforms to the facts and circumstances in which the Company operates, and includes the best practices and benchmarks in this area.

In Glasgow, on 21 June 2022

The Board of Directors

The driving principles behind 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 in it the good governance recommendations and best practices generally accepted in international markets.

In order to disseminate the key ideas behind the Governance and Sustainability System, and to assist in searching by subject matter, the Company utilises the logos indicated below to refer to each principle and the main drivers behind them:

Sustainable Development Goals (SDGs)	The Company is committed to achieving the Sustainable Development Goals (SDGs) approved by the United Nations. It contributes decisively to meeting objectives seven and thirteen relating to the supply of affordable and clean energy and the fight against climate change and also takes the seventeen goals as guidance in its decision-making processes into consideration in its daily activities, the principles of which inform its conduct and its daily tasks, rejecting actions that contravene or hinder the SDGs.
AC **Climate Action**	Climate change is now one of the most important challenges that humanity must address. The Company recognises its role in the climate objectives and is committed to a leading role in the fight against climate change, as well as in the protection of the environment and diversity.
DI **Diversity and Inclusion**	The Company has established the development of professional relationships based on diversity, inclusion and 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.
ED **Decentralised Structure**	Iberdrola Group's corporate and governance structure is based on a recognition of its multinational character, which is diversified, efficient and coordinated around Iberdrola, as the holding company, the Company and the other sub-holding companies and head of business companies, subject to 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.
C **Compliance**	The Company promotes a culture of "zero tolerance" towards corruption and fraud due to its awareness that these are phenomena that stifle economic growth, weaken democracy and undermine social justice and the rule of law, causing serious harm to the economy and to society. This culture inspires its effective and independent compliance system, which is under continuous review in order to incorporate the most advanced international practices in this area.

Governance & Sustainability System Chapter I

By-laws

Chapter I of the Governance & Sustainability System consists of the by-laws, i.e. the legal constitution, of the company applying the corporate governance system.

In respect of the Company, these are the *Articles of Association* of the Company.

The *Articles of Association* of Scottish Power Limited were adopted by a special resolution of the Company on 22 November 2021.

SCOTTISHPOWER RENEWABLES

: **property name.**

No. SC326127

The Companies Act 2006

Company Limited by Shares

ARTICLES OF ASSOCIATION

adopted by special resolution passed on 22 November 2021

of

ScottishPower Renewable Energy Limited

(incorporated on 21 June 2007)

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The Companies Act 2006

Company Limited by Shares

Articles of Association

adopted by special resolution passed on 22 November 2021

of

ScottishPower Renewable Energy Limited (the "Company")

Preliminary

1 Default Articles not to apply

Neither the regulations in The Companies (Model Articles) Regulations 2008 nor any other articles or regulations prescribing the form of articles applicable to the Company under any former enactment relating to companies shall apply to the Company.

Part 1
Interpretation and Limitation of Liability

2 Defined terms

2.1 In the Articles, unless the context requires otherwise:

"**Alternate**" or "**Alternate Director**" has the meaning given in Article 35;

"**appointor**" has the meaning given in Article 35;

"**Articles**" means the Company's articles of association;

"**Associated Company**" has the same meaning as in Section 256 Companies Act 2006;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

"Board" means the board of directors of the Company;

"**Chairman**" has the meaning given in Article 16;

"**Chairman of the Meeting**" has the meaning given in Article 58;

"**Companies Acts**" means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company;

"**Director**" means a director of the Company, and includes any person occupying the position of director, by whatever name called;

"**document**" includes, unless otherwise specified, any document sent or supplied in electronic form;

"**electronic form**" has the meaning given in Section 1168 of the Companies Act 2006;

"**fully paid**" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

"**hard copy form**" has the meaning given in Section 1168 of the Companies Act 2006;

"**holder**" in relation to shares means the person whose name is entered in the register of Members as the holder of the shares;

"**Iberdrola**" has the meaning given in Article 4.1;

"**Iberdrola Group**" has the meaning given in Article 4.1;

"**Member**" means a member of the Company;

"**ordinary resolution**" has the meaning given in Section 282 of the Companies Act 2006;

"**paid**" means paid or credited as paid;

"**participate**", in relation to a Directors' meeting, has the meaning given in Article 14;

"**payee**" has the meaning given in Article 50;

"**proxy notice**" has the meaning given in Article 64;

"**Relevant Officer**" means any Director, former Director or Secretary of the Company or any director or former director of an Associated Company of the Company;

"**Secretary**" means any person appointed to perform the duties of the secretary of the Company (including any deputy or assistant secretary) in accordance with Article 36;

"**shareholder**" means a person who is the holder of a share;

"**shares**" means shares in the Company;

"**special resolution**" has the meaning given in Section 283 of the Companies Act 2006;

"**subsidiary**" has the meaning given in Section 1159 of the Companies Act 2006;

"**transmittee**" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

2.2 Unless the context otherwise requires, (i) other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company and (ii) words importing a gender include every gender.

2.3 The provisions of these Articles relating to general meetings and to the proceedings at such meetings shall apply to separate meetings of a class of shareholders.

3 Liability of shareholders

The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them.

Part 2
The Corporate Group

4 The Company within the Iberdrola Group

4.1 The Company is part of an international and decentralised industrial group of which Iberdrola, S.A. ("**Iberdrola**"), a Spanish company, is the controlling entity and listed holding

company pursuant to Spanish law (the "**Iberdrola Group**") whose corporate structure of decentralised decision-making (based on the principle of subsidiarity and the implementation of detailed coordination mechanisms) are designed to ensure the global integration of all of the Iberdrola Group's businesses, in accordance with a business model aimed at maximising the value of the Iberdrola's Group's business as a whole in the interests of its members, whilst maintaining a system of checks and balances and a clear separation of functions and responsibilities.

4.2 The Company is configured as the head of business sub-holding company of the renewable energy business in the United Kingdom as part of the Iberdrola Group, assuming, without prejudice to its necessary corporate autonomy, the day-to-day administration and effective management of the business that constitutes its corporate purpose and with the consequent responsibility for its ordinary control, notwithstanding the organisation, monitoring and strategic coordination function held by Scottish Power Limited (the Company´s indirect sole shareholder) as the principal sub-holding company of the Iberdrola Group in the United Kingdom, without prejudice to any applicable legal provisions regarding the separation of regulated activities.

5 Stakeholder Engagement, Corporate Website, Presence in Social Media and Digital Transformation

5.1 The Company, as the head of business sub-holding company of the renewable energy business in the United Kingdom, shall engage with all stakeholders in its business activities in accordance with any engagement policy adopted on the same based on the principles of transparency and active listening which allows for stakeholders' legitimate interests to be taken into consideration, and the Company shall ensure the effective disclosure of information regarding its activities as appropriate.

5.2 The Company shall ensure that its corporate website, its presence and activity on social media, and in general, its digital innovation strategy, contributes to the Iberdrola Group's digital communication strategy aimed at, among other purposes, encouraging stakeholder engagement, reinforcing their sense of belonging and favouring the development of the businesses of the Iberdrola Group and a digital transformation strategy in accordance with the principles described in Article 5.1, without prejudice to any applicable legal provisions regarding the separation of regulated activities.

5.3 The Company shall ensure the accessibility of its corporate website based on the principles of stakeholder engagement, transparency, and best practice in digital communication in accordance with Articles 5.1 and 5.2.

Part 3
Directors

Directors' Powers and Responsibilities

6 Number of Directors

The Directors shall not be less than 3 nor more than 10 in number. The Company may, by ordinary resolution, from time to time vary the minimum and/or maximum number of Directors.

7 Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

8 Shareholders' reserve power

8.1 The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

8.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

9 Directors may delegate

9.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

9.1.1 to such person (who need not be a Director) or committee (comprising any number of persons, who need not be Directors);

9.1.2 by such means (including by power of attorney);

9.1.3 to such an extent;

9.1.4 in relation to such matters or territories; and

9.1.5 on such terms and conditions,

as they think fit.

9.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

9.3 Any reference in these Articles to the exercise of a power or discretion by the Directors shall include a reference to the exercise of a power or discretion by any person or committee to whom it has been delegated.

9.4 The Directors may revoke any delegation in whole or in part, or alter its terms and conditions.

10 Committees

The Directors may make regulations in relation to the procedures of committees or sub-committees to whom their powers or discretions have been delegated or sub-delegated. Subject to any such regulations, the meetings and procedures of any committee or sub-committee shall be governed by the provisions of these Articles regulating the meetings and procedures of Directors.

Decision-Making by Directors

11 Directors to take decisions collectively

The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken by Directors' written resolution in accordance with Article 12.

12 Directors' written resolutions

12.1 Any Director or the Secretary may propose a written resolution by giving written notice to the other Directors including Alternate Directors (if any) whose appointors are entitled to vote on such a resolution or to members of a committee formed under Article 10 for the time being entitled to vote on such a resolution, or may request the Secretary (if any) to give such notice.

12.2 Subject always to Article 12.3, a Directors' written resolution is adopted when a majority of the Directors (or Alternate Directors (if any) whose appointors are entitled to vote on such a

resolution or the majority of the members of a committee formed under Article 9) who would have been entitled to vote on such a resolution if it had been proposed at a meeting of the Directors have:

12.2.1 signed one or more copies of it; or

12.2.2 otherwise indicated their agreement to it in writing or through any electronic voting system provided by the Company for this purpose.

12.3 A Directors' written resolution is not adopted if the number of Directors who have signed or otherwise indicated their agreement to it in accordance with Article 12.2 is less than the quorum for Directors' meetings.

12.4 Once a Directors' written resolution has been adopted, it must be treated as if it had been a resolution passed at a Directors' meeting in accordance with the Articles.

12.5 A Directors' written resolution shall be deemed to be properly sent to a Director if sent in electronic form to such electronic address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose, or if it is sent to him/her personally or by word of mouth, or sent by instrument to him/her at his/her last known address or such other address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose.

13 Calling a Directors' meeting

13.1 Subject to the provisions of these Articles, the Directors may meet together to conduct business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time, and the Secretary on the instruction of a Director shall, call a meeting of the Directors.

13.2 Notice of a meeting of the Board and any specific information deemed necessary shall, and any other communication may, be made available to the Directors digitally and, in particular, through the use of a secure Directors' website, which may be set up from time to time.

13.3 Notice of a meeting of the Directors (and any relevant board papers) shall be deemed to be properly sent to a Director if it is sent in electronic form to such address (if any) as may for the time being be notified by him/her, or on his/her behalf to the Company for that purpose, or if it is sent to him/her personally or by word of mouth, or sent by instrument to him/her at his/her last known address or such other address (if any) as may for the time being be notified by him/her or on his/her behalf to the Company for that purpose. Notice of a meeting of the Directors shall be given at least three days prior to the date of the meeting, or less if reasonable in the circumstances. In the event of a dispute on whether reasonable notice was given, the chairman's decision shall be final. A Director may waive notice of a particular meeting either prospectively or retrospectively, and where such waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

13.4 Without prejudice to the first sentence of Article 13.1 a meeting of the Directors, or of a committee of the Directors, may, if the chairman of the meeting or committee allows, with respect to one or more directors, taking into account the relevant circumstances in each case, consist of a conference between Directors who are not all in one place, but of whom each is able, directly or by telephonic or other communication, to speak to each of the others and to be heard by each of the others simultaneously, adopting, where appropriate, any procedure that ensures that those participating in the proceedings can be identified, that the confidentiality of the proceedings is preserved and that an account of the proceedings (and any decisions adopted therein) is duly taken and preserved. Directors must comply with the security and privacy protocols established by the Company for such proceedings. A Director

taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Without prejudice to any other provision in this Article, such a meeting as referenced within this Article 13.4 shall be called at the registered office of the Company, and the meeting shall be deemed to take place at the registered office of the Company provided that a participating Director is present at that location or, in the circumstance where this is not the case, wherever any of the participating Directors is, as determined between them. The word "meeting" in these Articles shall be construed accordingly.

13.5 The Chairman may invite to the meetings of the Board any persons who the Chairman determines may assist the Directors with relevant information, provided that such persons shall not participate in the decision-making part of the meetings nor any other part of the meeting which does not pertain to the purpose of their attendance. When the Chairman deems it appropriate, the Chairman may authorise their remote attendance, taking into account the relevant circumstances in each case and as referenced in Article 13.4. The Secretary shall record the entry and exit of the guests at each meeting in the minutes.

14 Participation in Directors' meetings

14.1 Subject to the Articles, Directors may participate in a Directors' meeting, or part of a Directors' meeting, to conduct business or adjourn, or otherwise regulate their meetings as they think fit, provided always:

14.1.1 the meeting has been called and takes place in accordance with the Articles; and

14.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

14.2 A Director who is unable to attend any meeting of the Directors and has not appointed an Alternate Director may authorise any other Director to vote on his/her behalf at that meeting. The voting rights of any Director being so authorised in accordance with this Article shall be cumulative, but that Director shall not be counted more than once for the purposes of the quorum. The Secretary shall retain a record of any written notice submitted to the Company. The authorised Director's signature on any resolution or other matter in writing of the Directors shall be as effective as the signature of the authorising Director.

15 Quorum for Directors' meetings

15.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

15.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors provided that all the Directors unanimously approve such quorum and, unless so fixed at any other number, shall be at least half the members of the Board plus one. In the event that the number of members of the Board is an odd number, the quorum for Directors' meetings, unless fixed at any other number as aforesaid, shall be at least half the members of the Board (rounded up to the next whole number) plus one.

15.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

15.3.1 to appoint further Directors; or

15.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

16 Chairing of Directors' meetings

16.1 The Directors shall appoint a Director to chair their meetings.

16.2 The person so appointed for the time being is known as the Chairman.

16.3 The Directors may terminate the Chairman's appointment at any time.

16.4 If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors may appoint one of their number to chair it.

17 Casting vote

17.1 Subject to Article 17.2, if the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote.

17.2 Article 17.1 does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

18 Validity of proceedings

All acts (both written and unwritten) done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company be valid, notwithstanding that there was some defect in the appointment of any Director or any such persons, or that any such persons were disqualified or had vacated office, or were not entitled to vote, or were otherwise incapacitated.

19 Record of decisions to be kept

The Directors or Secretary (if any) must ensure that the Company keeps a record, in writing, of every majority decision taken by the Directors and of every Directors' written resolution for at least 10 years from the date of the decision or resolution.

20 Directors' discretion to make further rules

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

21 Change of name

The Company may change its name by a decision of the Directors.

Directors' Interests

22 Authorisation of Directors' interests

22.1 For the purposes of Section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

22.2 Authorisation of a matter under this Article 22 shall be effective only if:

22.2.1 the matter in question shall have been proposed for consideration at a meeting of the Directors, in accordance with the usual procedures for such meetings or in such other manner as the Directors may resolve;

22.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"); and

22.2.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

22.3 Any authorisation of a matter under this Article may:

22.3.1 extend to any actual or potential conflict of interest which may arise out of the matter so authorised;

22.3.2 be subject to such conditions or limitations as the Directors may resolve, whether at the time such authorisation is given or subsequently; and

22.3.3 be terminated by the Directors at any time;

and a Director shall comply with any obligations imposed on him/her by the Directors pursuant to any such authorisation.

22.4 A Director shall not, save as otherwise agreed by him/her, be accountable to the Company for any benefit which he/she (or a person connected with him/her) derives from any matter authorised by the Directors under this Article 22 and any contract, transaction or arrangement relating to such a matter shall not be liable to be avoided on the grounds of any such benefit.

22.5 This Article does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.

23 Permitted Interests

23.1 Subject to compliance with Article 23.2, a Director, notwithstanding his/her office, may have an interest of the following kind:

23.1.1 where a Director (or a person connected with him/her) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company;

23.1.2 where a Director (or a person connected with him/her) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested;

23.1.3 where a Director (or a person connected with him/her) represents the interests of any Member whose interests may conflict, from time to time, with the interests of the Company;

23.1.4 where a Director has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

23.1.5 where a Director has an interest, or a transaction or arrangement gives rise to an interest, of which the Director is not aware; or

23.1.6 where a Director has any other interest authorised by ordinary resolution.

No authorisation under Article 22 shall be necessary in respect of any such interest.

23.2 A Director shall declare the nature and extent of any interest permitted under Article 23.1 and not falling within Article 23.3, at a meeting of the Directors or in such other manner as the Directors may resolve.

23.3 No declaration of an interest shall be required by a Director in relation to an interest:

23.3.1 falling within Articles 23.1.1, 23.1.3 or 23.1.5;

23.3.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

23.3.3 if, or to the extent that, it concerns the terms of his/her service contract (as defined in Section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

23.4 A Director shall not, save as otherwise agreed by him/her, be accountable to the Company for any benefit which he/she (or a person connected with him/her) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in Article 23.1, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

23.5 For the purposes of this Article 23, "**Relevant Company**" shall mean:

23.5.1 the Company;

23.5.2 a subsidiary of the Company;

23.5.3 any holding company of the Company or a subsidiary of any such holding company;

23.5.4 any body corporate promoted by the Company; or

23.5.5 any body corporate in which the Company is otherwise interested.

24 Quorum and voting

24.1 A Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he/she (or a person connected with him/her) has an interest, unless the interest is solely of a kind permitted by Article 23.1.

24.2 A Director shall not be counted in the quorum at a meeting of the Directors in relation to any resolution on which he/she is not entitled to vote.

25 Confidential information

25.1 Subject to Article 25.2, if a Director, otherwise than by virtue of his/her position as Director, receives information in respect of which he/she owes a duty of confidentiality to a person other than the Company, he/she shall not be required:

25.1.1 to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or

25.1.2 otherwise use or apply such confidential information for the purpose of or in connection with the performance of his/her duties as a Director.

25.2 Directors shall maintain in strict confidence the information (including all deliberations) from meetings of, and provided in connection with their positions on, the Board and the committees of which they are members, as appropriate. They shall refrain from disclosing (other than in the course of the proper fulfilment of their duties as Directors) the information, data, reports and background information to which they have had access in the exercise of their duties, and from using such information for their own benefit or that of a third party. Directors must also adhere to any restrictions or procedures established for the use of electronic systems, applications and similar items made available to them by the Company.

25.3 Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 25.1 shall apply only if the conflict arises out of a matter which has been authorised under Article 22 or falls within Article 23.

25.4 This Article 25 is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 25.

26 Directors' interests - general

26.1 For the purposes of Articles 22 to 26:

26.1.1 a person is connected with a Director if that person is connected for the purposes of Section 252 of the Companies Act 2006; and

26.1.2 an interest (whether of the Director or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.

26.2 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and shall if so requested by the Directors, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

26.2.1 absenting himself/herself from any meetings of the Directors at which the relevant situation or matter falls to be considered; and

26.2.2 not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him/her to have access to such documents or information.

26.3 Directors must adopt the necessary measures to prevent creating conflicts of interest as contemplated by the law.

26.4 Without prejudice to any provision of law, a conflict of interest shall arise where the interests of a Director, whether on their own behalf or on behalf of others, conflict, directly or indirectly, with the interests of the Company (or the companies within the Iberdrola Group) and their duties towards the Company.

26.5 The Secretary shall create and maintain an up-to-date record of the conflicts of interest reported by Directors, being the register of directors' interests, and the reporting Directors shall ensure that the information contained in this register shall be sufficiently detailed to make it possible to understand the scope of each conflict of interest situation.

26.6 The Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Articles 22 to 26.

Appointment of Directors

27 Methods of appointing Directors

27.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:

27.1.1 by ordinary resolution;

27.1.2 by a decision of the Directors; or

27.1.3 by a notice given in accordance with Article 30.

27.2 In any case where, as a result of death, the Company has no shareholders and no Directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.

27.3 For the purposes of Article 27.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

28 Appointment or removal of an independent director

Without prejudice to the provisions of the Companies Act 2006, no appointment or removal of an independent director (as defined in Article 34.1.3) shall be carried out without first obtaining a proposal or report by the Appointments Committee of Iberdrola, which shall take into account their personal and professional merit, and in particular their experience in relation to the corporate purpose, their links with the geographical areas in which the Company performs its activities, and their independence of judgement in pursuit of the corporate interest.

29 Termination of Director's appointment

29.1 A person ceases to be a Director as soon as:

29.1.1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

29.1.2 a bankruptcy order is made against that person;

29.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

29.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

29.1.5 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;

29.1.6 a shareholder or shareholders holding in aggregate a majority of the nominal value of the shares of the Company terminates that Director's appointment by written notice to the Company;

29.1.7 the ultimate holding company (as defined under Section 1159 of the Companies Act 2006), from time to time, of the Company terminates that Director's appointment by written notice to the Company; or

29.1.8 notice of termination is served or deemed served upon the Director and that notice is given by all the other Directors for the time being.

29.2 If a Director holds an appointment to an executive office which automatically terminates on termination of his/her office as a Director, his/her removal from office pursuant to this Article 29 shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

30 Appointment of Director by majority shareholders

A shareholder or shareholders holding in aggregate a majority of the nominal value of the shares may, by notice to the Company, appoint any person to be a Director to fill a vacancy or to be an additional Director.

31 Directors' remuneration

Any Director who is appointed to any executive office (including for this purpose the office of Chairman or deputy chairman or vice-chairman whether or not such office is held in an executive capacity) or who serves on any committee or who acts as trustee of a retirement benefits scheme or employees' share scheme or who otherwise performs services which, in the opinion of the Directors or any committee thereof, are outside the scope of the ordinary duties of a Director or who makes any special exertions in going or residing abroad or otherwise in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

32 Directors' expenses

32.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

32.1.1 meetings of Directors or committees of Directors;

32.1.2 general meetings; or

32.1.3 separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

33 Appointment of executive Officers

33.1 The Directors may from time to time appoint one or more of their number to be the holder of any executive office or make any appointment by them of a Director conditional upon his/her accepting any executive office (including, where considered appropriate, the office of Chairman, deputy chairman or vice-chairman, or chief, deputy chief or assistant chief executive whether or not such office is held in an executive capacity) and may enter into an agreement or arrangement with any such Director for his/her employment by the Company or for the provision by him/her of any services outside the scope of the ordinary duties of a Director. For the avoidance of doubt, the holder of an executive office need not be appointed as a Director in an executive capacity. Any such appointment, agreement or arrangement may be made on such terms and for such period as they may (subject to the Companies Acts) resolve and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

33.2 The appointment of any Director to the office of Chairman or chief executive shall automatically terminate if he/she ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

33.3 The appointment of any Director to any other executive office shall not automatically terminate if he/she ceases to be a Director for any reason, unless the contract or resolution under which he/she holds office shall expressly state otherwise, in which event such termination shall be without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

34 Types of Director

34.1 A Director might be classified within one of the following categories:

34.1.1 executive directors, being those who perform management functions within the Company;

34.1.2 non-executive, non-independent directors, being those who represent a direct or indirect shareholder of the Company and do not have the status of executive director;

34.1.3 independent directors, being those who do not represent a direct or indirect shareholder of the Company and do not have the status of executive director, and who provide independent oversight and advice in the performance of their duties as a Director; and

34.1.4 other directors, being those who, while not having the status of executive director nor representing a direct or indirect shareholder of the Company, for any reason do not qualify as independent.

34.2 The classification of Directors under this Article 34 shall not affect the independence with which all Directors must perform the functions pertaining to their office and their compliance with their statutory duties as directors of the Company.

Alternate Directors

35 Alternate Directors

35.1 Any Director (the "**appointor**") may at any time appoint any person (including another Director) to be his/her alternate (the "**Alternate**" or the "**Alternate Director**") and may at any time terminate such appointment.

35.2 The appointment or termination of appointment of an Alternate Director must be made by notice in writing signed by the appointor or in any other manner approved by the Directors, or in accordance with Article 35.4.

35.3 The notice must identify the proposed Alternate and, in the case of an appointment, contain a statement signed by the proposed Alternate stating that the proposed Alternate is willing to act as the Alternate of the Director giving the notice.

35.4 The appointment of an Alternate Director shall terminate:

35.4.1 when the appointor revokes the appointment by notice to the Company specifying when it is to terminate;

35.4.2 on the occurrence in relation to the Alternate of any event which if it happened to the Alternate's appointor, would result in the termination of the appointor's appointment as a Director;

35.4.3 on receipt by the Company of notice in writing by the Alternate of his/her resignation from such appointment;

35.4.4 on the death of the Alternate's appointor; or

35.4.5 if his/her appointor ceases to be a Director.

35.5 An Alternate Director shall be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his/her appointor is a member and shall be entitled to attend and vote as a Director at any such meeting and be counted in the quorum at any such meeting at which his/her appointor is not personally present and generally at such meetings to perform all functions of his/her appointor as a Director. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if the Alternate Director (instead of his/her appointor) were a Director.

35.6 If an Alternate is himself/herself a Director or shall attend any such meeting as an Alternate for more than one Director, his/her voting rights shall be cumulative but he/she shall not be counted more than once for the purposes of the quorum.

35.7 If his/her appointor is for the time being temporarily unable to act through ill health or disability an Alternate's signature to any resolution in writing of the Directors shall be as effective as the signature of his/her appointor.

35.8 This Article 35 shall also apply (with such changes as are necessary) to such extent as the Directors may from time to time resolve to any meeting of any committee of the Directors of which the appointor of an Alternate Director is a member.

35.9 An Alternate Director shall not (except as otherwise provided in this Article 35) have power to act as a Director, nor shall he/she be deemed to be a Director for the purposes of these Articles, nor shall he/she be deemed to be the agent of his/her appointor.

35.10 An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he/she were a Director.

35.11 An Alternate shall not be entitled to receive remuneration from the Company in respect of his/her appointment as Alternate Director except to the extent his/her appointor directs the Company to pay to the Alternate some of the remuneration otherwise payable to that Director.

Secretary

36 Secretary

36.1 If the Directors so resolve, a Secretary shall be appointed on such terms as the Directors think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him/her and the Company.

36.2 The Secretary shall be responsible for performing the typical duties of a company secretary which shall include (but not be limited to) ensuring compliance with the relevant provisions of the Companies Acts and all matters of corporate governance.

36.3 The Secretary shall (without prejudice to any obligations or duties of Directors) perform the functions assigned to him/her by law and by the Company's system of corporate governance, and in particular:

36.3.1 to keep and preserve a record of the resolutions of the Member(s) of the Company;

36.3.2 to inform the Board of any resolutions of the Company approved by its Member(s), and to make any relevant filings in connection with such resolutions in accordance with the relevant legal requirements;

36.3.3 to keep and preserve a record of contracts entered into between the Member(s) and the Company;

36.3.4 to keep and preserve a record of minutes of the Board and other administrative bodies on which he/she holds the office of secretary, duly reflecting the development of the meetings, and also to keep and preserve the corporate documentation generated in relation to the operation of these administrative bodies;

36.3.5 to advise upon and check the legality of the actions of the Board and other administrative bodies on which he/she holds the office of secretary and that such actions are in accordance with the Company's system of corporate governance, taking into account for such purposes, among other things, any provisions that may be issued by regulatory bodies;

36.3.6 to advise the Board in relation to the development and updating of the Company's system of corporate governance;

36.3.7 to facilitate the Company's interaction with the Directors and the proper functioning of the Board, in accordance with the instructions of the Chairman;

36.3.8 to assist the Chairman in arranging for the Directors to receive, with sufficient notice and in the appropriate format, relevant information for the proper exercise of their duties, and to facilitate requests for information and documentation from the Directors in respect of those matters that are of interest to the Board;

36.3.9 to exercise the duties set out in Articles 36.3.7 and 36.3.8 above in relation to the committees or commissions of the Board on which he/she acts as secretary;

36.3.10 to arrange for all relevant information to be included on the Company's corporate website in accordance with the Company's system of corporate governance;

36.3.11 to ensure, under the supervision of the Chairman, the effective coordination (and establishment of all necessary information flows) between the Board and the internal committees or commissions with advisory or support functions in relation to the Board; and

36.3.12 to certify any documentation in respect of any of the above.

37 Experts and legal adviser to the Board

37.1 For the purpose of procuring assistance for the exercise of their duties, any Director may request the engagement, at the Company's expense, of legal, accounting, technical, business or financial advisers or other experts.

37.2 Such engagement must relate to specific issues which have significant importance and complexity and which emerge in the course of the Director's performance of their office.

37.3 The request for an expert to be hired must be channelled through the Secretary, who may, in turn, put it before the Board for approval, and such approval by the Board may be denied in well-founded instances, including where:

37.3.1 expert advice is not necessary for the proper performance of the duties entrusted to the Directors;

37.3.2 the cost thereof is not reasonable in light of the significance of the issues or the assets and income of the Company;

37.3.3 the technical assistance sought may be adequately provided by the Company's own experts and technical personnel; or

37.3.4 it may entail a risk to the confidentiality of information which will be required to be made available to the expert.

37.4 The Board may also appoint a legal adviser to the Board. The Secretary may assume the functions of such legal adviser where the Board so determines, provided he/she is a practising solicitor and there is otherwise full compliance with all legal and professional requirements.

Part 4
Shares and Distributions

Shares

38 All shares to be fully paid up

38.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

38.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

39 Pre-emption rights

The directors may allot equity securities as if Section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption) did not apply to the allotment.

40 Powers to issue different classes of share

40.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution (or, if the Company does not so determine, as the Directors may determine in accordance with section 550 of the Companies Act 2006).

40.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.

41 Trusts

The Company shall be entitled, but shall not be bound, to accept and, in case of acceptance, shall be entitled to record in such manner as it may think fit, notices of any trusts in respect of any of the shares. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive in respect of any shares, and shall be entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were absolute owners thereof. For the purpose of this article, "trust" includes any right in respect of any shares other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission of shares as are set out in the Articles.

42 Share certificates

42.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

42.2 Every certificate must specify:

42.2.1 the number and class of shares to which it relates;

42.2.2 the nominal value of those shares;

42.2.3 that the shares are fully paid; and

42.2.4 any distinguishing numbers assigned to them.

42.3 No certificate may be issued in respect of shares of more than one class.

42.4 If more than one person holds a share, only one certificate may be issued in respect of it.

42.5 Certificates shall be executed by the Company in such manner as the Directors may decide.

43 Replacement share certificates

43.1 A shareholder who has separate certificates in respect of shares of one class may request in writing that it be replaced with a consolidated certificate. The Company may comply with such request at its discretion.

43.2 A shareholder who has a consolidated share certificate may request in writing that it be replaced with two or more separate certificates representing the shares in such proportions as he/she may specify. The Company may comply with such request at its discretion.

43.3 If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, the Member shall be issued a new certificate representing the same shares upon request.

43.4 No new certificate will be issued pursuant to this Article 43 unless the relevant shareholder has:

43.4.1 first delivered the old certificate or certificates to the Company for cancellation; or

43.4.2 complied with such conditions as to evidence and indemnity as the Directors may think fit; and

43.4.3 paid such reasonable fee as the Directors may decide.

43.5 In the case of shares held jointly by several persons, any request pursuant to this Article 43 may be made by any one of the joint holders.

44 Authorisation for share buy back out of cash

Subject to the Companies Act 2006, but without prejudice to any other provision of these Articles, the Company may purchase its own shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Companies Act 2006, up to an aggregate purchase price in a financial year of the lower of:

44.1 £15,000; or

44.2 the nominal value of 5% of its fully paid share capital as at the beginning of the financial year.

45 Share transfers

45.1 Shares may be transferred by means of an instrument of transfer executed by or on behalf of the transferor. Such instrument of transfer must be in hard copy form but may otherwise be in any usual form or any other form approved by the Directors.

45.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

45.3 The Company may retain any instrument of transfer which is registered.

45.4 The transferor remains the holder of the shares concerned until the transferee's name is entered in the register of Members in respect of those shares.

45.5 The Directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of the refusal unless they suspect that the proposed transfer may be fraudulent.

46 Transmission of shares

46.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

46.2 A transmittee who produces such evidence of entitlement to shares as the Directors may reasonably require:

46.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, provided that the Directors shall, in any case, have the same right to decline registration as they would have had in the case of a transfer of the share by the relevant Member before the occurrence of the transmission event, and

46.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

46.3 A transmittee does not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which it is entitled, by reason of the holder's death or bankruptcy or otherwise, unless it becomes the holder of those shares.

47 Exercise of transmittees' rights

47.1 A transmittee who wishes to become the holder of shares to which it has become entitled must notify the Company in writing of that wish.

47.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in hard copy form in respect of it.

47.3 Any transfer made or executed under this Article 47 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

48 Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of Members.

Dividends and Other Distributions

49 Procedure for declaring dividends

49.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay dividends (whether final or otherwise).

49.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.

49.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

49.4 Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

49.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

49.6 The Directors may pay fixed dividends on any class of shares carrying such a dividend expressed to be payable on fixed dates on the dates prescribed for payment if it appears to them that the profits available for distribution justify the payment.

49.7 If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a fixed or interim dividend on shares with deferred or non-preferred rights.

50 Payment of dividends and other distributions

50.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

50.1.1 transfer to a bank or building society account specified by the payee either in writing or as the Directors may otherwise decide;

50.1.2 sending a cheque made payable to the payee by post to the payee at the payee's registered address (if the payee is a holder of the share), or (in any other case) to an address specified by the payee either in writing or as the Directors may otherwise decide;

50.1.3 sending a cheque made payable to such person by post to such person at such address as the payee has specified either in writing or as the Directors may otherwise decide; or

50.1.4 any other means of payment as the Directors agree with the payee either in writing or by such other means as the Directors decide.

50.2 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other sum payable on or in respect of a share may be paid in such currency as the Directors may resolve, using such exchange rate for currency conversions as the Directors may select.

50.3 In the Articles, the "**payee**" means, in respect of a share in respect of which a dividend or other sum is payable:

50.3.1 the holder of the share; or

50.3.2 if the share has two or more joint holders, whichever of them is named first in the register of Members; or

50.3.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee; or

50.3.4 such other person or persons as the holder (or, in the case of joint holders, all of them) may direct.

51 No interest on distributions

51.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

51.1.1 the terms on which the share was issued; or

51.1.2 the provisions of another agreement between the holder of that share and the Company.

52 Unclaimed distributions

52.1 All dividends or other sums which are:

52.1.1 payable in respect of shares; and

52.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

52.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

52.3 The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Article 52.3 in respect of any Member shall cease if the Member claims a dividend or cashed a dividend warrant or cheque.

52.4 If:

52.4.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

52.4.2 the payee has not claimed it,

the payee is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

53 Non-cash distributions

53.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors, direct the payment of a dividend in whole or in part or other distribution payable in respect of a share by the transfer of non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company) and the Directors shall give effect to such resolution.

53.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

53.2.1 fixing the value of any assets;

53.2.2 paying cash to any payee on the basis of that value in order to adjust the rights of recipients; and

53.2.3 vesting any assets in trustees.

54 Waiver of distributions

54.1 Payees may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect, but if:

54.1.1 the share has more than one holder; or

54.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

Capitalisation of Profits

55 Authority to capitalise and appropriation of capitalised sums

55.1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution:

55.1.1 capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account, capital redemption reserve or other undistributable reserve; and

55.1.2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

55.2 Capitalised sums must be applied:

55.2.1 on behalf of the persons entitled; and

55.2.2 in the same proportions as a dividend would have been distributed to them.

55.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

55.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

55.5 Subject to the Articles the Directors may:

55.5.1 apply capitalised sums in accordance with Articles 55.3 and 55.4 partly in one way and partly in another;

55.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article 55 (including to disregard fractional entitlements or for the benefit of them to accrue to the Company); and

55.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article 55.

Part 5
Decision-Making by Shareholders

Organisation of General Meetings

56 Attendance and speaking at general meetings

56.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

56.2 A person is able to exercise the right to vote at a general meeting when:

56.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

56.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

56.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

56.4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.

56.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

57 Quorum for general meetings

No business, other than the appointment of the Chairman of the Meeting, is to be transacted at a general meeting unless a quorum is present at the time when the meeting proceeds to business and during the transaction of business. One person entitled to vote upon the business to be transacted, being a Member, the proxy of a Member or a duly authorised representative of a corporation which is a Member, shall be a quorum.

58 Chairing general meetings

58.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.

58.2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

58.2.1 the Directors present; or

58.2.2 (if no Directors are present), the meeting,

must appoint a Director or shareholder to chair the meeting, and such appointment must be the first business of the meeting.

58.3 The person chairing a meeting in accordance with this Article 58 is referred to as the "**Chairman of the Meeting**".

59 Attendance and speaking by Directors and non-shareholders

59.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

59.2 The Chairman of the Meeting may permit other persons who are not:

59.2.1 shareholders of the Company; or

59.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

60 Adjournment

60.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

60.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:

60.2.1 the meeting consents to an adjournment; or

60.2.2 the Chairman of the Meeting considers that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

60.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting.

60.4 When adjourning a general meeting, the Chairman of the Meeting must specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors.

60.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

60.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

60.5.2 containing the same information which such notice is required to contain.

60.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at General Meetings

61 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

62 Errors and disputes

62.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

62.2 Any such objection must be referred to the Chairman of the Meeting, whose decision is final.

63 Poll votes

63.1 A poll on a resolution may be demanded:

63.1.1 in advance of the general meeting where it is to be put to the vote; or

63.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

63.2 A poll may be demanded by:

63.2.1 the Chairman of the Meeting;

63.2.2 the Directors;

63.2.3 two or more persons having the right to vote on the resolution; or

63.2.4 a person or persons representing not less than 10% of the total voting rights of all the shareholders having the right to vote on the resolution.

63.3 A demand for a poll may be withdrawn if:

63.3.1 the poll has not yet been taken; and

63.3.2 the Chairman of the Meeting consents to the withdrawal.

63.4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

64 Content of proxy notices

64.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

64.1.1 states the name and address of the shareholder appointing the proxy;

64.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

64.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

64.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

64.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

64.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

65 Delivery of proxy notices

65.1 Proxy notices in hard copy form must be received at such place and by such deadline specified in the notice convening the meeting. If no place is specified, then the proxy notice must be received at the registered office of the Company for the time being. If no deadline is specified, proxy notices must be received, before the start of the meeting or adjourned meeting or, if a poll is taken otherwise than at or on the same day as the meeting or adjourned meeting, at the time for the taking of the poll at which it is to be used.

65.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

65.3 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

65.4 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

65.5 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

65.6 Any vote cast or poll demanded by a proxy shall not be invalidated by the previous death or insanity of the shareholder or by the revocation or termination of the appointment of the proxy or of the authority under which the appointment was made unless notice of such death, insanity, revocation or termination was received in writing at the place specified in the notice of meeting for the receipt of proxy notices (or, if no place is specified, the registered office for the time being) before the start of the meeting or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll.

66 Amendments to resolutions

66.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

66.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine); and

66.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

66.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

66.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

66.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

66.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman of the Meeting's error does not invalidate the vote on that resolution.

67 Written resolutions

The shareholders may pass any resolution (other than a resolution to remove a Director or auditor before expiry of his/her term of office) as a written resolution in accordance with Chapter 2 of Part 13 of the Companies Act 2006.

Part 6
Administrative Arrangements

68 Means of communication to be used

68.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

68.2 Any notice, document or information (including a share certificate) which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, which is:

68.2.1 sent by hand and properly addressed shall be deemed to have been received by the intended recipient on the day of delivery;

68.2.2 sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted,

and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed and, in the case of post, pre-paid and posted.

68.3 Any notice, document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient 24 hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed.

68.4 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding.

68.5 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

68.6 A Director may agree with the Company that notices, documents or information sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than that provided in this Article 68.

68.7 Each Director shall provide the Secretary with an up to date electronic mail address from time to time.

69 Joint holders

69.1 Except as otherwise specified in the Articles, anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the register of Members in respect of the share.

69.2 Except as otherwise specified in the Articles, any notice, document or information which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the register of Members in respect of the share, to the exclusion of the other joint holders.

69.3 The provisions of this Article 69 shall have effect in place of the provisions of Schedule 5 of the Companies Act 2006 regarding joint holders of shares.

70 Company seals

The Company has no common seal.

71 Right to inspect accounts and other documents and records

71.1 Each Director shall have the power to examine any accounting record, book, record, document or other record of corporate transactions of the Company and to communicate with the managers of the Company. The Secretary shall facilitate, as applicable, the exercise of such power by any Director.

71.2 Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

72 Provision for employees on cessation of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

73 Bank mandates

The Directors may by majority decision or written resolution authorise such person or persons as they think fit to act as signatories to any bank account of the Company and may amend or remove such authorisation from time to time by resolution.

74 Authentication of documents

74.1 Any Director or the Secretary (if any) or any person appointed by the Directors for the purpose shall have power to authenticate:

74.1.1 any document affecting the constitution of the Company;

74.1.2 any resolution passed at a general meeting or at a meeting of the Directors or any committee; and

74.1.3 any book, record, document or account relating to the business of the Company,

and to certify copies or extracts as true copies or extracts.

74.2 A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

Directors' Liabilities

75 Indemnity

75.1 Subject to Article 75.2, a Relevant Officer shall be and hereby is indemnified out of the Company's assets against:

75.1.1 any liability incurred by or attaching to that Relevant Officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an Associated Company other than:

(i) any liability to the Company or any Associated Company; and

(ii) any liability of the kind referred to in Section 234(3) of the Companies Act 2006;

75.1.2 any other liability incurred by or attaching to him/her in the actual or purported execution and/or discharge of his/her duties and/or the exercise or purported exercise of his/her powers and/or otherwise in relation to or in connection with his/her duties, powers or office; and

75.1.3 any liability incurred by or attaching to that Relevant Officer in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Companies Act 2006).

75.2 This Article 75 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law or arising out of fraudulent conduct.

75.3 Where a Relevant Officer is indemnified against any liability in accordance with this Article, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him/her in relation thereto.

76 Insurance

76.1 The Directors shall have the power to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any relevant loss.

76.2 In this Article 76, a "**relevant loss**" means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Director's or Secretary's duties or powers in relation to the Company, any Associated Company or any pension fund or employees' share scheme of the Company or Associated Company.

77 Defence expenditure

77.1 So far as may be permitted by the Companies Acts, the Company may:

77.1.1 provide a Relevant Officer with funds to meet expenditure incurred or to be incurred by him/her in:

(i) defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him/her in relation to the Company or an Associated Company; or

(ii) in connection with any application for relief under the provisions mentioned in Section 205(5) of the Companies Act 2006; and

77.1.2 do anything to enable any such Relevant Officer to avoid incurring such expenditure.

77.2 The terms set out in Section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under Article 77.1.

77.3 So far as may be permitted by the Companies Acts, the Company:

77.3.1 shall provide a Relevant Officer with funds to meet expenditure incurred or to be incurred by him/her in defending himself/herself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him/her in relation to the Company or any Associated Company; and

77.3.2 may do anything to enable any such Relevant Officer to avoid incurring such expenditure.

78 Winding up

78.1 If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act 2006 or other applicable law, divide among the shareholders in specie the whole or any part of the assets of the Company. The liquidator may for that purpose value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.

78.2 The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he/she with the like sanction determines but no shareholder shall be compelled to accept any assets upon which there is liability.

Governance & Sustainability System Chapter II

Purpose - Introduction

The following *Introduction to Chapter II – Purpose* was approved by the Company on 21 September 2021.

SCOTTISHPOWER RENEWABLES

GOVERNANCE AND SUSTAINABILITY SYSTEM
INTRODUCTION TO CHAPTER TWO - PURPOSE

1. The Governance and the Sustainability System constitutes the internal regulatory framework for the Company. It is autonomously established by the Company as its own set of rules defining its purpose and values against which its business strategies and goals are to be set.

2. The Company's Governance and Sustainability System (and specifically and ultimately its *Articles of Association*) is the primary source of the internal rules of the Company. These rules are based on and should be interpreted against the *Purpose and Values of the Iberdrola Group* which constitute the corporate philosophy of the Company, as set out in the *Terms of Reference of the Scottish Power Limited Board of Directors*.

3. The Company's commitment to the *Purpose and values of the Iberdrola Group* is its statement that it adheres, under its Governance and Sustainability System, to a purpose and values with various consequential and meaningful implications.

4. It is implicit, amongst other things, that whilst the Company's ultimate purpose is that of a commercial enterprise, the specific set of purpose and values that have been adopted by the Company is based on defined assumptions which is not based on short-term financial rewards, which is based on clearly set objectives, and which clearly identifies the Company's stakeholders and the communities in which the Company operates. The purpose and values, as founding principles, form the basis of the Company's entire set of internal rules which govern its organisation, i.e. the Governance and Sustainability System, including its set-up, implementation, application and interpretation.

5. The Company is committed, in line with the Iberdrola Group's stated purpose "*to continue working together each day to build a healthier, more accessible and more electric energy model*", alongside its values of '*Sustainable Energy*', '*Integrating Force*' and '*Driving Force*'.

6. The *Purpose and values of the Iberdrola group* are developed from the basic concepts of defining its corporate purpose and interests, its 'social dividend', and the underlying constitutional requirements of the Company. In this case, these purpose and values align the Company and its Group's activities with the United Nations' Sustainable Development Goals (**SDGs**), with Environmental, Social and Governance (**ESG**) requirements, and with objectives regarding financial and 'social' dividends to stakeholders, communities in which the Company operates and society in general.

7. Without prejudice to the detailed policies in the remainder of the Company's Governance and Sustainability System, the *Code of Ethics* together with the policies included in this second chapter on Purpose are considered the immediate policy conclusions to be drawn from the *Purpose and values of the Iberdrola Group*.

   The *Code of Ethics* governs the conduct of all members of the Iberdrola Group and parties related or connected thereto, and it is based on the aforesaid *Purpose and values of the Iberdrola Group*, corporate ethics, and generally accepted ethical principles and standards.

   The other corporate policies contained in Chapter two on Purpose are the *General Sustainable Development Policy* and the *Stakeholder Relations Policy*. These constitute the general framework, guidelines, instructions and general criteria against which all the other specialised (environmental, social, risk or corporate governance) policies are held. The *General Sustainable Development Policy* develops the Iberdrola Group's strategy regarding sustainable development around the aforementioned ESG criteria and objectives; It is the Iberdrola Group's statement as to how its business activities will be carried out in fulfilment of its stated purpose and to attain sustainable business value. The *Stakeholder Relations Policy* establishes the general guidelines for engagement, subject to the provisions of the *Purpose and values of the Iberdrola Group*, with the Company's specific and general stakeholders.

8. The *Purpose and Values of the Iberdrola Group*, the *Code of Ethics*, the *General Sustainable Development Policy* and the *Stakeholder Engagement Policy* as they are each identified and adopted into the Company's Governance and Sustainability constitute the Company's statement as to its identity

and its comprehensive commitment to ethics, action towards sustainable development and to creating value for its stakeholders and the community – ***to deliver a better future, quicker for everyone***.

In Glasgow, on 21 September 2021

The Board of Directors

Governance & Sustainability System Chapter II

Purpose

Chapter II of the Governance & Sustainability System consists of the following four documents relating to the Company's (and its Group's) purpose.

The *Purpose & Values of the Iberdrola Group* (dated 19 April 2021) were formally adopted by the Company on 22 June 2021.

The *Code of Ethics* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

The *General Sustainable Development Policy* (dated 22 February 2022) was formally adopted by the Company on 21 June 2022.

The *Stakeholder Engagement Policy* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

References in these documents to Iberdrola, its Group, etc. shall be accordingly construed *mutatis mutandis*.

SCOTTISHPOWER RENEWABLES

PURPOSE AND VALUES OF THE IBERDROLA GROUP

I.- INTRODUCTION

The Board of Directors of Iberdrola, S.A. ("**Iberdrola**") 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* in effect 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 Iberdrola'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 Iberdrola's historical background, a commercial company founded in 1901; of its current identity and reality, of its status as a large company in the electricity industry and as an economic and social player and driver of undeniable importance for all of its Stakeholders and the communities in which it does business; and of an entity that is, in short, a determined participant in the task of defending human rights, of achieving the Sustainable Development Goals (SDGs) approved by the United Nations, and of meeting ESG (Environmental, Social and Governance) requirements, in its area of activity and in the context of the global society of our times, which faces major challenges and opportunities like digitalisation, climate change and its own sustainability.

II. - THE PURPOSE OF THE GROUP

The Board of Directors reaffirms that the purpose of the Iberdrola group, and thus its 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 has been sustainably implementing for years and its commitment to continue fighting along with all its 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 Sustainable Development Goals (SDGs) approved by the United Nations, particularly with respect to the fight against climate change, and the generation of new opportunities for economic, social and environmental development.

b. An energy model that is more electric, one that abandons the use of fossil fuels and generalises the use of renewable energy sources, the efficient storage of energy, smart grids and digital transformation.

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.

III. - THE VALUES OF THE GROUP

Along with its purpose, Iberdrola's Board of Directors also establishes the values of Iberdrola and its group. If the former summarises Iberdrola's raison d'être, the latter summarise its "*way of being*", which consists of the fact that, in order to achieve the group's purpose, its entire strategy and actions must be inspired by and based on the following three "*values*":

a. "*Sustainable energy*": because Iberdrola seeks to always be a model of inspiration, creating economic, social and environmental value in all of our surroundings, and with the future in mind.

   We act responsibly toward people, communities and the environment, committed to the sustainable development strategy defined by Iberdrola's Board of Directors, which seeks to maximise the social dividend generated by the group's activities and businesses, from which all of our Stakeholders benefit.

   For this purpose, the group's professionals 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 Stakeholders and working to achieve the well-being of both present and future generations.

b. "*Integrating force*": because we have great strength and a deep sense of responsibility. This is why we work together, combining talents, for a purpose that is to be achieved by all and for all.

   Our professionals form a diverse team prepared to achieve the success of the business enterprise. For these purposes, the group seeks 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 drives the development of its professionals and contributes 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 also encourages the maintenance of sincere and faithful dialogue between its workforce and the other Stakeholders.

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

We innovate and promote large and small changes that make life easier for people.

We expect our 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, we favour simple, agile and efficient processes for organising work and exchanging information that take advantage of technological advances and that are subject to continuous innovation.

IV.- SCOPE AND DIMENSION OF THE PURPOSE AND VALUES

The *Purpose and Values of the Iberdrola group* endow Iberdrola and its 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 Sustainable Development Goals (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, and the ethical principles generally accepted in its sphere of activity.

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

Indeed, obtaining financial benefits continues to be a primary objective for Iberdrola and its group, because they are essential to making the achievement of its purpose possible. They are not, however, its ultimate goal, nor do they express its deeper, individual and intrinsic purpose. Therefore, Iberdrola needs shareholders and investors who contribute capital and financial resources, but also, and above all, partners who share the fate of the Company and participate in this great enterprise or endeavour that is the achievement of such a far-reaching goal. Thus, the corporate interest, which is the guideline for the legitimate activities of the corporate bodies, cannot merely be the interest common to the shareholders contributing capital, but rather the interest shared by all those who are identifiedor defined as such by the purpose to which the financial capital they provide or invest is assigned.

At the same time and consistently therewith, Iberdrola 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 Iberdrola 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.

Iberdrola 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 all of its suppliers, its customers and its other Stakeholders, and is equally aware that they also have a driving and multiplying effect on all of the economic, social and political groups and communities in which it has a presence and in which it does business.

Iberdrola 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.

V.- PURPOSE AND VALUES AND THE GOVERNANCE AND SUSTAINABILITY SYSTEM

Based on and as an instrument of its purpose and values, Iberdrola ultimately reaffirms its determination to continue building and constantly improving a regulatory system that is not only one of Corporate Governance, but more broadly one of Governance and Sustainability, in order to channel and ensure through its own specific internal rules the full achievement, in all its scope and size, of both its business goals and objectives and the creation of such sustainable business value, as well as its economic, social, and good governance contribution to all of its Stakeholders and to the communities and territories in which it operates.

As a result thereof, the Governance and Sustainability System of course 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 any of the Company's actions.

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 global society of today in which Iberdrola and its 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, Iberdrola ultimately identifies itself to its own Stakeholders and to society as a whole 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 corporate action and the plural (economic, social, environmental and governance) function that it undertakes and carries out, both internally and externally.

VI.- ACCEPTANCE

Our professionals expressly accept the *Purpose and Values of the Iberdrola group*. Professionals who join or become part of the group in the future must also expressly accept the content hereof.

The *Purpose and Values of the Iberdrola group* shall be attached to the employment or other agreements of all the members and workforce thereof.

CODE OF ETHICS

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.

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**"), 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 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 all directors, professionals and suppliers of the Group.

5. The *Code of Ethics* forms a part of the 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 all 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 the group over which the Company has effective control, within the limits established by law, regardless of their rank, their geographical location or functional reporting, 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 of the Group to which other ethical codes or codes of conduct apply, whether industry-based or arising under the domestic law of those countries in which they carry out their activities, shall also observe such other ethical

codes or codes 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 assumes the management thereof.

5. Professionals acting as representatives of the Group 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 Group. At those companies and entities in which the Group, while not having a majority stake, is responsible for management, the professionals representing the 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 carries 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 Iberdrola and its Group towards comprehensive (economic, social and governance), responsible and sustainable corporate action that contributes to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations, meets ESG (Environmental, Social and Governance) requirements, and seeks to obtain profits and the satisfaction of equally comprehensive economic and social dividends for all of its Stakeholders, for the communities in which it does business, and for society in general.

2. The best assurance of the Group's commitment to the creation of sustainable value that meets the corporate interest and makes feasible and real the social dividend that it shares with all of its 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 Group contributes to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations through all of its business activities. In particular, through this *Code of Ethics*, the Group formalises its support for goal sixteen, which includes the fight against corruption and bribery in all their forms.

Article B.3. Sustainable Development and Business Ethics

1. The Group expresses its firm commitment to the principles of the *General Sustainable Development Policy* as a framework for its programmes and actions with the professionals, customers, suppliers, shareholders and the other Stakeholders with which it engages.

   The sustainable development strategy of the Group is based on certain principles that ensure that all of its corporate activities and businesses are carried out while fostering the sustainable creation of value for the 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 the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations and rejecting actions that contravene or hinder them.

   Along these lines, the Group adopts a responsible business ethic allowing for harmonisation of the creation of value for its 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 the main Stakeholders of the Company.

2. The Group expresses its firm commitment to the principles of the *Anti-Corruption and Anti-Fraud Policy* and the *Crime Prevention Policy*, and in particular to not adopting practices or conduct that might be considered improper or illegal in its relations with third parties (customers, suppliers, competitors and authorities, among others).

   To such end, professionals shall receive appropriate training on applicable law in the countries in which the Group operates.

3. Group companies 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.

Article B.4. Human Rights

1. The Group hereby states its 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, 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 Group particularly affirms its total rejection of child and forced or compulsory labour and undertakes to respect freedom of association and collective bargaining, the right to freedom of movement within each country, non-discrimination based on any condition or circumstance, the rights of ethnic minorities and indigenous peoples in the places

in which it does 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 Group's activities are based on respect for and protection of the environment, and the Group complies with or improves upon the standards established in such environmental laws and regulations as may apply, minimising the impact that its 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 of the Group 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 Group works 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.

Article B.6. Informational Transparency

1. The Group shall provide true, proper, useful and reliable information regarding its performance and relevant conduct. The transparency of the information required to be disclosed is a basic principle that must govern the conduct of all directors, professionals and suppliers of the Group.

2. The financial information of the Group, and particularly the annual financial statements, shall reflect in all material respects a true and fair view of its 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, which shall be complete, accurate and truthful.

3. A lack of honesty in the communication of information, whether within the Group (to professionals, subsidiaries, departments, internal bodies, management decision-making bodies, etc.) or externally (to auditors, shareholders and investors, regulatory bodies, the media, etc.) 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 Group expresses its intention to create value for its 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 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 hereafter assumes the duties thereof).

Article B.8. Customers

1. The Group commits 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 based on the merits of its products and services, in all cases applying standards of transparency, disclosure and protection.

2. The Group shall guarantee the confidentiality of all data of its customers and undertakes 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 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 Group shall raise awareness among its customers and cause them to participate in environmental and social commitments and principles.

5. Professionals 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 the Group.

Article B.9. Suppliers

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

   Group professionals 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.

   Group professionals who have access to personal data of suppliers 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 Group professionals to its suppliers shall be true and shall not be given with the intent to mislead.

4. The Group shall raise awareness among its suppliers and cause them to participate in environmental and social commitments and principles and shall strive to improve the circularity of their activities.

5. Professionals shall avoid any kind of interference or influence of suppliers or third parties that may alter their professional impartiality and objectivity and may not receive any kind of remuneration from the Group's suppliers or generally from third parties for services relating to the professional's activities within the Group.

6. The Group shall make available suitable means to collaborate with its suppliers with a view to increasing their competitiveness, establishing appropriate programmes in each case, promoting partnerships in line with Sustainable Development Goal (SDG) seventeen approved by the United Nations.

7. The Group shall endeavour to ensure compliance with the provisions of this *Code of Ethics* by its suppliers and shall take action as a result of any violation.

Article B.10. Competitors

1. The Group undertakes to compete fairly in the marketplace and to refrain from engaging in advertising that is deceptive or that denigrates its competition or third parties.

2. The acquisition of information from third parties, including information regarding competitors, shall be made in a lawful manner.

3. The Group undertakes to promote free competition to the benefit of consumers and users and to comply with competition rules and regulations, avoiding any conduct which constitutes or might constitute collusion, abuse or restraint of competition.

Article B.11. Media

Relations with the media shall be channelled through the Investor Relations Division (or such division as hereafter assumes the duties thereof) and shall be governed by the principles of informational transparency and collaboration.

Article B.12. Regulatory Bodies

1. Relations with regulatory bodies and public officials 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.

2. The Group shall respect and abide by all court and/or governmental decisions or resolutions that may be issued, but reserves the right to file such appeals as may be appropriate when it believes that they do not conform to the law and are contrary to its interests.

Article B.13. Social Conduct

1. The Group contributes with its business activities and its sustainable development strategy to the progress of the communities in which it has a presence, both from the economic viewpoint and from the perspective of business ethics, universal access to

energy supply, the promotion of equality and social justice, the protection of vulnerable groups, the encouragement of innovation and the protection of the environment, the generation of quality employment based on diversity, inclusion and a sense of belonging, as well as leadership in the fight against climate change, and works to establish firm and permanent connections therewith.

2. The companies of the Group, either directly or through intermediaries, shall refrain from making contributions that are not in accord with the sustainable development strategy established thereby.

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 (promotion of education, culture, sports, protection of the environment and vulnerable groups, etc.), 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 have carried out due diligence allowing for verification of the lawfulness thereof, following the form approved by the Compliance Unit or competent compliance division. The Compliance Unit or competent compliance division may establish different forms based on the amount of the contribution or the nature thereof. The due diligence requirements provided for in this article shall not apply to contributions to entities in the nature of foundations or associations linked to the Group in order to carry out the activities with which they are tasked by their respective boards of trustees or directors.

5. The proposing unit must report the results of such due diligence to the competent Compliance Unit or compliance division.

6. In any event, the company of the Group 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. Along these lines, within the framework of the provisions of applicable legal provisions, and without prejudice to any other legal actions to which it may be entitled, the contributing company shall reserve the right to revoke the contribution if, after the provision thereof, it is verified that the information from the due diligence investigations was false or inaccurate, or the beneficiary has ceased to meet the conditions upon which the contribution was provided, or the beneficiary has used it otherwise than as agreed.

7. The provisions of this article shall not apply to presents or gifts under the circumstances set forth in Article D.10.1.

8. 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 are to govern all action by directors (and the individual representatives of corporate directors) of the companies of the Group are:

    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 circumstance 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 all of the companies of the Group; and

    h) respect for the legitimate public or private interests that converge in the conduct of the Group's business activities, and particularly those of the 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 focused on the creation of sustainable value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and its institutional reality, 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 companies of the Group must be respectable and capable persons with recognised expertise, competence, experience, qualifications, training, availability and commitment to their duties.

2. Directors of the companies of the Group 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 of the Group 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 companies of the Group, they shall comply with the following ethical duties in the performance of their tasks (which shall also apply to the individual representatives of corporate directors):

   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 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 (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 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 Group, 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 Group.

   g) Recognise and respect the Group's 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 Group's information technology systems.

   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 or which it has the right to operate.

i) Use the information technology equipment, systems and software that the Group makes 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 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 Group or that compromises the confidentiality of Group information. The use of private data transmission devices to access the systems and applications of the Group must comply with the security and privacy protocols established by the Group.

j) Not operate, reproduce, replicate or assign the Group's information technology systems or applications for purposes unrelated to the performance of their duties. Not install or use on the computer equipment provided by the Group software or applications the use of which is unlawful or that might damage the systems or prejudice the image or the interests of the Group, its 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, 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.12. Specifically, the transparency of information, particularly financial information, is a basic principle that must govern the directors' activities.

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 the principles of the *General Sustainable Development Policy* and responsible business ethics that allows for harmonisation of the creation of value for the shareholders with sustainable development, upon the terms set forth in Article B.3.

p) Report the commission by a director of any improper act or act contrary to the law, the Governance and Sustainability System or the rules of conduct laid down in this *Code of Ethics*.

q) Manage and cause the Group to be managed, 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 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 Group's Professionals

Article D.1. Professionals of the Group

1. The members of the management team and employees of all 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.

2. Those professionals of the Group 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 within the Group.

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

1. Group 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 the activities of the Group and of the company in which they provide their services. The obligations and commitments assumed by the Group in its relations with third parties, as well as the customs and good practices of the countries in which it does business shall also be fully observed.

2. 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.

Article D.3. Irreproachable Professional Conduct

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

    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 and with its 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

lawful; (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. All professionals of the Group have an obligation to report to the Compliance Unit or to the competent compliance division, which shall in turn inform the Compliance Unit, regarding the commencement, evolution and result of any court, criminal or administrative or any other proceeding for the imposition of penalties brought against the professional or in which the professional is a defendant, under investigation or accused and which may affect the professional in the performance of the duties thereof as a professional of the Group or prejudice the image, reputation or interests of the Group.

   In such an event, the Compliance Unit or the competent compliance division shall act in accordance with the protocol approved for such purpose.

Article D.4. Right to Privacy

1. The Group respects the right to privacy of its professionals in all its forms, and particularly as regards the processing of their personal data.

2. The Group respects the personal communications of its professionals made through the internet and other means of communication.

3. The professionals of the Group undertake to responsibly use the means of communication, information technology systems and, in general, any other means made available to them by the Company 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 Group in the proportionate exercise of its duties of control.

4. The Group undertakes not to disclose personal data of its 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 of the Group be processed for purposes other than those provided for by law or by contract.

5. The professionals of the Group that have access to the personal data of other professionals of the Group in the course of their activities shall undertake in writing to respect the confidentiality of such data.

6. The Compliance Unit, the compliance divisions and the other relevant divisions or bodies 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 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. The professionals of the Group 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 Group 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 all 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 Group shall assess its 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. Group professionals shall participate in any setting of their objectives and shall be informed of the assessments made of them.

Article D.7. Equality and Reconciliation

1. The companies of the Group shall refrain from establishing discriminatory differences in salary.

2. The Group respects the personal life of its professionals and shall promote reconciliation programmes that facilitate the achievement of an optimal balance between the latter and their work responsibilities.

3. The use of discriminatory language in any kind of internal or external corporate communication is prohibited, and the use of inclusive language shall be promoted.

Article D.8. Training

1. The Group shall promote the training of its professionals. Training programmes shall foster the training of professionals, equal opportunity and professional career development and shall contribute to the achievement of the Group's objectives.

2. Group professionals undertake to update their technical and managerial knowledge continuously and to take advantage of the Group's training programmes.

Article D.9. Information

The Group shall inform its professionals of the outlines of its strategic objectives and the progress of the Group.

Article D.10. Gifts and Presents

1. Group 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. Group professionals may not, directly or through nominees, offer or grant, or solicit or accept, unjustified advantages or benefits that are indirectly or directly intended to obtain a benefit, whether present or future, for the 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 (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 personally 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 Group professionals by financial institutions that are customers or suppliers of the Group and that are not involved in the activities set forth above.

3. Group professionals may not give or accept 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 or the corresponding compliance division, as applicable.

Article D.11. 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 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. By way of example, the following are circumstances that might give rise to a conflict of interest:

   a) Being involved, personally or through relatives (or by a like relationship of affection), in any financial transaction or operation to which any of the companies of the Group is party.

   b) Negotiating or formalising contracts on behalf of any of the companies of the Group with Connected Persons.

   c) Being a significant shareholder, director or member of the management team or holding a position of responsibility or exercising a similar influence at entities that are customers, suppliers or direct or indirect competitors of any of the companies of the Group.

4. Professional decisions must be based on the best defence of the interests of the Group and must not be influenced by personal or family relationships (or by a like relationship of affection) or by any other personal interests.

5. Group professionals shall observe the following general guidelines for action 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 or to the compliance division of the Group company to which they belong. The latter 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, to the Compliance Unit or to the competent 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 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 Group and its 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.

c) Abstention: Refrain from participating in or influencing the making of decisions that might affect the entities of the Group with which there is a conflict of interest, from participating in deliberations on the adoption of such decisions and from accessing confidential 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.

6. 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 Group company to which the professional belongs. This division shall in turn inform the Compliance Unit or the compliance division 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 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 the Group or it 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 the Group and:

   a) the Group 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 Company or of companies of the 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 Group undertakes to make available to its professionals all necessary and appropriate resources and means for them to perform their professional activities.

2. Without prejudice to mandatory compliance with the Group's specific rules and procedures regarding resources and means, the Group's professionals agree to responsibly use the resources and means made available thereto, using them solely for

professional activities in the interest of the Group and not for private or personal purposes. The Group's professionals shall avoid any practices, particularly unnecessary activities and expenses, that reduce the creation of value for the shareholders.

3. The Group owns and holds 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 its professionals within the framework of their work or based on the information technology systems of the Group.

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 or which it has 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 Group company in question.

5. The use of the information technology equipment, systems, and software made available by the Group 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 Group 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 or that compromises the confidentiality of Group information.

6. Professionals shall not operate, reproduce, replicate or assign the Group's information technology systems or applications for purposes unrelated to their work activities. In addition, professionals shall not install or use on the computer equipment provided by the 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, its customers or third parties.

Article D.14. Internal, Confidential and Private/Secret Information

1. Non-public information owned by the Group shall generally be deemed to be information for internal use unless it has been classified as confidential or private/secret.

2. Information or data the unauthorised disclosure, in particular, of which, within or outside the Group, may cause financial, reputational or other harm or violate any regulatory or legal requirement, giving rise to the imposition of penalties or claims against companies of the Group, shall be classified as confidential.

3. In the case of highly sensitive or valuable information or data, the internal or external exposure or unauthorised disclosure of which could cause serious damage, financial loss, etc. or could result in a legal or regulatory violation and the imposition of a corresponding penalty, shall be classified as private/secret information.

4. Information for use that is internal, confidential or private/secret shall be subject to professional secrecy and may not be provided by the professional 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), and that information classified as private/secret can only be accessed by a number of specifically designated and authorised users. Third parties accessing the information shall confirm that they have the means required to protect it.

5. The Group and all its professionals shall be responsible for taking sufficient security measures and for applying the established procedures to protect internal, confidential and private/secret information recorded on physical or electronic media from any internal or external risk of unauthorised access, tampering or destruction, whether intentional or accidental. To such end, the Group professionals shall treat the content of their work as strictly confidential in their relations with third parties.

6. The disclosure of internal, confidential or private/secret information or the use thereof for personal purposes is a breach of this *Code of Ethics*.

7. Any reasonable indication of a leak of confidential or private/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 Group company in question. The division responsible for the security function must in turn give written notice thereof to the Compliance Unit or to the compliance division of the corresponding company.

8. In the event of severance of an employment or professional relationship, the professional shall return to the Group all internal, confidential and private/secret information, including documents and storage media or devices, as well as the information stored in any corporate or personal electronic device, and the professional's duty of confidentiality shall continue in all cases.

Article D.15. Inside Information

1. All professionals of the Group 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, 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 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 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.

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 Group professionals, and shall seek to ensure that their message is aligned with that of the Group, reporting sufficiently in advance to the Investor Relations Division (or such division as hereafter assumes the duties thereof) and obtaining prior authorisation from their immediate superior.

Article D.17. Outside Activities

1. Professionals shall devote to the Group all the professional capacity and personal effort needed to perform their duties within 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 the 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 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 the Group 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.

   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 Group respects the performance of social and public activities by its professionals, provided that they do not interfere with their work at the Group 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 Group.

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 to open accounts or register themselves on such forums or media.

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 country 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 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 in which the Group operates, 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 at any time.

3. It is the Group's responsibility to keep Regulated Activities and Liberalised Activities duly separate within the Group 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, the rules for the separation of activities are deemed to require that the Group and its 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's powers of economic oversight and management over such companies.

      To such end, the 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.

In addition, 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 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 Group shall, in accordance with the laws and regulations in force in each country in which it carries on Regulated Activities, adopt codes or similar internal rule-making instruments that ensure compliance with the rules for the separation of activities by Group professionals.

The Group guarantees that said codes or rule-making instruments shall be communicated to and disseminated among the professionals and members of the management team of Group 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 Group.

Article D.19. Professionals' Ethics Mailbox

1. The Company has established an ethics mailbox in order to promote compliance by its professionals with legal provisions and with the rules of conduct established in this *Code of Ethics* and the reporting of possible improper activities or acts contrary to law or to the rules of conduct laid down in this *Code of Ethics* (the "**Professionals' Ethics Mailbox**").

2. The Professionals' Ethics Mailbox is a channel created for them to report conduct that may involve the commission of an improper act or an act in violation of legal provisions or of the rules of conduct laid down in this *Code of Ethics* and to ask questions that may arise regarding the interpretation thereof.

3. Communications addressed to the Professionals' Ethics Mailbox may be sent by completing an electronic form that shall be available in the "Ethics Mailbox" section of the Employee's Portal.

4. The country subholding and head of business companies of the Group with compliance divisions may create their own ethics mailboxes, and shall report and be coordinated with the Compliance Unit pursuant to the internal rules and procedures that have been established.

5. Group professionals who have reasonable indications of the commission of any improper act or of any act in violation of legal provisions or of the rules of conduct laid down in the *Code of Ethics* must report it to the Compliance Unit or to the corresponding compliance division through the Professionals' Ethics Mailbox or any of the other mechanisms established by the Company for this purpose.

Section E. Ethical Commitments of the Group's Suppliers

Article E.1. Suppliers of the Companies of the 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 Group operates and by the respective contract with each supplier, which shall apply in all cases.

Article E.2. Ethical Commitments of Suppliers

1. Suppliers shall engage in their commercial relationships in conformity with principles of business ethics and transparent management.

2. Suppliers must comply with the crime prevention and anti-corruption and anti-fraud policies of the Group, as well as 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 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 Group in relation to their contracts therewith.

4. 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; (ii) obtain an undue advantage for the Group; or (iii) induce a third party or a professional of the Group to exercise influence over the act or decision of a public officer.

5. Suppliers shall not try to obtain any confidential information, particularly including information not available to other bidders, in relation to their contracts with the companies of the Group.

6. Suppliers shall not promise, offer or deliver gifts or objects of value, of any kind, to persons or entities that are officials or professionals of government administrations for the purpose of or in relation to the formalisation of their contracts with the companies of the Group.

7. Suppliers may only promise, offer or give reasonable gifts or items that are not exaggerated in 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 officials or professionals of government administrations and in accordance with all anti-corruption laws and the integrity and ethics policies of the Governance and

Sustainability System. In any case, gifts or items of symbolic value must have a legitimate business purpose.

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. Information owned by the Group and disclosed to the supplier shall, as a general rule, be deemed to be private/secret or confidential information.

2. Suppliers and all of their respective professionals shall be responsible for adopting adequate security measures to protect such private/secret and confidential information.

3. The information provided by suppliers to their contacts within the Group shall be true and shall not be given with the intent to induce any deception.

Article E.5. Labour Practices of Suppliers

1. Suppliers must take steps and adopt all measures within their organisation required to eliminate all kinds or forms of forced or compulsory labour, understood as any work or service demanded from an individual under threat of any negative consequence if such work or service is not provided.

2. Suppliers shall expressly reject the use of child labour within their organisation, shall respect the minimum hiring age limits in accordance with applicable law, and shall have adequate and reliable mechanisms in place to verify the age of their professionals.

3. The freedom of union association and the right to collective bargaining of professionals must be respected by suppliers, subject to the law applicable in each case.

4. Suppliers must reject all discriminatory practices due to any condition or circumstance in employment and occupational matters and treat their professionals fairly and with dignity and respect.

5. Labour relations between suppliers and their professionals must be based on equal opportunity, particularly between genders, non-discrimination, and the consideration of diversity and inclusion in all variables thereof.

6. 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 Group.

7. Suppliers shall pay their professionals in accordance with the provisions of applicable wage laws, including minimum wages, overtime and social security benefits.

Article E.6. Health and Safety Commitments of Suppliers

1. Suppliers shall ensure the protection of their professionals, avoiding their overexposure to chemical, biological or physical hazards or to tasks demanding excessive physical effort at the workplace.

2. Suppliers shall identify and evaluate potential emergency situations at the workplace and shall minimise the possible impact thereof by implementing emergency response plans and procedures.

3. Suppliers must provide their personnel with the training and means required to do their work as agreed under contract, and shall be liable for any damage or loss attributable thereto by action or omission, especially as a consequence of not having taken appropriate preventive health and safety measures to avoid it.

Article E.7. Environmental Commitment of Suppliers

1. Suppliers must strictly comply with all environmental obligations applicable thereto and have an effective environmental policy or sufficient measures based on the products and services supplied.

2. Suppliers shall identify and manage those substances 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 and in compliance with applicable regulations. All waste materials, waste water or emissions having the potential to adversely affect the environment shall be appropriately managed, controlled and treated, endeavouring to reduce the carbon footprint that they may generate and optimising the management thereof.

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

All 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. Subcontracting

1. Suppliers of the 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.

2. The actions performed and the procedures used by suppliers to comply with their obligations towards the Group 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.

Article E.10. Suppliers' Ethics Mailbox

1. The Company has established a suppliers' ethics mailbox (the "**Suppliers' Ethics Mailbox**") as a channel of communication so that suppliers of the Company and the companies that they in turn hire to provide services or supplies to the Company (the "**Subcontractors**"), their respective professionals, and companies that have participated in service or supply bidding to be suppliers may report conduct that may involve a breach by a Group professional of the Governance and Sustainability System

or an illegal act or the commission by a supplier, one of its Subcontractors or their respective professionals of an illegal act or act in violation of the provisions of this *Code of Ethics* within the framework of their commercial relationship with the Company or the companies of its Group.

2. Suppliers must report as promptly as possible the above conduct of which they become aware due to their commercial relationship with the Company or the companies of its Group.

3. By contracting with a company of the Group, suppliers undertake to inform their professionals and their Subcontractors of the contents of sections A, E and F of this *Code of Ethics* and of the existence of the Suppliers' Ethics Mailbox, as well as to require their Subcontractors to inform their professionals thereof. In addition, suppliers must be able to verify compliance with such obligations at the request of the Group company.

4. Suppliers and Subcontractors may also use the Suppliers' Ethics Mailbox to make queries or comments regarding the content of sections A, E and F of this *Code of Ethics.*

5. The country subholding and head of business companies of the Group that have compliance divisions may create their own suppliers' ethics mailboxes or any other reporting channels that they deem suitable or appropriate for such purpose and shall report and be coordinated with the Compliance Unit pursuant to the internal rules and procedures that have been established.

6. Communications addressed to the suppliers' ethics mailboxes may be sent by filling out an electronic form that will be available on the Company's corporate website (in the suppliers area) and, if appropriate, on the websites of the companies of its Group, in a section to be called "Suppliers' Ethics Mailbox".

7. The foregoing shall be without prejudice to the operation of the suppliers' ethics mailboxes fully observing applicable law in each country in which the Group operates. The obligations and commitments assumed by the Group in its relations with third parties, as well as the customs and good practices of the countries in which it does business, shall also be fully observed.

Section F. Common Provisions

Article F.1. Principles Governing Grievances Made Through the Ethics Mailboxes

1. Communications made through the ethics mailboxes shall always adhere to standards of truthfulness and proportionality, and may not be used for purposes other than seeking compliance with this *Code of Ethics* or applicable law.

2. In those jurisdictions in which applicable law so allows, grievances made through the ethics mailboxes may be made anonymously.

3. The identity of the person reporting an improper action through any of the ethics mailboxes (if identified) shall be deemed to be confidential information and, therefore, it shall in no event be communicated to the reported party or to any other third party without the consent thereof, thus ensuring non-disclosure of the identity of the reporting party.

4. The Group undertakes not to engage in and to endeavour to ensure that no professional engages in any direct or indirect retaliation against professionals or suppliers that have used ethics mailboxes to report conduct that must be reported pursuant to the provisions of this *Code of Ethics*, unless they have acted in bad faith.

5. Without prejudice to the foregoing, the data of the persons making the communication, if known, may be provided to governmental or court authorities, to the extent required by such authorities as a consequence of any proceeding stemming from the subject matter of the report, as well as to persons involved in any kind of subsequent investigation or court proceeding initiated as a consequence of the investigation. Such provision of data to government or court authorities shall in all cases be provided in full compliance with personal data protection legislation.

Article F.2. Processing of Grievances Made Through the Ethics Mailboxes

1. The Compliance Unit shall process grievances made through the Company's ethics mailboxes. If the grievance affects a member of the Compliance Unit, such member may not participate in the processing thereof.

2. If the report affects a member of the Company's Board of Directors, the chair of the Compliance Unit shall inform the secretary of the Board of Directors to this end in order for the secretary to assist the chair in the processing of the investigative file, and specifically to select the investigating officer, who shall be a person from outside the Group to guarantee independence. The same rules shall apply to the outside directors of the other companies of the Group, in which case the competent director of Compliance shall inform the secretary of the company in question for the same purpose.

3. If the matter affects a country subholding or head of business company of the Group that has its own compliance division, the Compliance Unit shall send the grievance to such division in order for it to proceed with the evaluation and processing thereof in accordance with its own rules. Notwithstanding the foregoing, if the matter affects more than one country subholding or head of business company of the Group that has a compliance division, the processing of the file shall be coordinated by the Compliance Unit.

4. The processing of grievances made through any of the ethics mailboxes of the country subholding or head of business companies that have their own compliance division shall be handled by the latter.

5. In all investigations, the rights to privacy, due process and the presumption of innocence of the persons investigated shall be guaranteed.

Article F.3. 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 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 Compliance Unit, which must take into account the provisions of the *Purpose and Values of the Iberdrola group*, shall be binding on all professionals and suppliers of all of the companies belonging to the 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 and with third parties by reason of their connection to the Group, and to resolve any issues that might arise in the performance of their professional activities.

6. Any question that arises for the Group's professionals regarding the interpretation of this *Code of Ethics* must be discussed with the Compliance Unit, through the director thereof, or, when appropriate, with the compliance divisions of the country subholding companies or head of business companies of the Group.

7. The codes of ethics of country subholding or head of business companies of the Group 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 any compliance divisions at such companies, although the interpretation of the provisions of this *Code of Ethics* shall always be reserved to the Compliance Unit.

Article F.4. 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 unlawful act or 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 Group may justify improper or unlawful 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 F.5. Acceptance

1. Directors, professionals and suppliers of the Group that are subject to this *Code of Ethics* expressly accept the rules of conduct established herein that are applicable thereto.

2. Professionals who join or hereafter become part of the 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 and F, shall be annexed to contracts with the professionals of the companies of the Group.

5. In the case of suppliers of the companies of the Group, an extract made up of sections A, E and F shall be annexed to their respective contracts.

Article F.6. Approval and Amendment

1. This *Code of Ethics* shall be periodically updated based on proposals made by the Compliance Unit, which shall review the content of sections A, B, D, E and F at least once per year, as well as on the suggestions made by the professionals of the Group and the suppliers thereof in relation to the sections applicable thereto.

2. The Sustainable Development Committee, the Internal Audit Area and the Compliance Unit 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 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 26 April 2022.

GENERAL SUSTAINABLE DEVELOPMENT POLICY

22 February 2022

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 with its 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.

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 of the Group to ensure that all its corporate activities and businesses 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 the achievement of the SDGs and rejecting actions that contravene or hinder them.

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

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

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 entities in the nature of 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.

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.

For this purpose, the Group innovates, makes new investments and promotes more efficient, sustainable and clean technologies, fosters the growth and develops the talent and the technical and human capacities of its professionals, works for the safety of people and the supply of energy, and labours to build a successful business enterprise together with all of the participants in its value chain, sharing the achievements with its 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 of the Group, i.e., sustainable energy, integrating force and driving force.

b) cause all of its Stakeholders to participate in the success of the Company's business enterprise, through the social dividend generated.

c) favour the achievement of the strategic goals of the Group in order to offer a safe, reliable and high-quality supply of energy that is respectful of the environment;

d) improve the competitiveness 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 its activities in the various territories in which the Group operates 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 its Stakeholders;

f) encourage a culture of ethical behaviour that increases business transparency in order to generate credibility and trust within the Stakeholders, which includes society in general;

g) promote relationships based on trust with all of its Stakeholders, 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;

h) contribute to the recognition of the Group and the improvement of its reputation; and

i) promote information and communication in the various communities in which the Group does business so that the Company is thought of as an ideal place for professional development from the viewpoint of its 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 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 in general, 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 groups, to the encouragement of innovation, to respect for the environment and the fight against climate change, and to the generation of high-quality employment based on 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 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 Group significantly contributes to compliance with goals 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's strategy, as well as being the goals to which the Group most significantly contributes.

Furthermore, with its business activities, and particularly with the manner in which they are carried out, the Group contributes to achieving goal eight, which promotes sustainable and inclusive economic development, productive employment and decent work, and nine, regarding industry, innovation and infrastructure.

However, the Group's 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 through its business activities, which is the principle source for the creation of value for Stakeholders, prioritising cleaner and safer energy and promoting measures to protect vulnerable groups, with specific social partnerships, sponsorships and activities, 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 its Stakeholders, favouring their engagement 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 direct, indirect and induced impacts, both present and future, generated by the Group's activities, 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 uses 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's strategy, and is shared transparently with all of its Stakeholders through the public dissemination of its 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 entities in the nature of foundations linked to the Group, and shared with its Stakeholders.

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 does business and assume ethical leadership in the business communities in which it is 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 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' *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.

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 responsible conduct that the Group expects of its directors, professionals and suppliers;

d) favour free market practices, rejecting any illegal or fraudulent practice, implementing effective mechanisms for prevention, surveillance, and punishment of irregular acts;

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 the Stakeholders; and

f) encourage pathways of dialogue, thus facilitating the Group's relationships with its workforce, shareholders and the financial community, customers, suppliers and, in general, with its other Stakeholders, in accordance with the *Stakeholder Engagement Policy*, in order to forge a sense of belonging to an excellent company, to harmonise business values and social expectations, and to adapt, to the extent possible, the policies and strategies of the Group to the interests, concerns and needs of such Stakeholders, using all communications within its reach such as direct contact, social networks, consultation procedures and the corporate website of the Company and of the various companies of the Group.

6. Main Principles of Conduct

Set forth below is a description of the main principles of conduct 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 the Group's commitment to the

social dividend that is generated by applying the principles to the conduct of its business activities.

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 policies, strategy and operations of the Group, and entails the equitable compensation of all groups contributing to the success of the Group's business enterprise 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 and the development of clean energy that contributes to the decarbonisation of the economy, prevent or if applicable minimise polluting emissions and the effects thereof, and improve the circularity of its activities and those of its suppliers;

e) advance the responsible use of energy and the sustainable use of natural resources, promoting the minimisation of impacts caused by the Group's activities, in line with the provisions of the Company's environmental policies, and public awareness regarding the efficient consumption of products and services; and

f) strengthen the social dimension of the Group's activities, and particularly respect for human rights as set out in the *Policy on Respect for Human Rights*. Specifically, 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.

6.2 Principles of Conduct with respect to Transparency

Transparency is fundamental for generating confidence and credibility, both in the markets and in investors, as well as in the workforce and the rest of the Stakeholders. The Company undertakes to:

a) disseminate truthful, sufficient, useful and reliable information regarding the significant activities of the Group and of entities in the nature of 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 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 Group's intellectual capital; and

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*.

6.4 Principles of Conduct with respect to Innovation

The Company believes that innovation is the Group's principal tool 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 Group's desire 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 Group's business operations, 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 does 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; and

d) keep the Group 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 Group pays in the countries and territories in which it does business are its main contribution to the funding of public purpose needs and, accordingly, one of its contributions to society.

Within the framework of the provisions of the *Corporate Tax Policy*, the Group assumes the following commitments:

a) comply with tax rules in the various countries and territories in which the Group operates;

b) make decisions on tax matters based on a reasonable interpretation of applicable legal provisions and in close relationship to the activities of the Group;

c) follow the recommendations of the good tax practices codes implemented in the countries in which the companies of the Group do business, taking into account the Group's specific needs and circumstances;

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 the Group's business activities for the sole purpose of reducing its 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; and

f) strengthen the relationship with tax authorities based on respect for the law, trust, good faith, professionalism, cooperation, loyalty and reciprocity, 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 or application of legal provisions.

7. Principles of Conduct with respect to the Principal Stakeholders

7.1 Workforce

The Group considers its human resources to be a strategic asset, which it cares for and to which it offers 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, Group companies work to obtain, promote and retain talent as well as to encourage the personal and professional growth of all persons within its workforce, making them participants in its successful business enterprise and guaranteeing them a dignified and safe job.

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 and forced or compulsory labour, not discriminating based on any condition, 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 where the Group does business and the right to the environment of all the communities in which it operates, 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 retain 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 groups with various abilities, and for reconciliation of personal and working life.

c) promote the participation and representation of the various groups that make up its human capital so that, based on this diversity, everyone can be fully integrated into the Group's activities;

d) ensure the Group's firm commitment to prohibit any form of discrimination;

e) recognise and value family and personal connections among the professionals of the Group, a necessary consequence of its strong local roots within the communities in which it has 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 its workforce, in order for all professionals to consider themselves part of the Group's business enterprise, be aware of their role in the local, national and international community, and assume as their own the values, principles and goals of the Group;

g) establish a remuneration policy that favours the hiring of the best professionals and strengthening of the Group's human capital;

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; and

i) ensure a safe and healthy working environment within the Group and in its spheres of influence. The measures that favour this objective are developed in the *Occupational Safety and Health Risk Policy*.

7.2 Shareholders and the Financial Community

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

a) facilitate and promote a responsible exercise of their rights and the performance of their duties by the shareholders and the holders of rights or interests in shares, subject to the principle of equal treatment of those in the same situation;

b) favour the informed participation of the Company's 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 General Shareholders' 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 the provisions of the Company's Governance and Sustainability System concerning the exercise of shareholders' rights; and

c) encourage the engagement of its shareholders in corporate life, especially in the area of corporate governance. For this purpose, the Board of Directors has approved the *Shareholder Engagement Policy*, has adopted various initiatives, and has created and developed various channels of communication and participation.

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 financial analysts, institutional investors and proxy advisors, and recognises ongoing attention to the transparency of information disseminated by the Company and relations with shareholders, institutional investors and proxy advisors.

Such principles are based on the duty of the shareholders to exercise their rights vis-à-vis the Company and other shareholders and 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 shareholder and in accordance with the Governance and Sustainability System of the Company.

7.3 Regulatory Entities

The companies of the Group attempt to maintain 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 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.

7.4 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 competition and continuously working to care for and increase their satisfaction, strengthening their connection to the Group 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 its customers in all of the life cycles of the products it sells, 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 its customers allowing for a more rational, efficient and safe use of electricity and gas in the countries in which the Group sells its 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 ongoing access to energy and gas supply according to the policies established by the competent government administrations in each case;

e) facilitate effective access to information regarding the services provided by the Group 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 in which it operates; and

h) monitor the quality of the service provided to its customers, through surveys measuring their satisfaction, and through customer service.

7.5 Suppliers

The Group believes that it is essential to ensure that all participants in the value chain of the Group's companies 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 are:

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 Media

Transparency is one of the hallmarks of the Company's identity and one of the fundamental goals of its communication strategy. The Group values and recognises the key role of media in achieving this goal. Therefore, relations with the media shall be governed by the principles of informational transparency and collaboration.

7.7 Society at Large

The Group is characterised by its international presence. In its operations, it assumes the following principles relating to the various territories and communities in which it operates:

a) build strong bonds with the communities in which the Group does business through formal public consultations, thus generating confidence and forging a sense of belonging to an excellent company, of which they feel they are an integral part;

b) harmonise the activities of the Group in the various countries in which it operates with the various social and cultural realities of each of them;

c) strengthen relations of trust with the various communities with which it interacts, by supporting the various governments and leading social organisations, 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 the Group is present;

f) engage in corporate volunteering programmes and campaigns that promote the participation of the professionals of the Group 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;

g) support the promotion and conservation of biodiversity and of the cultural and artistic heritage of the territories and communities in which the Group does business;

h) support initiatives that contribute to a more healthy, egalitarian and just society, such as supporting the empowerment of women and promoting the reconciliation of personal and work life; and

i) 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 the limitations established by applicable legal provisions.

The Group also collaborates 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.

7.8 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 Group's environmental policies, and particularly in the following: the *Sustainable Management Policy*, the *Environmental Policy,* the *Climate Action Policy* and the *Biodiversity Policy*.

The Group's devotion to leadership in the fight against climate change, in the development of clean energy (which contributes to the decarbonisation of the economy) and in respect for the environment are the pillars of its energy production model 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 Group's activities 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 it operates;

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 its business activities and those of its suppliers, 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;

g) promote innovation through research and support for the development of new technologies and best environmental practices; and

h) raise awareness, train and involve the Group's professionals, subcontractors, suppliers and other Stakeholders in the environmental commitments and principles.

8. Implementation and Coordination of the Group's Sustainable Development Strategy

The implementation, monitoring and supervision of the Group's sustainable development strategy is the responsibility of the various companies of the Group in accordance with the corporate and governance structure of the Group 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, 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 the Group's reputation, 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 in which the Group operates, coordinate the corporate strategy among the various businesses carried out in each country, and report to the Company's Corporate Sustainable Development and Reputation Committee on the results achieved.

c) The country subholding companies of the Group may also be linked to entities in the nature of foundations, separated from the corporate structure, that implement and carry out in their respective countries the sustainable development strategy entrusted thereto to the extent conforming to their foundational purposes and without prejudice to their autonomy and independence.

9. The Foundations Committee of the Iberdrola Group and entities in the nature of foundations linked to the Group

The Company has a Foundations Committee of the Iberdrola Group, an internal consultative body without executive duties created to ensure proper coordination between the entities in the nature of foundations linked to the Group, which are responsible within their respective countries 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 Sustainable Development Goals (SDGs) approved by the United Nations,

all without prejudice to the independence of said entities for achieving their foundational purposes, with full functionality and autonomy.

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

Foundational entities to which the country subholding companies of the Group 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 entities in the nature of 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.

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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 22 February 2022.

STAKEHOLDER ENGAGEMENT POLICY

26 April 2022

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 for the 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 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 the Group's 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 entities in the nature of foundations linked to the Group, which dividend is understood as the sustainable contribution of value, 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, and the encouragement of innovation and protection of the environment through 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 direct, indirect and induced impacts of the Company's activities included in the company object for all of its Stakeholders in the economic, social and environmental areas, and particularly its contribution to the achievement of the Sustainable Development Goals ("**SDGs**") approved by the United Nations.

The Company's Stakeholders also have a leading role in corporate reputation, which is understood as their set of perceptions regarding the 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 Group's management 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 Group's commitment to the human rights recognised under

domestic and international law and to define the general principles that the Group will apply 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 Group's relations with its Stakeholders in all of its activities and operations, in order to:

(i) continue encouraging the engagement of the Stakeholders in the Company's business enterprise through a strategy of strong involvement in the communities in which it operates and the creation of shared sustainable value for all of them;

(ii) continue responding to the legitimate interests of the Stakeholders with which the Company interacts;

(iii) continue building trust among the Stakeholders in order to build long-lasting, stable and robust relationships;

(iv) encourage the recognition by all of its Stakeholders of the Company's commitment to diversity in the broad sense, particularly in all matters regarding the professional development of their members; and

(v) contribute through all of the above to maintaining the corporate reputation in the various countries and businesses in which the Company does business.

Notwithstanding the foregoing, the Board of Directors may approve other corporate policies addressing specific 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 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 entities in the nature 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:

- Workforce.
- Shareholders and the financial community.
- Regulatory entities.
- Customers.
- Suppliers.
- The media.
- Society at large.
- 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 Group's facilities.

4. Basic Principles

The Group accepts and promotes the following basic principles to engage and establish relations of trust with its Stakeholders:

a. **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.

b. **Transparency:** ensure transparency in relationships, and in financial and non-financial communications, sharing truthful, sufficient, relevant, complete, clear, reliable and useful information.

c. **Active listening:** practice active listening, encouraging bi-directional and effective communication as well as direct, fluid, constructive, diverse, inclusive and intercultural dialogue.

d. **Participation and engagement:** encourage the participation and engagement of the Stakeholders in all of the Company's activities, 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 Group's power projects.

e. **Consensus:** work towards consensus with the Stakeholders, especially with local communities and indigenous populations, taking their viewpoints and expectations into consideration.

f. **Collaboration:** promote collaboration with the Stakeholders, in order to contribute to compliance with the Purpose and Values of the Iberdrola group and the achievement of the SDGs.

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.

5. Responsibilities in the Management of Stakeholder Engagement

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

To this end, the Corporate Social Responsibility and Analysis Division, through the Stakeholder and Reputation Unit, 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 with their various Stakeholders, especially those who act within the environment of the facilities of the Group's 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 entities in the nature of foundations with which they have agreements the implementation of general interest and sustainable development activities previously defined by the Company and by said country subholding companies, which contributes to improving relations and dialogue with the Stakeholders of the Company, under the coordination of the Foundations Committee of the Iberdrola Group, and without prejudice to the autonomy and independence of said entities in the nature of 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 this *Policy*.

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

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 Group's impact and ability to influence them, as well as their impact and ability to influence the Group.

b. It contains the guidelines to ensure that the Stakeholders have sufficient capacity to communicate with the 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, robust and long-lasting 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 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, impact 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 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 will also report to the Company's Corporate Sustainable Development and Reputation Committee on the results achieved.

A global working group called the "Iberdrola Stakeholders' Hub" and the Company's Corporate Sustainable Development and Reputation Committee evaluate the implementation of the *Global Engagement Model* and the results of the process.

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

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This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 26 April 2022.

Governance & Sustainability System Chapter III

Environment and Climate Action - Introduction

The following *Introduction to Chapter III – Environment and Climate Action* was approved by the Company on 21 June 2022.

SCOTTISHPOWER RENEWABLES

GOVERNANCE AND SYSTAINABILITY SYSTEM
INTRODUCTION TO CHAPTER THREE - ENVIRONMENT AND CLIMATE CHANGE

1. The Governance and the Sustainability System constitutes the internal regulatory framework for the Company. It is autonomously established by the Company as its own set of rules defining its purpose and values against which its business strategies and goals are to be set.

2. The Iberdrola Group's corporate policies, as adopted by the Company, constitute an essential part of its Governance and Sustainability System. These policies characteristically aim to consistently and clearly connect the relevant themes in the stated purpose and values to the appropriate action guidelines and criteria prescribed in relation to matters that are identified as generally or specifically important to the decision-making and management of the Company.

3. The corporate policies therefore delineate the amount of discretion that Iberdrola Group directors and employees may exercise in the performance of their duties, i.e. within a framework of respect and observance of human rights, the contribution to the achievement of the United Nations' Sustainable Development Goals (**SDGs**), compliance with Environment, Social and Governance (**ESG**) requirements, goals established by the Paris Agreement and the United Nations' 2030 Agenda for Sustainable Development. It is implicit that any action taken in adherence to these will carry a *prima facie* assumption of suitability and approval pursuant to the *Purpose and values of the Iberdrola Group* and Iberdrola's corporate interest since they are defined to contribute to and fulfil the same aims.

4. The environmental policies are included within the Iberdrola Group's sustainable development strategy and constitute its express response to the challenges, objectives and goals in relation to climate change, preservation of the environment, and biodiversity loss, while recognising the opportunities arising from the energy l transition. This is an active commitment of the Company, made on behalf of and applying to all its stakeholders, to generate 'integral business value', taking into account the natural and environmental capital invested, in order to maximise the distribution of such value to those stakeholders and the communities in which the Company operates.

5. The ideas, values and principles in these guidelines or protocols for conduct are subject to ongoing updates to adapt them to the ever-changing circumstances in which the Company and its Group operates as an established business. Accordingly, like the other parts of the Governance and Sustainability System, the environmental policies contained in this Chapter Three are subject to a continuous process of review, adaptation and improvement in the context of the environment in which the Company and the Iberdrola Group carry out their business, applicable law and best practices.

In Glasgow, on 21 June 2022

The Board of Directors

Governance & Sustainability System Chapter III

Environment and Climate Action

Chapter III of the Governance & Sustainability System consists of the following environmental policies of the Iberdrola Group, which are adopted by the Company (and its Group).

The *Sustainable Management Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Environmental Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Climate Action Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Biodiversity Policy* (dated 22 February 2022) was formally adopted by the Company on 21 June 2022.

References in these documents to Iberdrola, its Group, etc. shall be accordingly construed *mutatis mutandis*.

SCOTTISHPOWER RENEWABLES

SUSTAINABLE MANAGEMENT POLICY

19 April 2021

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.

2. Scope

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

(a) 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 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.

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.

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This *Policy* was initially approved by the Board of Directors on 17 December 2013 and was last amended on 19 April 2021.

ENVIRONMENTAL POLICY

19 April 2021

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 Group's strategy, as well as its investments and operations, and define the principles of conduct for environmental management and the management of natural capital.

The Company considers respect for the environment to be one of the central elements of the concept of sustainability, and particularly one of the three pillars for reaching a sustainable energy model, together with competitiveness and the safety of supply. The Group is 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 is integrated into all of its activities and processes. The Group is 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 responds to the expectations of its Stakeholders with respect to the preservation of the environment, ever more stringent regulatory requirements, and constant scrutiny of management by analysts, assessors and various agents of society in general.

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

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 implement its commitment to the environment and boost environmental sustainability, the Group articulates the following main principles of conduct that apply to all of its 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:

- to 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 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; and

- integrate the protection and promotion of biodiversity into the Group's 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 Environmental Management Systems that apply precautionary and continuous improvement principles and place the environment at the centre of decision-making through:

- assessing the environmental risks of its 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 Group's activities, facilities, products and services;

- management of risks and impacts by establishing objectives, programmes and plans that promote the continuous improvement of the Group's environmental processes and practices, and establishment of monitoring, control and audit mechanisms; and

- environmental training of the Group's professionals;

h) reduce environmental impact and improve the Group's environmental performance from a life-cycle perspective;

i) encourage the engagement of the Stakeholders in Iberdrola's business enterprise pursuant to the provisions of the *Stakeholder Engagement Policy*, which contemplates, among other things, the strong involvement of the Group's companies in the communities in which they operate and the creation of shared sustainable value for all of them;

j) raise awareness, train and involve the Group's professionals, subcontractors, suppliers and other Stakeholders in the commitments and principles of this *Policy*; and

k) report transparently on environmental results and activities.

4. Priority Lines of Action

In order to achieve its commitment to nature and the environment and to promote environmental sustainability and respect for nature, the Group is working 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.

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This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 April 2021.

CLIMATE ACTION POLICY

19 April 2021

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 one of the cornerstones 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 its 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 shall 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 (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.
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_2 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' remuneration systems;

f) contribute to raising awareness in society at large 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 communities to the environment, as set out in the *Policy on Respect for Human Rights*;

g) promote internal awareness and training for the Group's professionals as well as for subcontracted personnel regarding climate change;

h) promote suppliers' 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 an environmental management system (EMS) of the Group, 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) encourage 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_2 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, 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 Group's international leadership in the process of fighting 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;

j) disseminate the results achieved and/or actions performed by 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.

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This *Policy* was initially approved by the Board of Directors on 15 December 2009 and was last amended on 19 April 2021.

BIODIVERSITY POLICY

22 February 2022

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 Group does 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 reference framework for integrating the protection and promotion of biodiversity into the Group's strategy, and to define the principles of conduct for the development of a business model that is sustainable and positive with nature, such that its activities 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 Group is committed to taking a leadership role in the conservation and promotion of biodiversity in its industry and to integrating into its management the United Nations 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 is aligned with the achievement of Sustainable Development Goals (SDGs) six, thirteen, fourteen, fifteen and seventeen approved by the United Nations.

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

a) integrate biodiversity in internal strategic and decision-making processes 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 Group's activities 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;

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;

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 solutions based on nature, 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 Group's Environmental Management System (EMS), 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 operates;

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 Group's professionals as well as for subcontracted personnel and that of its suppliers; and

l) report on the biodiversity actions of the Group, 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's strategy, for which reason four five priority lines of actions 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, 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 Group's activities 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 it operates;

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 Group's activities in this area.

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This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 22 February 2022.

Governance & Sustainability System Chapter IV

Social Commitment - Introduction

The following *Introduction to Chapter IV – Social Commitment* was approved by the Company on 21 September 2021

SCOTTISHPOWER RENEWABLES

GOVERNANCE AND SUSTAINABILITY SYSTEM
INTRODUCTION TO CHAPTER FOUR - SOCIAL COMMITMENT

1. The Governance and the Sustainability System constitutes the internal regulatory framework for the Company. It is autonomously established by the Company as its own set of rules defining its purpose and values against which rules its business strategies and goals are to be set.

2. The Iberdrola Group's corporate policies, as adopted by the Company into its Governance and Sustainability System, characteristically aim to consistently and clearly connect the relevant themes in the stated purpose and values to the appropriate action guidelines and criteria prescribed in relation to matters that are identified as generally or specifically important to the decision-making and management of the Company.

3. The corporate policies therefore delineate the amount of discretion that Iberdrola Group directors and employees may exercise in the performance of their duties, i.e. within a framework of respect and observance of human rights, the contribution to the achievement of the United Nations' Sustainable Development Goals (**SDGs**), compliance with Environment, Social and Governance (**ESG**) requirements, goals established by the Paris Agreement and the United Nations' 2030 Agenda for Sustainable Development. It is implicit that any action taken in adherence to these will carry a *prima facie* assumption of suitability and approval pursuant to the *Purpose and values of the Iberdrola Group* and Iberdrola's corporate interest since they are defined to contribute to and fulfil the same aims.

4. The social commitment policies are included within the Iberdrola Group's sustainable development strategy and constitute its express response to the fundamental challenges, objectives and goals in relation to the commitment to human rights, empowering women, promoting diversity, inclusion, sense of belonging, and equality amongst all participants in the business. In short, they are an expression of the Company's recognition of the value in its human and personal capital, without which progress could not be possible.

5. The Iberdrola Group's commitment to the modern social demands and requirements also extends to all those who act for or engage with the Iberdrola Group, to the extent applicable, in order to maximise the distribution of the benefit of the same to those stakeholders and the communities in which the Group operates.

6. The ideas, values and principles in these guidelines or protocols for conduct are subject to ongoing updates to adapt them to the ever-changing circumstances in which the Company and its Group operates as an established business. Accordingly, like the other parts of the Governance and Sustainability System, the social commitment policies contained in this Chapter Four are subject to a continuous process of review, adaptation and improvement in the context of the environment in which the Company and the Iberdrola Group carry out their business, applicable law and best practices.

In Glasgow, on 21 September 2021

The Board of Directors

Governance & Sustainability System Chapter IV

Social Commitment

Chapter IV of the Governance & Sustainability System consists of the following social commitment policies of the Iberdrola Group, which have been adopted by the Company (and its Group).

The *Policy on Respect for Human Rights* (dated 22 February 2022) was formally adopted by the Company on 21 June 2022.

The *Resources and Human Capital Framework Policy* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

The *Equality*, *Diversity and Inclusion Policy* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

The *Selection and Hiring Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Knowledge Management Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Innovation Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Quality Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Corporate Security Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

References in these documents to Iberdrola, its Group, etc. shall be accordingly construed *mutatis mutandis*.

SCOTTISHPOWER RENEWABLES

POLICY ON RESPECT FOR HUMAN RIGHTS

22 February 2022

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 rest and an aspect that is inextricably linked to the United Nations 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 Group's commitment to the human rights recognised in domestic and international legislation and to define the principles that the Group will apply 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, 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

In order to achieve the objectives and commitments set forth above, the Group adopts and promotes the following main principles of conduct, which must inform its activities in all areas:

a) identify potential impacts that the Group's operations and activities 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 Group's internal control systems;

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 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; and

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 Group or of its 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 Group's perspective on shared responsibility with its 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 Group also explicitly makes the following commitments:

a) to reject child labour and forced or compulsory labour;

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;

e) to respect the rights of ethnic minorities and of indigenous peoples in the places in which it carries out its activities, and to favour an open dialogue that includes different cultural frameworks;

f) to respect the right to the environment of all of the communities in which it operates, 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.

5. Relationship with Stakeholders

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

a) workforce: the professionals of the Group 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 Group's regulatory framework for human rights. All professionals of the Group 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;

b) suppliers: 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 Group. In particular, suppliers and their professionals must: (i) adopt such measures as may be needed to eliminate all forms or types of forced or compulsory labour; (ii) expressly reject the use of child labour in their organisation; (iii) respect their workers' freedom of trade association and right to collective bargaining by their professionals, avoiding all discriminatory practices 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) society in general: in its operations, 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; and

d) in the case of investment partners with operational control over facilities in which the Group has 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*.

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This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 22 February 2022.

RESOURCES AND HUMAN CAPITAL FRAMEWORK POLICY

26 April 2022

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 that the professionals of the Group are the 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 *Resources and Human Capital Framework Policy* (the "***Policy***").

1. Purpose

The purpose of this *Policy* is to define, design and disseminate the Group's resources and human capital management model in order to attract, promote, generate the loyalty of and retain talent. It is also intended to encourage the personal and professional growth of all people belonging to the Group's workforce, making them participants in its successful business enterprise and guaranteeing them a dignified and safe job within a diverse and inclusive environment.

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 *Equality, Diversity and Inclusion Policy*, the *Selection and Hiring Policy*, the *Knowledge Management Policy*, the *Occupational Safety and Health Risk Policy* and the *Senior Management Remuneration Policy.*

The workforce is key to 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.

The key principles for the conservation of human capital 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 Group's success, 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, and that further the objectives of competitiveness and business efficiency.

This *Policy* establishes the guidelines that must govern labour relations at the different companies of the Group and serves as a benchmark to define the objectives of the Company and the Group in resources and human capital management. In particular, it provides guidelines with respect to: (i) the selection of its professionals; (ii) the creation of stable and high quality employment within a diverse and inclusive environment; (iii) the building of a stable relationship with professionals; (iv) workplace safety and health; (v) the reconciliation of personal and working life; and (vi) the management and promotion of talent and training.

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 Group's strategic objectives.

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 Group adopts and promotes the following general principles of conduct that must inform the management of its 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 Group's workforce. 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 of the Group;

c) the development of consistent resources for the management of resources and human capital that progress in the implementation of a talent culture in all countries in which the Group does business, respecting local 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 *Equality, Diversity and Inclusion Policy*. Measures must also be promoted to facilitate the effective integration of disadvantaged groups and those with different abilities and to achieve a favourable environment that allows professionals to reconcile personal and working life, complying with the law applicable in each 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 of the Group;

g) appreciation of the contribution of all professionals to the Group's creation of value and to its growth;

h) recognising and valuing family and personal connections among the professionals of the Group, a necessary consequence of the Group's strong local roots within the communities in which it has historically done business, and establishing specific measures ensuring that there is no favouring of or discrimination against professionals in hiring and promotion processes based on such connection, and that there is no violation of the principle of equal opportunity;

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 contained 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 *Equality, Diversity and Inclusion Policy*; and

j) a work environment that is safe and healthy within the Group and in its spheres of influence.

4. Instruments

The Company and the Group have the following instruments to achieve the above objectives:

a) resources and human capital policies: this *Policy*, the *Equality, Diversity and Inclusion 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 Human Resources and Security Division, the main objective of which is to standardise the guidelines for the management and promotion of talent within 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 Human Resources and Security Division 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 division responsible for the implementation, monitoring and verification of compliance with the *Equality, Diversity and Inclusion Policy*, which reports to the Company's Human Resources and Security Division;

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: mixed subcommittees or committees with professionals, labour climate or satisfaction surveys, meetings with the chairman and the members of senior management, specific meetings, the corporate website and the Group's various intranets;

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 culture;

g) training programmes that foster the development of intellectual capital and the promotion of professionals within the Group;

h) a specific programme for the training and monitoring of management personnel encouraging internal promotion and ensuring the orderly succession in senior management positions and other key positions within the Company and the Group; and

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.

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

The *Equality, Diversity and Inclusion Policy* further develops the Group's objectives and principles on these matters, which can be summarised in the following:

a) respect diversity among its professionals, promoting non-discrimination;

b) develop 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) promote 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 traceability of results.

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 *Equality, Diversity and Inclusion Policy*, the main principles of conduct in connection with selection and hiring are:

a) develop a global master process for standardising selection and hiring procedures within the Group;

b) endeavour to ensure that selection and hiring processes are objective and impartial, and that the process of selecting family members of Group professionals 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 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 different abilities;

f) the Group's offering of value must be based upon equal opportunity, diversity and inclusion and be made up of competitive remuneration, a healthy, diverse and inclusive work environment, the business enterprise, a balance between personal and working life, and reconciliation thereof;

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.

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 of the Group.

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 within the Group 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 for the Group and promoting the sustainable development of the businesses of the Company;

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 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 the sustainable competitiveness of the Group;

c) envisioning training as a key element of professional qualification and development, and as a gateway to opportunities for promotion within the Group;

d) ensuring that training programmes include aspects relating to respect for human rights and inclusive diversity 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 that the Group wants to promote with society; and

e) dissemination and sharing of the knowledge existing within the Group, 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 based on objective standards;

b) communicate the results thereof to the employees evaluated, so as to favour their professional development; 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 Group considers it a priority for the remuneration system to favour the strengthening of its human capital, as the main factor differentiating it from its competitors. The main principles of conduct informing the Group's remuneration system are:

a) favour the attraction, hiring and retention of the best professionals;

b) maintain consistency between the Group's strategic positioning and its development, its international and multicultural reality and its objective of excellence;

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 at the forefront of the market, consistently with the position achieved by the Company and its 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 for the Group, which implements it 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 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 Group's priority is for its 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; and

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 its 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.

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.

The Group's 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, psychological 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, and that all professionals contribute with their daily work to the achievement of the goals set in this field.

13. 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 personnel, 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.

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 divisions of each country subholding or head of business company shall apply the *Code of Ethics* (or the specific code of their country subholding company) in their respective areas of conduct.

14. 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.

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 is present; and

d) promote the values of participation, commitment, responsibility and teamwork.

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This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 26 April 2022.

EQUALITY, DIVERSITY AND INCLUSION POLICY

26 April 2022

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 *Resources and Human Capital Framework Policy,* the Board of Directors hereby approves this *Equality, Diversity and Inclusion Policy* (the "***Policy***").

15. Purpose

This *Policy* seeks to create a favourable environment that facilitates and strengthens equal opportunity, non-discrimination, diversity and the inclusion of the professionals of the companies belonging to the Group, thus adopting a people management model committed to professional excellence and quality of life, 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 in these areas.

Equal opportunity constitutes one of the basic pillars of professional progress, and the development thereof entails equitable treatment to promote the personal and professional progress of the Group's workforce.

Diversity covers the set of characteristics that make people unique and singular, that is, the richness that each person contributes thanks to their variety, including visible and non-visible traits.

Inclusion, on the other hand, refers to how differences between individuals are valued and opportunities are generated so that everyone can realise their full potential. In other words, a conscious strategy that focuses on developing the structures, systems, processes and culture that generate respect for the individual characteristics of all people within the organisation, while also promoting a sense of belonging that makes them feel valued and part of a group or community.

16. 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.

17. Main Principles of Conduct in connection with Equal Opportunity

To achieve the aforementioned objectives and commitments in the area of equal opportunity, the Group adopts and promotes the following main principles of conduct that must govern its labour relations:

a) guarantee the quality of employment as a fundamental means to promote equal opportunity and non-discrimination, 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;

b) implement the principle of equal opportunity in the workplace, the observance of which is one of the basic pillars of professional development, and which entails the commitment to provide and show equitable treatment that promotes the personal and professional progress of the Group's workforce in the following fields:

   1. promotion, professional development and remuneration: value such knowledge and skills as are required to perform a job, through the evaluation of goals and performance.

      In particular, both when making individual proposals for goals and in the assessment of performance and of any salary increases, standards of equal opportunity, non-discrimination and respect for diversity shall be taken into account. Along these lines, equal treatment shall be promoted to encourage the personal and professional progress of the Group's workforce in a way that recognises the knowledge and skills required for each job, the contribution of professionals to the creation of value, as well as dedication and responsibility in the performance of their duties;

   2. selection: choose the best professionals by means of selection tools and systems based on the knowledge and abilities of the candidates;

   3. hiring: not establish discriminatory salary differences and ensure appropriate integration of professionals within the company, workgroup and position;

   4. training: ensure the education and training of all professionals in the knowledge and skills required for the proper performance of their work;

   5. support for professionals with different abilities, promoting their effective employment;

   6. promotion of transparent communication, encouraging innovation and providing professionals the independence they need in the performance of

their duties; and

7. elimination of any actions contrary to equal opportunity.

c) promote gender equality within the Group, complying with applicable law in each country and following the best international practices, as well as the provisions in this regard of goal five of the Sustainable Development Goals (SDGs) approved by the United Nations, particularly as regards access to employment, professional training and promotion, and working conditions, and for these purposes:

8. reinforce the commitment of the Group to gender equality both within the organisation and in society, and raise awareness on this topic in both spheres;

9. guarantee the principle of equal opportunity in professional development, removing any obstacles that may hamper or limit a professional career by reason of gender;

10. analyse affirmative action measures in order to correct inequalities that appear and to promote access by the less represented gender to positions of responsibility in areas in which it is underrepresented or not present;

11. strengthen mechanisms and procedures for selection and professional development that facilitate the presence of the less represented gender with the required qualifications in all areas of the organisation in which it is underrepresented, including through the implementation of specific training and professional development monitoring programmes for women that promote the Group having a significant number of female senior managers;

12. strive to achieve a balanced representation within the various decision-making bodies and levels, guaranteeing participation in all consultative and decision-making areas of the Group on the basis of equal opportunity;

13. promote the organisation of working conditions with a gender perspective, allowing for the reconciliation of the personal and working life of all professionals employed by the Group to favour gender equality, ensuring the elimination of all gender-based discrimination;

14. protect pregnancy, childbirth and post-delivery as specific situations of the female professional group, avoiding negative repercussions thereof on their professional career;

15. protect pre-adoption and adoption, avoiding negative repercussions thereof on their professional career;

16. 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 of the Group in which the presence of one of the genders is substantially lower than that of the other; and

17. collaborate in the fight against gender violence through the establishment

of specific programmes that include measures of protection, support and information, in order to accompany and protect the victims of gender violence.

d) standardise working conditions and the benefits received by part-time and full-time professionals;

e) in the establishment of working conditions, respect the principle of equal working conditions for jobs that involve the same demands and have the same value;

f) exclude prejudices that may exist with respect to persons whose social, cultural or educational status does not correspond to models traditionally considered to be standard or customary, and which may unduly inhibit professional progress based on the merit and ability of people; and

g) endeavour to ensure that design of the processes relating to the selection, hiring, management of labour relations, training and promotion of professionals in which artificial intelligence is used is governed by the principal of equal opportunity, upon the terms described in the preceding sections, and especially that the algorithms used, do not suffer from biases that violate the main principles of conduct assumed by the Group in this area due to their design or the actual results of their implementation, or prevent the verification thereof due to limitations on transparency and/or traceability of results.

18. Main Principles of Conduct in connection with Diversity and the Promotion of Inclusion

To achieve the aforesaid objectives and commitments relating to diversity and the promotion of inclusion, the Group adopts and promotes the following main principles of conduct that must govern its labour relations:

a) ensure non-discrimination among its professionals on the basis of any conditions or circumstances that are worthy of protection;

b) promote the contribution of the knowledge, experiences and abilities of all the Group's professionals, regardless of any personal or social conditions or circumstances;

c) foster a sense of inclusion within the Group that seeks to ensure that all professionals are considered part of the business enterprise and of its role in the local, national and international community. It is thus sought that the Company's values, principles and objectives are assumed as their own by the Group's workforce and that their contribution to them is perceived as an essential component of not only professional but also personal development;

d) recognise the coexistence of different generations as a source of continuous enrichment, due to their diverse skills and approaches, both for professionals and for the various businesses and corporate areas, and as a decisive contribution to the adaptation of the services provided by the Company to the needs of the communities in which it does business;

e) take into consideration that certain impairments in physical and/or intellectual

abilities that might be an obstacle for performing some tasks in fact represent significant added value in other duties. In any case, not identify such circumstances in advance and without justification as obstacles to proper integration in the workplace;

f) recognise that the international character of the Group and the contribution made thereto by people of different origins, races or ethnicities represents a permanent and decisive source of enrichment for the Group, which is preserved and encouraged;

g) promote information and communication with the various communities in which the Group does business so that the Company is recognised as a suitable place for the professional development of its various groups as a result of its inclusive practices;

h) ensure that selection and hiring processes are based on neutral and objective standards of merit and ability, while establishing specific actions to promote the inclusion of groups with less easy access to the labour market;

i) address with due measures of integration, among others, the situations of single, married, domestically partnered, divorced, separated, widowed and plurally cohabiting persons, with or without children, and with other particular family and emotional circumstances, including the specific bond arising with animal companions, as living sentient beings;

j) ensure that decisions on professional promotion and professional development are based on equitable criteria, eliminating from all business decisions in this regard reasons, grounds or consequences detrimental to diversity, promoting the proper inclusion of all groups of professionals;

k) ensure that, in the training of each professional, regardless of the group to which the professional belongs, the professional is provided with sufficient knowledge, aptitudes and skills for the appropriate performance of the professional's work, while providing for specific actions in such training from the perspective of accepting diversity and rejecting discrimination;

l) encourage the use of inclusive language in all types of internal and external corporate communications, and in any case eradicate the use of discriminatory language;

m) maintain an environment free of harassment at work, especially that with an intention of or based on direct or indirect discrimination, ensuring the establishment of agile and effective grievance channels;

n) constantly develop awareness-raising policies for the professionals within the Group, especially those with management responsibilities, so that they value and promote the contribution that diversity represents for the Company;

o) include within leadership programmes behaviours that encourage better decision-making and a diversity-based culture, as well as an internal communications strategy that can convey the plurality and inclusiveness of the Group;

p) facilitate internal mobility and interaction within the organisation to create networks of contacts and teams that take advantage of multiculturalism, and constantly monitor and update management processes and procedures so that contacts and teamwork enhancing inclusive diversity take place;

q) 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; and

r) endeavour to ensure that the processes relating 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 the objectives and commitments of the Group regarding diversity and the promotion of diversity due to their design or the actual results of their implementation, or prevent the verification thereof due to limitations on transparency and/or traceability of results.

19. Instruments

In order to achieve the objectives set out in this *Policy*, the Company and the Group have a division reporting to the Company's Human Resources and Security Division that is responsible for implementing, monitoring and verifying compliance with this *Policy*.

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This *Policy* was initially approved by the Board of Directors on 16 December 2008 as the *Equality and Reconciliation Policy*. Subsequently, as a result of the Company's pioneer spirit and the process of ongoing review of the Governance and Sustainability System, it approved a *Diversity and Inclusion Policy*. 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 26 April 2022.

SELECTION AND HIRING POLICY

19 April 2021

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 of the Group 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 *Equality, Diversity and Inclusion 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, promoting economic and sustainable growth, as well as equality of opportunity in all of the Group's selection and hiring processes.

The success of the Group's 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 the current and future needs of the Group, 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 these goals, the Group adopts and promotes the following main principles of conduct that must inform all of its selection and hiring activities:

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

c) encourage the access of young people to their first job through scholarship programmes and other agreements;

d) 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, broad training and professional development, a healthy, diverse and inclusive work environment, and with measures facilitating the reconciliation of personal and professional life, seeking for the experience of the candidates during the selection process and their subsequent integration within the Group to be completely satisfactory;

e) promote the hiring of its professionals using stable contracts;

f) communicate the Group's purpose and values to the candidates and respond to their concerns relating to the selection process; and

g) favour the hiring of people from groups that are excluded or with less easy access to the labour market, and those with diverse abilities.

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This *Policy* was initially approved by the Board of Directors on 11 March 2008 and was last amended on 19 April 2021.

KNOWLEDGE MANAGEMENT POLICY

19 April 2021

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 the Group's existing knowledge 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 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 these goals, the Group adopts and promotes the following main principles of conduct that must inform all of its knowledge management activities:

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 knowledge existing at the Group 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 Group's strategy;

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;

i) foster the sharing of the knowledge existing at the Group 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 of the Group;

j) evaluate the intellectual capital existing at the Group 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 ever closer to excellence in knowledge management; and

l) respect the intellectual and industrial property rights of third parties in the knowledge management of the Group.

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This *Policy* was initially approved by the Board of Directors on 16 December 2008 and was last amended on 19 April 2021.

INNOVATION POLICY

19 April 2021

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 Group's businesses and activities, 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 its 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 Group's innovation strategy 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.

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 hereafter assume the duties thereof). 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.

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

In order to achieve the aforementioned objectives, the Group adopts and promotes the following principles of conduct in connection with its innovation strategy:

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 Group's business operations, 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 Group's businesses 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 innovation 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 the innovative capacity 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 Group does 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) stimulate creative thinking within a diverse and inclusive environment;

l) promote a system of technological monitoring and prospecting to identify opportunities and challenges for the businesses of the Group 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;

m) 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;

n) 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;

o) support innovations that provide added value for users and boost the satisfaction of the workforce, shareholders, customers and other Stakeholders of the Company.

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This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 April 2021.

QUALITY POLICY

19 April 2021

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 Groups strengthens its sustainable growth model within the context of the 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.

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 model of value creation 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 adopts and promotes the following main principles of conduct that inform all of its quality 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 the workforce, the shareholders 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 of the Group's professionals by means of 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.

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This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 19 April 2021.

CORPORATE SECURITY POLICY

19 April 2021

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 the Group to ensure the effective protection of people, of hardware and software assets and critical infrastructure, and of information, as well as of the privacy of the data processed, ensuring a reasonable level of security, resilience and compliance.

This *Policy also* confirms the firm commitment of the Company to excellence in the area of security of people, of the hardware and software assets and critical infrastructure of the Group and of information, at all times ensuring that security activities are fully in accordance with the law and scrupulously comply with the provisions of the *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.

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 this commitment, the Group adopts and promotes the following main principles of conduct that must inform all of its corporate security activities:

a) design a preventive security strategy, with a comprehensive vision, the objective of which is to minimise hardware and software security risks, including the

consequences resulting from an act of terrorism, and allocate the resources required for the implementation thereof;

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;

c) guarantee the protection of the professionals of the companies of the Group, both in their workplace and in their professional travel;

d) ensure the adequate protection of information, as well as of the control, information technology and communication systems of the Group, pursuant to the provisions of the *Cybersecurity Risk Policy;*

e) have procedures and tools that allow for actively fighting against fraud and against attacks on the brand and reputation of the Group and its professionals;

f) guarantee 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, in accordance with the provisions of the *Personal Data Protection Policy*;

g) implement security measures based on efficiency standards and that contribute to the normal performance of the Group's business activities;

h) avoid the use of force in the exercise of security, using it solely and exclusively when strictly necessary and always in accordance with the law and in a manner proportional to the threat faced, in order to protect life;

i) promote a culture of security within the Group by means of communication and training activities in this area;

j) ensure the proper qualification of all security personnel, both internal and external, establishing rigorous training programmes and defining hiring requirements and standards that take this principle into account. In particular, train all security personnel in the area of human rights, or ensure that such personnel have received proper training in this area;

k) inform hired security providers of these principles and regularly evaluate their compliance herewith;

l) collaborate with public authorities having responsibility for public security matters and not interfere in the performance of their legitimate duties; and

m) act at all times in compliance with applicable law and within the framework established by the *Code of Ethics* and the other rules of the Governance and Sustainability System.

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This *Policy* was initially approved by the Board of Directors on 23 September 2013 and was last amended on 19 April 2021.

Governance & Sustainability System Chapter V

Corporate Governance - Introduction

The following *Introduction to Chapter V – Corporate Governance* was approved by the Company on 21 September 2021.

SCOTTISHPOWER RENEWABLES

GOVERNANCE AND SUSTAINABILITY SYSTEM
INTRODUCTION TO CHAPTER FIVE - CORPORATE GOVERNANCE

1. The Governance and the Sustainability System constitutes the internal regulatory framework for the Company. It is autonomously established by the Company as its own set of rules defining its purpose and values against which its business strategies and goals are to be set.

2. The Iberdrola Group's corporate policies, as adopted by the Company into its Governance and Sustainability System characteristically aim to consistently and clearly connect the relevant themes in the stated purpose and values to the appropriate action guidelines and criteria prescribed in relation to matters that are identified as generally or specifically important to the decision-making and management of the Company.

3. The corporate policies therefore delineate the amount of discretion that Iberdrola Group directors and employees may exercise in the performance of their duties, i.e. within a framework of respect and observance of human rights, the contribution to the achievement of the United Nations' Sustainable Development Goals (**SDGs**), compliance with Environment, Social and Governance (**ESG**) requirements, goals established by the Paris Agreement and the United Nations' 2030 Agenda for Sustainable Development. It is implicit that any action taken in adherence to these will carry a *prima facie* assumption of suitability and approval pursuant to the *Purpose and values of the Iberdrola Group* and Iberdrola's corporate interest since they are defined to contribute to and fulfil the same aims.

4. In light of the corporate structure and organisation of the Iberdrola Group, its international size and reach in terms of its production, distribution and supply of energy, and the essential nature of the same for the economy and society in general, and the purpose and values defined around them, and given the importance to the consistent internal organisation of the companies of the Group, the corporate governance and compliance policies and rules that apply to the corporate decision-making bodies within the Group, are accordingly designed to give effect to the *Purpose and values of the Iberdrola Group* by aligning those bodies to the sustainability goals defined in those *Purpose and values*.

5. The decisions on strategy and supervision, on administration and management and the development of the business of the Company and of the other companies of its Group thus serve to achieve their goals in the most efficient manner.

6. The policies and rules contained in this chapter five of the Company's Governance and Sustainability System are structured into three categories: (i) corporate governance and regulatory compliance policies; (ii) risk policies; and (iii) rules on governance of the corporate decision-making bodies and of other functions and internal committees.

7. The corporate governance and regulatory compliance policies, which are part of the Iberdrola Group's global sustainable development strategy, play a critical role in its internal organisation and the intended performance of its activities. These policies do not solely provide for corporate structural considerations regarding the Company's position as a sub-holding of a multinational group of companies in which functions of strategy/supervision/group control are critically distinguished from day-to-day administration/management); they are also intended to take into account the Company's integral and inclusive commitment to all of its stakeholders, including shareholders, directors and employees, and in observance of the unconditional legal and ethical framework within which it conducts itself.

8. The Risk policies are those which provide for appropriate preventative and mitigatory actions in connection with all risks which affect the Iberdrola Group's broad scope of business. They are consequently well-developed to cover a wide range of issues, actions, and definitive criteria regarding a broad range of risks, e.g. corporate risks, business risks including financial risks, security risks and reputational risks, etc.

9. The governance rules of the corporate decision-making bodies and of other internal functions establish the rules of operation of the main corporate decision-making bodies of the Company and its Group, in accordance with its status and structuring as a sub-holding company. In terms of the Company's position within the wider corporate structure of the Iberdrola Group (as further described in the *Terms of Reference of the Board of Directors of the Company*), and taking into account the underlying requirement to comply with and implement the *Purpose and Values of the Iberdrola Group*, these rules regulate and provide for the correct operation of the Company, and its internal governance bodies (including the Board of Directors) and committees. They define the establishment, composition, organisation, powers and operating guidelines of those bodies, amongst other things, as well as the powers, duties and obligations of their members amongst other things.

10. In terms of its own conduct as well as that of connected and interested persons, the Company is formally expected to be consistent with and conform to not only all applicable legal and regulatory requirements, but also, the whole body of its own Governance and Sustainability System (as approved, adopted and amended from time to time) which assumes within it the best practices generally accepted in international markets in the areas of good governance and transparency.

11. The corporate governance, regulatory compliance and risk policies, as well as the other rules on governance of the corporate bodies and other functions are binding, insofar as applicable, on those corporate bodies and other internal committees of the Company, its directors, its employees, and, in general, all other persons connected to them or, as the case may be, those who act for or interact with the Company.

12. The ideas, values and principles in these guidelines or protocols for conduct are subject to ongoing updates to adapt them to the ever-changing circumstances in which the Company and its Group operates as an established business. Accordingly, like the other parts of the Governance and Sustainability System, the policies and rules contained in this Chapter Five are subject to a continuous process of review adaptation and improvement in the context of the environment in which the Company and the Iberdrola Group carry out their business, applicable law and best practices.

In Glasgow, on 21 September 2021

The Board of Directors

Corporate Governance

Corporate Governance and & Regulatory Compliance Policies

Chapter V of the Governance & Sustainability System contains the corporate governance policies and rules relating to the Company's (and its Group's) main decision-making bodies, and the corporate administration, management, and development of its business generally. It is divided into three Parts.

Part 1 of this chapter contains the following corporate governance and regulatory compliance policies of the Iberdrola Group as adopted by the Company and its Group, and ScottishPower-specific policies.

The *General Corporate Governance Policy* (dated 16 December 2021) was formally adopted by the Company on 23 March 2022.

The *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation* (dated 16 December 2021) was formally adopted by the Company on 23 March 2022.

The *Brand Policy* (dated 16 December 2021) was formally adopted by the Company on 23 March 2022.

The *Statutory Auditor Contracting and Relations Policy* (dated 25 April 2022) was formally adopted by the Company on 21 June 2022.

The *Iberdrola Group Financial Information Preparation Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Iberdrola Group Non-financial Information Preparation Policy* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

The *Anti-corruption and Anti-fraud Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Crime Prevention Policy* (dated 19 April 2021) was formally adopted by the Company on 22 June 2021.

The *Corporate Tax Policy* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

The *Personal Data Protection Policy* (dated 26 April 2022) was formally adopted by the Company on 21 June 2022.

The *ScottishPower Data Protection Policy* was adopted by the Company on 20 December 2017.

The *ScottishPower Anti-bribery and Corruption Policy* was adopted by the Company on 23 March 2022.

The *ScottishPower Business Separation Policy* was adopted by the Company on 22 November 2021.

The *ScottishPower Political Engagement Policy* was adopted by the Company on 8 June 2018.

The *ScottishPower Competition Law Compliance Policy* was adopted by the Company on 21 September 2021.

References in these documents to Iberdrola, its Group, etc. shall be accordingly construed *mutatis mutandis*.

GENERAL CORPORATE GOVERNANCE POLICY

16 December 2021

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 *General 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 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 the needs and the business reality of the Group:

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 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.

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, intermediaries, managers and 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 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 the Corporate Governance Strategy

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

a) shareholders: the Company considers the effective and sustainable engagement of shareholders in its corporate life to be a primary objective, and proactively seeks two-way interaction with the Company's shareholders in order to encourage their sense of belonging through ongoing and effective 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: the Group duly separates the duties of day-to-day and effective management from those of defining strategy, supervision and control, with a decentralised structure inspired by the principle of "subsidiarity" and respect for the corporate autonomy of the entities 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 and ethical compliance: the Group endeavours to ensure compliance with law and with the ethical commitments made pursuant to the provisions of the *Code of Ethics* and to foster a preventive culture based on the principle of "zero tolerance" in respect of the commission of wrongful acts and on the application of principles of ethical and responsible behaviour by all professionals of the Group.

   For this purpose it has a compliance system consisting of a structured set of rules, procedures and activities intended to ensure the development thereof in accordance with ethical principles and lawfulness, prevent and manage the risk of regulatory or ethical breaches or violations of the Governance and Sustainability System, as well as to contribute to the full realisation of the *Purpose and Values of the Iberdrola group*

and the corporate interest (the "***Compliance System***").

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

The Compliance Unit and the compliance divisions of the other companies of the Group perform their duties in keeping with the principles of cooperation and coordination, and observing the corporate autonomy of all entities of the Group.

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

d) taxation: the Company has a *Tax Policy* based on the concept that the taxes that the Group pays in the countries and territories in which it does business are its main contribution to the funding of public purpose needs and, accordingly, one of its main contributions to society.

The Company's tax strategy basically consists 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

e) 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 the Group.

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 goals and results of the Company and its Group, 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, clarity, 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, reflects 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. 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 the financial community, and to other Stakeholders.

g) the IBERDROLA brand: a hallmark of the Group's identity and one of the Company's strategic assets in the economic, social, environmental and corporate governance dimensions, the Company works to ensures that it is protected and used as a lever contributing to the reputation and success of the Group's businesses.

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.

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:

6. 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.

7. 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.

8. 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.

9. 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 the strategic goals of the Group, 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).

In addition, the Board of Directors has approved a succession plan for the chairman of the Board of Directors & chief executive officer, which shall apply if he gives early notice of his desire to resign from his position, or in the event of non-occasional and unexpected non-availability.

The text of both plans, together with other rules of self-organisation of the Board of Directors, is set out in Annex I to this *Policy*.

Finally, both the chairman of the Board of Directors & chief executive officer as well as the members of senior management and other 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

d) Chairman of the Board of Directors & Chief Executive Officer

The chairman of the Board of Directors carries out the senior management of the Company and is the representative thereof, directs debates and ensures the proper operation of the Board of Directors and of the Executive Committee, which he also chairs.

In his capacity as chief executive officer, he regularly submits the management report to the management decision-making bodies and, if appropriate, makes proposed decisions regarding the matters within their purview.

e) Non-executive vice-chars 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 non-occasional and unexpected vacancy, absence, illness or incapacity in chairing the General Shareholders' Meeting as well as the Board of Directors and the Executive Committee, thus avoiding any possible risk of a temporary power vacuum.

f) 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.

g) 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 regulatory 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 which 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 basic function 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

Within the framework of the provisions of the *Innovation Policy*, 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.

Driven by this 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 of 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 organisation of the Group, which forms an essential part of the Governance and Sustainability System, is comprised of:

d) 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;

e) the country subholding companies, which in turn group together the equity stakes in the Group's head of business companies; and

f) the head of business companies.

This corporate configuration is intended to favour an agile and rapid decision-making process in day-to-day management within the purview of the head of business companies, while at the same time ensuring appropriate coordination at the Group level as a result of the organisational and supervisory duties performed by the Company's country subholding companies.

Based on this corporate structure, the Group's governance model is governed by the principles described below, which duly distinguish between the duties of strategic definition, supervision and control, on the one hand, and day-to-day and effective management, on the other:

2. Vesting within the Board of Directors of powers relating to approval of the strategic goals of the Group, the definition of its organisational model and the supervision of compliance therewith and further development thereof.

3. Assumption by the chairman of the Board of Directors & CEO, with the technical support of the Operating Committee, by the Business CEO, with overall responsibility for all of the businesses of the Group, and by the rest of the management team, of the duty of organisation and strategic coordination within the Group.

4. The function of strategic organisation and coordination is strengthened through the country subholding companies in relation to those countries and/or businesses decided by the Board of Directors.

5. The head of business companies of the Group 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.

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, information and management support to the chairman of the Board of Directors & 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 Group's Business model described above articulate a system

of checks and balances ensuring that neither the chairman of the Board of Directors & CEO nor the Executive Committee have a decision-making power that is not subject to appropriate controls and balances, ensuring that both are under the effective supervision of the Board of Directors.

In particular, the roles of the non-executive vice-chairs and of 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 the supervision, organisation and strategic coordination of the Group.

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This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 16 December 2021.

ANNEX I

Self-organisation Rules of the Board of Directors

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.

Succession Plan for the Chairman of the Board of Directors & Chief Executive Officer

If the chairman of the board of directors & chief executive officer gives early notice of his desire to resign from his position, the succession thereof shall be planned and coordinated 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 chairman & CEO himself.

The committee 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 chairman of the Board of Directors & chief executive officer giving early notice of his desire to resign from his 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 and the ability thereof to lead the development and implementation of the strategic plan in effect. In particular, 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.

In the event of non-occasional or unexpected unavailability of the chairman of the Board of Directors & chief executive officer, the non-executive vice-chair, 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 this meeting shall include the identification of the person temporarily assuming the

duties of chief executive, and the planning of the definitive succession shall be entrusted to a specific committee upon the terms described above.

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:

4. One-half or more of the members of the Board of Directors.

5. One-half or more of the members of the Executive Committee.

6. The chairman and the vice-chairs of the Board of Directors.

7. 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).

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 of 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 Iberdrola 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 Iberdrola group.

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 Iberdrola 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.

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.

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POLICY FOR THE DEFINITION AND COORDINATION OF THE IBERDROLA GROUP AND FOUNDATIONS OF CORPORATE ORGANISATION

16 December 2021

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 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

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 respect, the Group is configured on the basis of the separation between the central role of strategy, supervision and control, on the one hand, and that of day-to-day administration and effective management, providing 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 recognized 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 a holding company of the Group, domiciled in Biscay and with Spanish nationality, from the country subholding companies established in the various territories in which the Group does 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 its activities for all Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations.

4. Definition of the Corporate and Governance Structure

The corporate organisation of the Group, which forms an essential part of the Governance and Sustainability System, is comprised of:

a) the Company, which is configured as a 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 Group's 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 management that is dependent on the head of business companies, while at the same time achieving appropriate coordination at the Group level as a result of the duties of organisation and supervision performed by the Company's country subholding companies.

Based on the corporate structure, the Group's governance model is governed by the principles described below, which duly distinguish between the duties of strategic definition, supervision and control, on the one hand, and day-to-day and effective management, on the other:

a) Vesting within the Company's Board of Directors of powers relating to approval of

the strategic goals of the Group, 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 & chief executive officer, with the technical support of the Operating Committee, by the Business CEO (*director general de Negocios del Grupo*) appointed by the Board of Directors for this duty, with overall responsibility for all of the businesses of the Group, and by the rest of the management team, of the duty of organisation and strategic coordination within the Group through the dissemination, implementation and monitoring of the overall strategy and the basic management guidelines established by the Board of Directors.

c) The function of strategic organisation and coordination is strengthened through the country subholding companies. These entities group together the equity stakes in the Group's head of business companies and carry out the function of organisation and coordination in relation to such countries and/or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with the policies, strategies and general guidelines of the Group based on the characteristics and unique aspects of their respective countries and/or businesses.

One of the main functions of the country subholding companies is to centralise the provision of services common to the 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.

In order to specify the application of the Governance and Sustainability System based on applicable law in each country, 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 at the country and/or business level, as applicable, of the content of the basic policies or guidelines approved by the Board of Directors of the Company 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 independent director as well as audit and compliance committees, in addition to their own internal audit and regulatory compliance units or divisions.

The CEOs of each country subholding company, appointed by their respective boards of directors, shall promote the specific application of the corporate policies and of the basic management guidelines at the country level, proposing the annual targets and budget, with the ability to represent their respective companies before domestic institutions, and perform such other duties as are determined by each boards of directors, always acting under the supervision thereof.

d) The listed country subholding companies of the Group 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 corporate 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 the Company 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 of the Group 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 include independent directors where appropriate, and their own management decision-making bodies; they may also have their own audit committees, internal audit areas and compliance units or divisions.

The CEOs 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 business objectives and annual budgets within the framework of the Group's general business strategy.

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.

In addition, the Company's Appointments Committee reports on or proposes the appointment and removal of the independent directors of both the unlisted country subholding companies and the companies within the Group whose direct or indirect owner is not a country subholding company. In order to report on or propose said resolutions on appointment and removal, it takes into account the independent judgement of the candidate to respond to the corporate interest of the company in which the position will be held. In addition, the Company's Appointments Committee acknowledges the appointment and

removal of the independent directors of companies within the Group that are subsidiaries of the unlisted country subholding companies.

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 in turn allows for global integration of the businesses in accordance with the Group's Business Model, which is focused on maximising the operational efficiency of the various business units and ensures the dissemination, implementation and monitoring of the overall strategy and the basic management guidelines established for each business, primarily through the exchange of best practices among the various companies of the Group without detracting from independence in decision-making by each of them and the demands imposed upon their directors by law.

As part of the Group's Business Model, the Company, together with the corporate functions and the supervision and regulatory control functions, promotes the creation and operation of global committees in the interest of each of the businesses in order to maximise the generation of synergies and the exploitation thereof by all of the companies of the Group. These committees are authorised to approve global guidelines and recommendations, propose initiatives for improvement, favour the exchange of best practices and support the Business CEO and those responsible for the businesses in the performance of their duties of coordination and supervision.

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, information and management support to the chairman of the Board of Directors & CEO, in order to facilitate the development of the Group's Business Model.

7. Duties of the 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 and the Group's 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;*

b) endeavour to ensure that the corporate and governance structure as well as the Group's 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 Group's social and cultural reality;

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 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 in the Group that have outside shareholders with the policies and strategies of the Group;

i) introduce appropriate strategic coordination mechanisms in the interest of the Company and of the companies within the Group, pursuant to the Group's 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 the transparency of the Group; 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 of the Group, 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.

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. Entities in the nature of foundations

The country subholding companies may entrust the implementation of the sustainable development strategy to various entities in the nature of 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 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. They receive annual funding corresponding to their functions.

The Company has a Foundations Committee of the Iberdrola Group, an internal consultative body without executive duties, created to ensure the proper coordination of said entities in the nature of 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 entities in the nature of 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 of the Group 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 country and/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 Group and its environmental, social and corporate governance position, and promote its relations with society in general and with the other relevant Stakeholders, fostering their engagement and strengthening their sense of belonging.

Entities in the nature of foundations linked to the Group having agreements with the country subholding companies for the implementation of the sustainable development strategy in their respective country contributes to improving relations and dialogue with the Company's Stakeholders, without prejudice to the autonomy and independence of said entities to achieve their purposes.

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This *Policy* was initially approved by the Board of Directors on 18 December 2007 and was last amended on 16 December 2021.

BRAND POLICY

16 December 2021

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***").

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.

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.

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 the 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 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, and fosters engagement in corporate life by the shareholders and other Stakeholders, forges a sense of belonging, and contributes to the alignment of their interests with those of the Company.

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.

Use of the Brand

The Company may license the use of the IBERDROLA brand to all of the companies of the Group and to the entities in the nature of foundations linked to the Group. All 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. 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.

Entities licensing the IBERDROLA brand must use it 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 of the relevant brand licensing agreement.

Any use of the IBERDROLA brand that differs from the provisions of the *IBERDROLA Brand Usage Guide* must be authorised in advance pursuant to the provisions of said guide.

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.

Entities licensing the IBERDROLA brand shall ensure that said use 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 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.

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 risk the reputation of the Group 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.

Protection of the Brand

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 the Group is or expects 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.

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This *Policy* was initially approved by the Board of Directors on 22 June 2015 and was last amended on 16 December 2021.

STATUTORY AUDITOR CONTRACTING AND RELATIONS POLICY

25 April 2022

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 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.

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:

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.

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 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 given 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.

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 businesses of the Group, of the Finance, Control and Corporate Development and Internal Assurance and Risk Management Divisions and of the Internal Audit Area, well as of any other member of the management team of the Group 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.

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This *Policy* was initially approved by the Committee on 23 November 2005 and was last amended on 25 April 2022.

IBERDROLA GROUP FINANCIAL INFORMATION PREPARATION POLICY
19 April 2021

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**");

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.*

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This *Policy* was initially approved by the Board of Directors on 24 July 2018 and was last amended on 19 April 2021.

IBERDROLA GROUP NON-FINANCIAL INFORMATION PREPARATION POLICY

26 April 2022

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 Group and its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations, 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***").

6. 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.

7. Scope

This *Policy* shall apply 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.

8. 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 principles, standards and guidelines that must guide the preparation of the Consolidated SNFI, which shall be further developed and specified by the Corporate Social Responsibility and Analysis Division 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 (iii) shall submit its report to the Board of Directors, prior to the preparation thereby 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 thereby of its report and the preparation by the Board of Directors of the Consolidated SNFI; and (iv) shall propose the appointment of and shall maintain communications with the independent assurance provider;

e) the Company's Corporate Social Responsibility and Analysis Division shall prepare the Consolidated SNFI in accordance with the provisions of the general principles, standards and guidelines defined by the Sustainable Development Committee and the *Guide;*

f) the management decision-making bodies of the country subholding companies 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 Corporate Social Responsibility and Analysis Division pursuant to the provisions of the *Guide;*

g) 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 committees) and, in the case of Avangrid, Inc. only, its Compensation, Nomination and Corporate Governance Committee, 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 Corporate Social Responsibility and Analysis Division to approve the interpretive criteria for the standards applied in the preparation of the Consolidated SNFI pursuant to the standards 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 and for assurance thereof by the independent assurance provider.

9. Process of Preparing the Group's Non-Financial Information

Before the beginning of each financial year, the Office of the Secretary of the Board of Directors of the Company shall inform the Corporate Social Responsibility and Analysis Division of the date expected for the adoption of the resolution to formulate the Consolidated SNFI.

The Corporate Social Responsibility and Analysis Division shall communicate to the management decision-making bodies of the country subholding companies the deadlines for submitting the non-financial information for the preparation of the Consolidated SNFI corresponding to their respective subgroups.

Said notice shall be coordinated with the requests for financial information made by the Company's Administration and Control Division 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 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, and particularly in order for the 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 (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), following a report from their respective audit and compliance committees, and in the case of Avangrid, Inc. only, from its Compensation, Nomination and Corporate Governance Committee, shall prepare and approve the non-financial information for consolidation corresponding to the subgroup thereof and shall send it to the Company's Corporate Social Responsibility and Analysis Division 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.

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This *Policy* was initially approved by the Board of Directors on 21 July 2020 and was last amended on 26 April 2022.

ANTI-CORRUPTION AND ANTI-FRAUD POLICY

19 April 2021

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, 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*.

In the area of crime prevention, the principles contained in this *Policy* take specific shape in the *Crime Prevention Policy*.

1. Purpose

The purpose of this *Policy* is to convey to all members of the management team and the professionals of the companies belonging to the Group, as well as to third parties establishing relations therewith, an unambiguous message of opposition to corruption and fraud in all of their manifestations, and the Group's desire to combat them in all of its activities, thereby contributing to the achievement of compliance with goal sixteen of the Sustainable Development Goals (SDGs) approved by the United Nations.

The *Crime Prevention Policy*, together with this *Policy*, shows the Group's commitment to unwavering vigilance and punishment of acts and conduct that are fraudulent or that facilitate corruption in any of its forms, the maintenance of effective mechanisms for communication 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 all members of the management team and the professionals of the Company and of the other entities within the Group as well as of investee companies not belonging to the Group over which the Company has effective control, within the limits established by law.

The Group has a governance model in which the head of business companies assume executive responsibilities on a decentralised basis, enjoy the independence necessary to carry out the day-to-day administration and effective management of each of the businesses and are assigned the responsibility for the day-to-day control thereof through their respective boards of directors and management decision-making bodies, which, with the supervision of the Compliance Unit and other competent bodies, ensure the implementation and the monitoring of the action principles set forth in this *Policy*, without prejudice to appropriate

coordination at all levels within the Group. This model is complemented with the existence of country subholding companies that group together the equity stakes in the Group's head of business companies and carry out the function of organisation and coordination in relation to such countries and/or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with the policies, strategies and general guidelines of the Group based on the characteristics and unique aspects of their respective countries and/or businesses.

The listed country subholding companies and their subsidiaries, pursuant to their own special framework of strengthened autonomy, may approve their own anti-corruption and/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, said policies 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.

The country subholding and head of business companies may also adopt policies and rules that develop and adapt the principles contained in this *Policy* to the particular nature of each jurisdiction or business, reporting them to the Company's Compliance Unit. Members of the management team and professionals of the Group who are also subject to other policies, rules or principles, whether applicable to a particular industry or deriving from the national laws of the countries in which they carry out their activities, shall also be bound thereby. Appropriate coordination shall be established in order to ensure that such policies, rules or principles are consistent with the principles set out in this *Policy*.

Furthermore, all persons acting as representatives 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 its principles at the companies and entities at which they represent the Group.

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 main principles of conduct on which this *Policy* is based are described below:

a) the Group does not tolerate, permit or become involved in any kind of corrupt practice, including extortion and bribery, in the conduct of its business activities, either in the public or in the private sector.

b) the Company fosters a preventive culture based on the principle of "zero tolerance" towards corruption in the businesses in all its forms, as well as towards the commission of other wrongful acts and in fraud matters, and promotes the application of principles of ethical and responsible behaviour by all professionals of the Group, irrespective of their level and the country where they work.

   This principle of "zero tolerance" towards corruption in the businesses is of an absolute nature and takes precedence over the possibility of obtaining any type of financial or other benefit for the Group or its professionals when based on a business

or transaction that is unlawful or contrary to the principles set out in the *Code of Ethics.*

c) relations between the professionals of the Group and any government administration, authorities, public officials or other persons who participate in the exercise of public functions, as well as political parties and similar institutions shall in any event be governed by the principles of cooperation, transparency and honesty.

The companies of the Group have specific procedures to prevent any conduct that might be considered an act of corruption, the application of which is supervised by the Compliance Unit and the compliance divisions of the companies of the Group.

d) the professionals of the Group participate in appropriate training programmes, both in person and online or by any other appropriate method, 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 Group shall receive specific training regarding the *Code of Ethics* to prevent any instance of fraud and corruption in any form.

e) the companies of the Group promote a transparent environment, maintaining appropriate internal channels to favour the communication of possible improprieties, including the use of the channel of communication with the Company's Audit and Risk Supervision Committee to report potential financial or accounting improprieties, and the ethics mailboxes, which allow the professionals of the Group, suppliers and shareholders of the Company to communicate conduct that may entail a breach of the Company's Governance and Sustainability System or the commission by a professional of the Group of an act contrary to the law or the Governance and Sustainability System, including the rules of conduct of the *Code of Ethics*.

f) the Group undertakes not to engage in any direct or indirect retaliation against persons who have used the channels referred to above or by any other means to report the commission of any improper conduct or any act contrary to law or the Governance and Sustainability System, including the rules of conduct of the *Code of Ethics*, unless they have acted in bad faith.

g) the risks associated with fraud and corruption are duly identified, assessed and mitigated with appropriate controls and procedures in all the Group's activities, and particularly in all transactions involving third-party relationships.

h) the Group's relationship with its suppliers is based on legality, business ethics, efficiency, transparency and honesty. Ethical and responsible behaviour is one of the pillars of the Group's conduct, and its suppliers must comply with the Group's policies, rules and procedures in connection with the prevention of corruption in all of its forms, including, extortion and bribery. No supplier of the Group shall offer or give government officials, authorities, third parties or any professional of the Group, within the context of the business activity carried out for or on behalf of the Group, whether directly or indirectly, gifts, presents or other 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.

4. Review

The Sustainable Development Committee shall periodically 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 Unit or the professionals of the Group.

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This *Policy* was initially approved by the Board of Directors on 20 December 2016 and was last amended on 19 April 2021.

CRIME PREVENTION POLICY

19 April 2021

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 Company (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 consistently with its culture of prevention of improprieties, the Board of Directors hereby approves this *Crime Prevention Policy* (the "***Policy***").

5. Purpose

This *Policy* is intended to convey to all members of the management team and professionals of the companies belonging to the Group, as well as to third parties establishing relations therewith, an unambiguous message of opposition to the commission of any wrongful criminal acts and the desire of the Group to combat them and to guard against any possible erosion of its image and its reputational value and, ultimately, of the price of its shares and the value of the Company's brand.

The *Anti-Corruption and Anti-Fraud Policy*, together with this *Policy*, shows the Group's commitment to unwavering vigilance and the punishment of improper or illegal acts and conduct, the maintenance of effective mechanisms for communication and awareness-raising among all professionals, and the development of a corporate culture of ethics and honesty.

6. Scope of Application

This *Policy* applies to all members of the management team and the professionals of the Company and of the other entities within the Group, as well as of investee companies not belonging to the Group over which the Company has effective control, within the limits established by law.

The Group has a governance model in which the head of business companies of the Group assume executive responsibilities on a decentralised basis, enjoy the independence necessary to carry out the day-to-day administration and effective management of each of the businesses and are assigned the responsibility for the day-to-day control thereof through their respective boards of directors and management decision-making bodies, which, with the supervision of the Compliance Unit and other competent bodies, ensure the implementation and the monitoring of the action principles set forth in this *Policy*, without prejudice to appropriate coordination at all levels within the Group. This model is complemented with the existence of country subheading companies that group together the equity stakes in the Group's head of business companies and carry out the function of organisation and coordination in relation to such countries and/or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with the policies, strategies and general guidelines of the Group based on the characteristics and unique aspects of their respective countries and/or businesses.

The listed country subholding companies and their subsidiaries, pursuant to their own

special framework of strengthened autonomy, may approve their own crime prevention policy applicable to each of said companies and its subsidiaries to comply with the requirements applicable thereto due to its status as a listed company. In any event, said policies 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.

The country subholding and head of business companies may also adopt policies and rules that develop and adapt the principles contained in this *Policy* to the particular nature of each jurisdiction or business. Members of the management team and professionals of the Group who are also subject to other policies, rules or principles, whether applicable to a particular industry or deriving from the national laws of the countries in which they carry out their activities, shall also be bound hereby. Appropriate coordination shall be established in order to ensure that such policies, rules or principles are consistent with the principles set out in this *Policy*.

Furthermore, all persons acting as representatives of the Group at companies and entities not belonging thereto shall, to the extent possible, promote the implementation of specific and effective programmes for the prevention of crimes similar to those of the companies of the Group.

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.

7. Main Principles of Conduct

The main principles of conduct on which this *Policy* is based are described below:

i) integrate and coordinate a set of actions required to prevent and combat the possible commission of wrongful acts by any professional the Group as a basic pillar of the *Policy*, in line with the *Anti-Corruption and Anti-Fraud Policy*, the *General Risk Control and Management Policy* and the *General Sustainable Development Policy*.

j) create a transparent environment, integrating the various systems developed to prevent crimes and maintaining appropriate internal channels to favour the communication of possible improper acts, including the use ethics mailboxes, which allow professionals of the Group, suppliers and shareholders of the Company to report potential financial or accounting improprieties and to communicate other conduct that may entail a breach of the Governance and Sustainability System or the commission by a professional of the Group of an act contrary to the law or to the rules of conduct of the *Code of Ethics*.

k) act at all times in compliance with applicable law and within the framework established by the *Code of Ethics*, as well as pursuant to the internal rules and regulations of the Company.

l) foster a preventive culture based on the principle of “zero tolerance” in respect of the commission of wrongful acts and on the application of principles of ethical and responsible behaviour by all professionals of the Group, irrespective of their level and

the country where they work.

m) within the drive for this culture of prevention, foster processes of self-control in the activities and decision-making of the members of the management team and workforce, such that any action of a Group professional is based on four basic premises: (i) that it is ethically acceptable; (ii) that it is legally valid; (iii) that it is desirable for the Company and the Group; as well as (iv) that the professional is prepared to assume responsibility therefor.

n) ensure that the Compliance Unit has the physical and human resources required to efficiently and proactively monitor the operation and observance of this *Policy*, without prejudice to the responsibilities assigned to other decision-making bodies and divisions of the Company and, if appropriate, the administrative and management bodies of the country subholding companies and head of business companies of the Group.

o) develop and implement appropriate procedures for the control and comprehensive management of crime prevention at all companies of the Group.

p) keep the focus on proactive activities, such as prevention and detection, rather than on reactive activities, such as investigation and punishment.

q) investigate any claim of an allegedly criminal act or improper act, regardless of the amount thereof and as soon as practicable, guaranteeing confidentiality in respect of the reporting party and the rights of the persons investigated. In addition, the companies of the Group shall provide all assistance and cooperation that may be requested by judicial and administrative bodies and domestic or international institutions and entities to investigate allegedly criminal or improper acts that may have been committed by their professionals.

r) seek a fair, non-discriminatory and proportional application of penalties as provided by applicable law from time to time.

s) notify all professionals of the Group of their duty to report any act amounting to a possible criminal offence or improper act of which they have evidence, through the channels established in this regard.

t) implement appropriate training programmes, both in person and online or by any other appropriate method, for professionals of the Group regarding the duties imposed by applicable law or established by the Group's internal rules, with a frequency sufficient to ensure that the knowledge of their professionals regarding crime prevention is kept up to date.

u) impose disciplinary penalties in accordance with the provisions of law applicable at any time for conduct that contributes to preventing or impeding the discovery of crimes as well as the breach of any specific duty to inform the control bodies of violations that may have been detected.

8. Crime Prevention Programmes

To further develop this *Policy*, the Company, through the Compliance Unit and other competent bodies, has implemented a specific and efficient programme to prevent the commission of crimes (as a set of measures designed to prevent, detect and react to possible crimes), which shall also cover the prevention and control of administrative violations and

serious improprieties, all within the framework of the process of revision and adjustment to the provisions of the Spanish Criminal Code after the inclusion of criminal liability for legal entities, without prejudice to the laws and regulations applicable in any other jurisdiction in which the Company carries out its activities. Furthermore, the other companies of the Group have implemented similar programmes to prevent the commission of crimes.

The purpose of such programmes is, on the one hand, to assure third parties and judicial and administrative authorities that the companies of 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 therefore exercise over their directors, members of the management team, professionals and other subordinates, based on its governance model, such proper control as is legally required thereof, including the monitoring of possible situations of crime risk that may arise within the their scope of action, even in those cases in which the attribution of such situations to a specific person is not possible; and on the other hand, to strengthen the existing commitment to combat crimes, particularly all forms of fraud and corruption.

The programmes include action and supervision protocols designed to reduce the risk of commission of criminal wrongs and improper acts in general (conduct that is illegal or contrary to the Governance and Sustainability System, including the *Code of Ethics*), supplemented by effective and permanent control systems that may be updated as required.

9. Control, Evaluation and Review

a) Control

The Compliance Unit shall be responsible for controlling the implementation, development and fulfilment of the *Crime Prevention Programme* of the Company and of those 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 to supervise the implementation, development and fulfilment of similar programmes at the other companies of the Group, without prejudice to the responsibilities assigned to other bodies and divisions of the Company and, if applicable, to the administrative and management bodies of the country subholding companies and head of business companies of the Group.

For such purposes, the Compliance Unit shall have the power of initiative and control required to oversee the operation, effectiveness and observance of this *Policy*, ensuring that the crime prevention programmes respond to the needs and circumstances of each of the companies of the Group at all times.

The foregoing is without prejudice to such bodies or units specifically focusing on the prevention and control of criminal activities as it may be necessary or advisable to create at other companies of the Group in order to comply with the industry-specific or national laws of the countries in which they carry out their activities, with which relations shall be established for coordination purposes as appropriate pursuant to the respective applicable law.

b) Evaluation

At least once per year, the Compliance Unit shall evaluate the observance and effectiveness of the Company's *Crime Prevention Programme*. At least once per year, the compliance divisions of the country subholding and head of business

companies of the Group shall also evaluate the observance and effectiveness of their respective crime prevention programmes. In any event when significant violations of the programmes become evident or there are changes in the organisation, the structure of control or the activities carried out by the companies of the Group, there shall be an assessment as to whether a modification thereof is appropriate.

c) Review

The Sustainable Development Committee shall periodically review this *Policy* 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 Unit or the professionals of the Group.

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This *Policy* was initially approved by the Board of Directors on 14 December 2010 and was last amended on 19 April 2021.

CORPORATE TAX POLICY

26 April 2022

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 Group pays in the countries and territories in which it does business are its main contribution to sustaining public expenditures and, accordingly, one of its contributions to society and to the achievement of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations.

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

Compliance by the Group with its tax obligations and its relations with tax authorities shall be governed by the following main principles of conduct, the application of which corresponds to each of the companies of the Group in accordance with the standards set out in section 5 below:

g) compliance with tax rules in the various countries and territories in which the Group operates, paying all taxes due in accordance with the legal system.

h) 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 the activities of the Group.

i) 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 the Group's business risks.

j) 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.

k) 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.

l) 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 Group assumes the following good tax practices:

a) not to use artificial structures unrelated to the Group's business for the sole purpose of reducing its 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 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 and 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 in which the companies of the Group do business, taking into account the Group's specific needs and circumstances.

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 Group 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 Group has 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.

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 provisions of the Group's corporate and governance structure:

a) With respect to the Company

The Board of Directors of the Company is responsible for the coordination, within legal limits, of the overall management strategies and guidelines of the Group, acting in furtherance of the interests of each and every one of the companies forming part thereof, while the chairman of the Board of Directors & CEO and the members of senior management of the Company are responsible for the organisation and coordination of the Group, by means of the dissemination and implementation of and compliance with the general strategies and policies established by the Board of Directors.

In accordance with the foregoing, the Board of Directors of the Company, through its chairman & CEO and 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, coordinating and supervising compliance, in the respective countries and/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 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 country and/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.

The Company's Global Tax Division 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*.

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.

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This *Policy* was initially approved by the Board of Directors on 14 December 2010 and was last amended on 26 April 2022.

PERSONAL DATA PROTECTION POLICY

26 April 2022

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 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 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 of any systems and platforms that allow access by Group professionals 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 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.

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, 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, 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, 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, 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; and (ii) coordinate with the Corporate Security Division any activity that 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 in the approval of rules in the area of cybersecurity and data protection.

6. Control and Evaluation

a) Control

The Corporate Security Division, or the division assuming the duties thereof, 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 any division assuming the duties thereof, 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.

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This *Policy* was initially approved by the Board of Directors on 15 December 2015 and was last amended on 26 April 2022.

SCOTTISHPOWER
CORPORATE SECURITY
Nov / 2017

ScottishPower
Data Protection Policy

In accordance with the Scottish Data Protection Policy ("the policy") and the Global Personal Data Protection Framework of the Iberdrola Group *[https://www.iberdrola.com/wcorp/gc/prod/en_US/corporativos/docs/personal_data_protection_policy.pdf]* (the "**Group Policies**"), the purpose of this ScottishPower Data Protection Policy and the Policies (as defined below) is to: (i) implement the principles set out in the Group Policies at local level; and (ii) develop local internal procedures to meet the requirements of local UK data protection laws which apply to the conduct of business by the ScottishPower Group ("**ScottishPower**").

Policy Objective

Everyone has rights with regard to the way in which their personal information is handled. During the course of its activities, ScottishPower collects, stores and processes personal information about its customers, suppliers, employees and other third parties. ScottishPower recognises that the correct and lawful treatment of this information will maintain confidence in the organisation and will provide for successful business operations.

In accordance with the Group Policies, ScottishPower has designed a range of local policies, procedures and guidance documents to protect the security and ensure the integrity of information held by ScottishPower which are listed below (the "**Policies**").

ScottishPower's Board of Directors and senior management team expect all employees, contractors, suppliers and third parties to fully comply with the Policies, and failure to do so may result in disciplinary action.

Personal Data

The Policies relate to the protection of personal information. This is any information or data from which a living individual can be recognised. Common examples of personal data held by ScottishPower includes: customer contact details, customer financial information, credit check information for both customers and employees, prospective employee application information, employee personnel records and details for individuals at suppliers and other third parties that ScottishPower may work with.

In certain circumstances, ScottishPower may also hold more sensitive personal data, which includes information about an individual's physical or mental health or condition, their racial or ethnic origin, their religious views / beliefs, sexual orientation, trade union membership and criminal background.

UK Data Protection Laws

Current data protection laws for the UK are contained in the Data Protection Act 1998, however this is due to be replaced on 25 May 2018 by the General Data Protection Regulation ("**GDPR**").

The GDPR brings into force a number of changes in the law regarding the protection of personal data, in light of the changing role of personal data in our society driven by the use of new technologies.

While the protection of personal information has long been a priority for ScottishPower, the GDPR will place data protection at the heart of ScottishPower's culture going forward. As a result of a requirement under the GDPR, ScottishPower must be able to demonstrate its compliance with data protection laws. In particular, ScottishPower will need to be accountable for demonstrating compliance with key

data protection principles enshrined in the legislation. Failure to do so will have severe consequences for the business including regulatory penalties and also reputational harm.

Data Protection Principles & Rights

As referred to above, ScottishPower needs to be able to account for its compliance with the following fundamental data protection principles:

1. Personal data should be processed lawfully, fairly and in a transparent manner.
2. Personal data should be collected for specified, explicit and legitimate purposes and not processed in a manner that is incompatible with those purposes.
3. Personal data should be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
4. Personal data should be accurate and, where necessary, kept up to date.
5. Personal data should be kept for no longer than is necessary for the purposes for which they are processed.
6. Personal data should be processed in a manner that ensures appropriate security of the personal data.

ScottishPower is also required to ensure that personal data is processed in accordance with the following rights that all individuals have in respect of their personal data:

- The right to access a copy of their personal data.
- The right to have any inaccuracies in their personal data rectified.
- The right to have their personal data erased in certain circumstances (such as where the personal data no longer needs to be processed in relation to the purposes for which they were collected).
- The right to have the processing of their personal data restricted in certain circumstances (such as where the personal data does not need to continue to be processed but the individual does not want their data to be permanently erased).
- The right to receive personal data provided by them to ScottishPower in an easily-portable format, and to have that information transmitted to another party in certain circumstances e.g. when asked by a customer to transfer the data to another energy provider we would provide the data in a format that is machine readable
- The right to object to certain types of processing (such as profiling).
- The right not to be subject to a decision based solely on automated processing of personal data.

There are also rules which require ScottishPower to only allow personal data to be processed outside the European Economic Area if certain conditions are in place, to help ensure the security of processing in areas not subject to the GDPR.

Implementation & Monitoring

ScottishPower's Data Protection Officer is Philomena Wilkes, who can be contacted at dataprotection_corporate@scottishpower.com. The Data Protection Officer is responsible for the day-to-day oversight of the Policies, and is responsible for monitoring and reporting compliance with the Policies to ScottishPower's Board of Directors. The Data Protection Officer is also responsible for liaising with the UK Information Commissioner's Office ("**ICO**") regarding ScottishPower's data protection compliance and accountability.

Different departments within ScottishPower will have different data protection responsibilities, however, our Customer Service, HR, Marketing and Legal departments are likely to be most impacted. If you are uncertain of your data protection responsibilities, you should speak to your line manager in the first instance, or if they are unavailable please contact the Data Protection Officer.

Report a Concern & Security Incidents

ScottishPower faces significant repercussions if it fails to comply with its data protection obligations. Under the GDPR, these repercussions will be more severe, as the ICO will have greater statutory powers and authority to issue significant fines for data protection breaches.

If you have breached the Policies or have any concerns regarding compliance with the Policies, if you become aware of a data security incident, or if you receive correspondence from an individual about exercising their data protection rights, you should **immediately** contact the Data Protection Officer at the details noted above. Failure to comply with the terms of the Policies may result in appropriate disciplinary action being taken.

The Policies

All employees, contractors, suppliers and third parties must fully comply with the:

- Information Management Rule
- The Cyber Security Rules

More information about the UK's data protection laws can also be found at the ICO's website: https://ico.org.uk/.

Anti-Bribery and Corruption Policy

ScottishPower Compliance Division

SUSTAINABLE, ETHICAL WORKING

Prepared:	Reviewed:	Approved:
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ScottishPower Compliance Division	ScottishPower Chief Compliance Officer	Scottish Power Limited Board of Directors

Date of document: 14th February 2022

SCOTTISHPOWER

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Version Control

VERSION	AUTHOR	PURPOSE	DATE
1.0	SP Compliance Division	Final approved version following annual review and update of content.	July 2019
2.0	SP Compliance Division	Implementation of document management principles, and annual review and update of content.	October 2020
2.1	SP Compliance Division	Updated contact details for reporting a concern.	August 2021
3.0	SP Compliance Division	Annual review and update of content following external benchmarking and best practice exercise.	February 2022

1. Purpose

At ScottishPower (the "Company") we take a zero-tolerance approach to bribery and corruption and we are committed to the highest standards of ethical conduct and integrity in all our business activities. These principles are established in the Iberdrola Group Code of Ethics and the Iberdrola Anti-Corruption and Anti-Fraud Policy.

The ScottishPower Anti-Bribery and Corruption Policy (the "Policy") sets out those principles, explains how they are applied within the Company, and encourages and provides guidance for reporting of any suspected breaches.

2. Scope

The Policy applies to all individuals working at all levels of the Company, including directors, officers, managers, employees (whether temporary or permanent), and contractors, and to any third party working on the Company's behalf, including all relevant suppliers, contractors, and business partners.

The Policy extends to all business dealings and transactions in the UK, and in all countries in which the Company, or its subsidiaries and associates, operate.

The ScottishPower Compliance Division is responsible for the day to day oversight of the Policy. The Chief Compliance Officer is the Senior Officer responsible for the Policy who will monitor and report on compliance with the Policy and the overall Compliance and Ethics programme to the Scottish Power Limited Board of Directors, the Scottish Power Limited Audit and Compliance Committee, and the Group Compliance Unit.

3. Bribery and Corruption Defined

Bribery is an inducement or reward offered, promised, or provided, to improperly gain any commercial, contractual, regulatory, or personal advantage. For example, giving someone money or offering a job in return for favours or special treatment.

The UK Bribery Act 2010 came into force on 1 July 2011 and there are serious consequences, including imprisonment and unlimited fines, for individuals and companies found to be non-compliant with the Act. There are four key offences under the UK Bribery Act 2010:

- Offering, promising, or giving a bribe;
- Requesting, agreeing to receive, or accepting a bribe;
- Bribing a foreign public official; and
- Failure of commercial organisations to prevent bribery.

Corruption is any 'dishonest or illegal behaviour that is aimed at gaining an improper advantage. Corruption can typically include activities such as theft, mis-reporting, embezzlement or financial crimes such as money laundering, tax evasion or terrorist financing.

4. Anti-Bribery & Corruption Principles

ScottishPower is committed to the following key Anti-Bribery and Corruption principles:

DOING BUSINESS

- We will carry out business fairly, honestly and openly;
- Facilitation or 'grease' payments and kickbacks, whether legal or not in a country, are prohibited. Employees must notify the Compliance Division when they identify any kind of request for a facilitation payment:
    - Facilitation or 'grease' payments are a type of bribe. They are usually defined as payments made to expedite or facilitate the performance of a routine transaction or service; and
    - Kickbacks are an illegal payment intended as compensation for preferential treatment, to induce a purchase or improperly influence future purchases.
- We do not allow employees to accept money, gifts, hospitality and other advantages from business associates, actual or potential suppliers, or service providers which are intended or could be seen to influence a business decision or transaction;
- A central register is in place to record gifts, hospitality and conflicts of interest, to ensure appropriate transparency and oversight;
- We will not give or offer any money, gift, hospitality or other advantage to any person carrying out a business or public role in the UK or abroad, or to a third party associated with that person, to get them to do something improper or to improperly influence them to our business advantage; and
- No employee will suffer demotion, penalty, or other adverse consequence for refusing to pay bribes, even if it may result in ScottishPower losing business.

PUBLIC OFFICIALS

- All interactions with public officials must comply with this Policy, the Company's Code of Ethics, and with all applicable laws, rules, and regulations.
    - A public official may include anyone, regardless of rank or title, who exercises a public, administrative, or judicial function. This includes anyone who works with, on behalf of, or for:
        - A government, a government agency, a local or public authority;
        - A political party, politician or individual engaged in politics;
        - A person who works for a public international organisation (for example, the United Nations or the World Bank);
        - An employee of a state-owned company; or
        - A close relative of any of the above.

If in any doubt, contact the Compliance Division.

- You must ensure that you maintain the principles of transparency, openness, and honesty in dealing with any public officials. Regardless of the intent, all employees and third parties must be sure that they do not act in any way that could even create the appearance of any impropriety.
- ScottishPower does not support individual politicians or officials, and does not make contributions to political parties, organisations or individuals engaged in politics as a way of obtaining an advantage in business.
- ScottishPower recognises that there can be legitimate business reasons for supporting events and other activities of public officials. The amounts involved in such support should be reasonable, and any payment for such an event must be made direct to the political party or organisation, rather than to an individual.
- If you engage directly with politicians or government agencies or are speaking at an event attended by politicians, you must inform the Government Affairs team as soon as possible, in line with the ScottishPower Political Engagement Policy.

THIRD PARTIES

- If a third party does not commit to doing business without bribery, then we will not work with them;
- Third parties are not permitted to offer or provide any money, gift, hospitality or other advantage in order to secure benefits for themselves or the Company when carrying out business connected with ScottishPower;
- We will not use intermediaries or contractors for the purpose of committing acts of bribery;
- We will carry out appropriate risk assessment and due diligence on third parties and maintain a record of this process;
- We will include appropriate anti-bribery and corruption clauses within our contractual arrangements; and
- We expect our third parties to endorse and abide by the principles of this Policy and ensure equal standards are upheld within their subcontractor populations.

MONITORING AND AWARENESS

- We will undertake a bribery and other financial crime risk assessment regularly to ensure the appropriate management of risk. The results of the risk assessment will be documented and retained for record keeping purposes; and
- Employees will be provided with appropriate training in this area.

Failure to comply with any provision of this Policy is a serious violation. Any employee found to be in breach of these principles will face disciplinary action.

5. Control, Evaluation and Review

The ScottishPower Compliance Division shall review the contents of the Anti-Bribery & Corruption Policy on an annual basis, ensuring that the policy reflects the recommendations and best international practices in effect, and shall propose to the Board those amendments and updates that contribute to the development and ongoing improvement of the policy.

This Policy was last approved by the Scottish Power Limited Board on 14th February 2022.

6. Further Information and Guidance

The following supplementary policies are available for ScottishPower employees on the SP Compliance Division area of the ScottishPower intranet portal:

- Code of Ethics;
- ScottishPower Code of Conduct and Disciplinary Rules;
- The Anti-Bribery and Corruption procedures established by the Compliance Division; and
- Speaking Out Guidelines.

7. Reporting A Concern

It is the responsibility of all Employees and Third Parties to prevent, detect, and report bribery and corruption. Any concerns relating to a breach of this Policy should be reported in one of the following ways:

- ScottishPower Chief Compliance Officer - Pamela Mowat
- Business Compliance Officers:
  - SP Energy Networks - June Dickson
  - SP Renewables - Amanda Henderson
  - Liberalised - Sean Tierney
- Compliance division mailbox (compliancedivision@scottishpower.com);
- The Ethics Helpline reporting option on the ScottishPower Employee Portal.

ScottishPower will not tolerate any form of discrimination, harassment or retaliation against any person who raises a concern in good faith or refused to participate in conduct that would violate law or this Policy.

ScottishPower Compliance Division

SUSTAINABLE, ETHICAL WORKING

Business Separation Policy

<6th October 2021>

Prepared:	Reviewed:	Approved:
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ScottishPower Compliance Division	ScottishPower Chief Compliance Officer	

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VERSION CONTROL

Version Number	Author	Purpose / Amendments	Date
1.0	ScottishPower Compliance Division	Final approved version following annual review and update of content.	July 2019
1.1	Business Compliance Officer, SP Energy Networks	Implementation of document management principles, and annual review and update of content.	September 2020
2.0	Business Compliance Officer, SP Energy Networks	Final approved version following annual review and update of content.	October 2020
2.1	ScottishPower Compliance Division	Updated contact details for reporting a concern.	August 2021
3.0	ScottishPower Compliance Division	Annual policy review	September 2021

PURPOSE

This Policy outlines the business separation obligations that are placed on SP Energy Networks ("SPEN") and sets out the key steps that the ScottishPower Group ("ScottishPower") will take to meet these obligations.

SCOPE

As SPEN operates as a natural monopoly in its core business areas, it has regulatory obligations through its Distribution and Transmission licences to operate within the conditions of Business Separation. This means that our Transmission and Distribution businesses (or "Regulated activities") are required to keep their activities fully separate from any competitive energy activities (or "Liberalised activities") carried out across ScottishPower ("Business Separation Requirements").

The main Business Separation Requirements are set out within Condition 42 of the Distribution Licence and Special Condition 9.15 of the Transmission Licence. SPEN are also required to appoint a Business Separation Compliance Officer to support compliance with the Business Separation Requirements.

Article D.18 of the Iberdrola Code of Ethics recognises the importance of the separation of Regulated and Liberalised activities. It commits all Iberdrola Group companies to follow the industry regulations regarding business separation, including making sure that all relevant employees are aware of the rules, and that any policies developed in this area are published appropriately.

Although the Business Separation Requirements are placed on SPEN, all ScottishPower employees are responsible for supporting compliance with the requirements. The Scottish Power Limited (the "Company") Board of Directors (the "Board") and Senior Management Team expects all employees to fully comply with this Policy, which extends to all business dealings and transactions in the UK.

OUR BUSINESS SEPARATION REQUIREMENTS

Business Separation licence obligations are placed on SPEN to operate the Transmission and Distribution businesses independently from other parts of ScottishPower. This includes strict requirements to ensure:

- **Full managerial and operational separation and independence** of SPEN from any other ScottishPower business or ScottishPower company;
- **Non-disclosure of confidential or commercially sensitive** SPEN information that could offer a competitive advantage to any other ScottishPower business or ScottishPower company or distort competition in any way;
- **Segregation of IT systems** that contain SPEN data from any other ScottishPower business or ScottishPower company;
- **Restricted access to premises** occupied by SPEN or shared between SPEN and any other ScottishPower business or ScottishPower company;

- **Prohibition of cross subsidies** between SPEN and any other ScottishPower business or ScottishPower company, with the application of objective and non-discriminatory standards to avoid any preferential treatment of Liberalised companies or their customers;

- **Non-discrimination of metering and connection services and charges** across all suppliers and competitors; and

- **Separate branding** from any other ScottishPower business or company.

Failure to comply with obligations can result in Ofgem imposing financial penalties on SPEN. There is also a risk of reputational damage to ScottishPower and the wider Iberdrola Group.

In addition, Ofgem has certified that SP Transmission does not currently need to comply with the requirements of the unbundling requirements under the EU Third Energy Package. This means that SPEN can continue to operate a Transmission business alongside its other operations. This relaxation of the regulations could be withdrawn if the separation requirements are not met, ultimately resulting in the forced separation of the Transmission business from SPEN's operations.

The Company takes a zero-tolerance approach to non-compliant and unethical behaviour with laws and regulations in which the Company must comply. This includes a commitment to have in place arrangements to guarantee effective separation of activities to meet compliance with the Business Separation Requirements:

ScottishPower is committed to the following principles to support compliance with SPEN's Licence Obligations:

a. Licence Reporting Obligations

SPEN will submit the following annual certifications and reports to Ofgem, relating to the Business Separation Requirements:

- **Ultimate Controller Undertaking** – confirmation that Iberdrola S.A., as the Ultimate Controller, will not take any action that would cause SPEN (as the licensee) to breach the Electricity Act 1989 or its licence requirements. This means Iberdrola S.A. and all subsidiaries must comply with our Business Separation Requirements;

- **Business Separation Report** – a report setting out how Business Separation Requirements are being controlled and monitored, any issues arising in the previous year and how any risks and control deficiencies have been addressed;

- **Unbundling Certificate** – a declaration that no events or circumstances have arisen which may affect SPEN's eligibility for Transmission unbundling derogation from the EU rules (which allows the Transmission business to stay as part of SPEN's operations).

b. Operational Licence Requirements

- **Managerial and Operational Separation**: SPEN must put in place, and at all times maintain, full managerial and operational independence of the Distribution and Transmission business from other ScottishPower businesses

or companies. The ScottishPower Group structure has been designed to allow full managerial and operational independence of SPEN, and the corporate governance model in place within the Company supports this, to make sure the requirements are met.

Any organisational and business change, such as SPEN staff moving to other business areas, appointments to other business positions including embedded functions, or appointment of Directors, must consider the impact on Business Separation Requirements. Any employees from other business areas who engage with SPEN (such as through cross-business steering groups where best practice is shared) must ensure that the Business Separation Requirements are not breached;

- **Non-disclosure of confidential information:** Arrangements must be in place to ensure that confidential SPEN information is not disclosed to other ScottishPower businesses or companies. Confidential information means any information that is not in the public domain. Information which could be considered confidential information will cover a wide range of subjects, including but not limited to, generation connection dates, other supplier data, cost data from SPEN procurement processes, or financial data related to SPEN;

- **Segregating of systems for recording, processing or storing data:** Arrangements must be in place to prevent employees from other ScottishPower businesses or companies having unauthorised access to SPEN systems and confidential SPEN data. This includes data held within billing and customer management systems, or any IT system where commercially confidential SPEN information resides;

- **Restricted access to SPEN premises:** Arrangements must be in place to prevent employees from other ScottishPower businesses or companies having access to ScottishPower sites, or areas of ScottishPower sites, occupied by the SPEN business. This means that employees of other ScottishPower businesses can not access any SPEN floors or buildings without prior authorisation from SPEN (and the appropriate escort within the area);

- **Prohibition of cross subsidies:** Arrangements must be in place to ensure there is no cross subsidisation between SPEN and any other ScottishPower company. This extends to internal corporate recharges, any transfer of goods or services, or business activity between the SPEN business and other ScottishPower companies;

- **Non-discrimination of metering and connection services:** SPEN must not give preferential treatment to any other ScottishPower Group company when setting charges and carrying out activity in relation to Use of System, customer connections and metering/distribution; and

- **Branding;** SPEN must have, and maintain, a brand that is fully distinct from other ScottishPower businesses or companies. This means separate and distinct branding of assets, communications and material logos.

c. Corporate Functions

There will be occasions where corporate functions are required to engage with SPEN in relation to the management and operation of the Distribution and Transmission businesses. For example, the consolidation of Group accounts, input to policy or regulatory developments, and audit and compliance oversight. Where this is the case, effective arrangements must be in place to ensure information is only used for that

purpose, and not disclosed further. Access to any relevant systems or premises must also be appropriately controlled, as detailed above.

CONTROL, EVALUATION AND REVIEW

SPEN is obligated under the Business Separation Requirements to appoint an independent Business Separation Compliance Officer (BSCO) to monitor the effectiveness of practice and controls in place across the Company to meet licence obligations. This duty is currently undertaken by PricewaterhouseCoopers, who is required to produce an annual report to the Directors of SPEN and the SP Energy Networks Holding Ltd Audit & Compliance Committee on the effectiveness of these controls.

The ScottishPower Compliance Division is responsible for this Policy and will review it on an annual basis. ScottishPower's Chief Compliance Officer will report to the Board and the Audit and Compliance Committee on compliance against this policy as appropriate, primarily through publication of the annual Business Separation Compliance Officer Report. The Business Compliance Officer for Networks also provides an independent oversight of the Business Separation compliance framework.

The Network Planning & Regulation Director of SPEN has overall business responsibility for compliance with Business Separation Requirements. The Licence and Assurance Manager within the Network Planning & Regulation Department has responsibility for the day to day management and monitoring of business separation compliance within the SPEN business.

[This Policy was last approved by the Scottish Power Limited Board on [6th] October 2021.]

FURTHER INFORMATION AND GUIDANCE

Business Separation licence conditions for the Distribution and Transmission can be found on the Ofgem website.

- https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions

Further guidance can also be obtained from the Licence and Assurance Manager within the SP Energy Networks Network Planning and Regulation Department.

- susan.bradshaw@spenergynetworks.co.uk

The following supplementary policies are available for ScottishPower employees on the SP Compliance Division area of the ScottishPower intranet portal (Iberdrola Group > Our areas and businesses > SP Compliance Division):

- Code of Ethics (Article D.18 covers business separation requirements); and
- ScottishPower Code of Conduct and Disciplinary Rules

REPORTING A CONCERN

The Company takes a zero-tolerance approach to non-compliant and non-ethical behaviour with laws and regulations in which the Company must comply. Any concerns relating to a breach of the Policy should be reported in one of the following ways:

- Your line manager

- ScottishPower Chief Compliance Officer:
  - Pamela Mowat (pamela.mowat@scottishpower.com)

- SPEN Licence and Assurance Manager:
    - Susan Bradshaw (susan.bradshaw@spenergynetworks.co.uk)

- Business Compliance Officers:
    - **SP Energy Networks** - June Dickson (June.dickson@spenergynetworks.co.uk)
    - **SP Renewables** - Amanda Henderson (amanda.henderson@scottishpower.com)
    - **Liberalised** - Sean Tierney (Sean.tierney@scottishpower.com)

- Compliance division mailbox (compliancedivision@scottishpower.com);

- Through the online ethics mailbox form on the ScottishPower intranet portal.

Please refer to the ScottishPower Speaking Out Guidelines for detailed information on the resources available and the protections for anyone making such reports. The Speaking Out Guidelines are available for ScottishPower employees on the SP Compliance Division area of the ScottishPower intranet portal (Iberdrola Group > Our areas and businesses > SP Compliance Division).

SCOTTISHPOWER

GOVERNMENT AFFAIRS

May 2018

Political Engagement Policy

Policy Objective

The Political Engagement Policy (the "Policy") regulates what Scottish Power employees must do before engaging with politicians and their advisers as part of our day to day activities. In ScottishPower responsibility for these relationships sits with the Government Affairs Team within Corporate Communications.

The Government Affairs team act as a single point of contact for parliamentarians and their advisers on a proactive and reactive basis.

Anyone contacting, engaging and meeting with parliamentarians, government ministers and their advisers must seek approval from the Government Affairs team.

The Scottish Power Limited Board of Directors (the "Board") and senior management team expect all employees, contractors, suppliers and third parties to fully comply with this Policy, which extends to all majority owned business dealings and transactions in the UK and in all countries in which ScottishPower (the "Company") or our subsidiaries and associates operate.

Implementation and Monitoring

The ScottishPower Government Affairs team within Corporate Communications is responsible for the day to day oversight of the Political Engagement Policy. The Head of Government Affairs is the Senior Officer Responsible for this policy.

Information regarding engagement with politicians must be sent within 3-5 days of activity to govaffairs@scottishpower.com to ensure the Lobbying Register is updated and we remain in line with the legislation.

The pro forma included in ANNEX 1 must be completed and sent to:
govaffairs@scottishpower.com
Failure to comply with this policy could constitute breach of the Iberdrola Code of Ethics and ScottishPower Code of Conduct and Disciplinary Rules.

The consequences for ScottishPower could be equally severe including a fine, serious reputational damage, and loss of investor confidence.

Lobbying (Scotland) Act 2016 (the "Act")

The Scottish Parliament passed legislation in 2016 to create a register of "regulated" lobbying, designed to improve transparency of lobbying contact between organisations and:

- Members of the Scottish Parliament (MSPs)
- Members of the Scottish Government

- The Permanent Secretary of the Scottish Government
- Scottish Government Special Advisers

There are three tiers of compliance with the Act:

- The Lobbying Registrar can issue an Information Notice to anyone reported to have been engaged in regulated lobbying where this has not been registered.
- The Commissioner for Ethical Standards in Public Life in Scotland can investigate complaints about non-compliance with the Act and submit a report to Parliament upon conclusion of an investigation. Ultimately, the Parliament could then censure the subject of the Commissioner's report.
- Non-compliance could also result in criminal prosecution and the application of penalties.

As a result of similar schemes elsewhere in the UK this policy applies across the board, to all parliamentarians.

Key Political Engagement Principles

ScottishPower is committed to the following key political engagement principles:

- Transparency and openness
- A consistent and coordinated approach
- Single point of contact for parliamentarians
- Good stakeholder engagement practice
- We are now required by law to keep a, publicly available, register of contact with politicians

The Government Affairs Team is responsible, at a Group level for all engagement with parliamentarians, government ministers and their advisers.

Anyone contacting, engaging and meeting with parliamentarians, government ministers and their advisers must seek approval from the Government Affairs Team as per explained in the section below. Pro forma included in ANNEX 1 must be completed and sent to: govaffairs@scottishpower.com

On occasions of chance meetings or contact intimated by a parliamentarians, government ministers and their advisers you must alert the Government Affairs Team to advise of this contact. This includes any conversations outside the UK.

Report a Concern

The Company is committed to a programme to counter the risk of ScottishPower being in breach of the Lobbying (Scotland) Act. Any concerns relating to a breach of the Policy should be reported to the Government Affairs team - govaffairs@scottishpower.com

Further information and guidance

The following supplementary documents are available on the ScottishPower Compliance Division intranet site:

- Code of Ethics
- ScottishPower Code of Conduct and Disciplinary Rules

Further Information and Guidance

- The Scottish Parliament Lobbying Registrar website
- The Scottish Parliament Lobbying Code of Conduct
- The Scottish Government Ministerial Code
- The MSP Code of Conduct
- Civil servants and Special Advisers are covered by the UK Civil Service Code.
- Scottish Ministers are covered by the Scottish Ministerial Code.

ANNEX 1:

Political engagement log	
Employee name	
Date of engagement	
Name of MP/MSP/AM/(Adviser)	
Type of communication	email/call/meeting

Location	
Description of meeting/email/call	

SCOTTISH POWER

July 2021

Competition Law Compliance Policy

1. INTRODUCTION

This Policy addresses UK Competition Law compliance. Anti-competitive agreements and abusive conduct by dominant businesses harms consumers, stifles economic growth and undermines the Rule of Law, causing serious harm to the economy and to society. Breaches of Competition Law can be criminal and can lead to the imprisonment of directors, officers and employees or, can expose Iberdrola, S.A. ("Iberdrola"), Scottish Power Limited ("ScottishPower") and all its group companies ("ScottishPower Group") to very significant sanctions, including fines of up to ten percent of worldwide turnover.

Pursuant to the provisions of the Iberdrola *Purpose and Values of the Iberdrola group* and *Code of Ethics*, ScottishPower and the ScottishPower Group assume the responsibility for avoiding: (1) abusive conduct where its businesses are dominant; and (2) involvement in anti-competitive agreements. For such purposes, ScottishPower's Board of Directors, which is responsible for formulating the strategy and approving the Corporate Policies of ScottishPower and the ScottishPower Group and for organising the internal control systems, has approved this *Scottish Power Competition Law Compliance Policy* (the "**Policy**").

ScottishPower has approved this Policy in compliance with the Iberdrola Corporate Governance and Sustainability System. This system permits ScottishPower to adopt, develop and adapt the policies, rules and principles contained in the Iberdrola *Code of Ethics,* to the particular nature of each ScottishPower Group business or jurisdiction, reporting them to the Iberdrola Compliance Unit. The Iberdrola *Code of Ethics* emphasises the critical importance of compliance with Competition Law and it follows that this Policy is entirely consistent with these principles.

2. PURPOSE

This Policy is intended to convey to all officers and employees of the ScottishPower Group, as well as to third parties establishing relations with the ScottishPower Group, an unambiguous message of opposition to anti-competitive agreements and abusive conduct by dominant undertakings in all of their manifestations, and the Group's firm objective to comply with UK Competition Law.

The Policy is a commitment to:

- unwavering vigilance against anti-competitive agreements and abusive conduct by dominant entities;
- maintaining effective mechanisms for communication and awareness-raising among employees; and
- developing a corporate culture of ethics and honesty.

3. SCOPE

This Policy shall apply to all directors, officers and employees of ScottishPower and the ScottishPower Group. Employees who manage ScottishPower Group suppliers are responsible for ensuring that the suppliers are aware of this Policy.

4. WHAT ARE ANTI-COMPETITIVE AGREEMENTS?

UK law prohibits anti-competitive agreements. These are agreements, arrangements or concerted practices which have the effect or intended effect of preventing, restricting or distorting competition; for example, agreements to fix prices, limit production, not sell below a particular price and to share markets or customers. Agreements with long exclusivity periods can also breach this law.

5. WHAT IS ABUSIVE CONDUCT BY DOMINANT BUSINESSES?

A dominant business has a high market share and may even have a monopoly; where they have significant market power. It should be assumed that SP Transmission plc, SP Manweb plc and SP Distribution plc are dominant. Dominant businesses are prohibited from behaving in a way that abuses that dominant position. Some key examples of abusive conduct include; refusing to supply or allow access to infrastructure, discriminatory and/or predatory pricing.

6. PRINCIPLES OF CONDUCT

The principles governing this Policy are:

a) All ScottishPower Group companies must comply with UK Competition Law, regardless of their place of registration. The ScottishPower Group does not tolerate, permit, or become involved in any kind of anti-competitive agreements or abusive conduct by dominant undertakings when conducting its activities.

b) The ScottishPower Group fosters a preventive culture based on the principle of '*zero tolerance*' towards anti-competitive agreements and abusive conduct by dominant undertakings. This '*zero tolerance*' principle is of an absolute and primary nature and prohibits the conduct of business or transactions which are a breach of Competition Law. It also prohibits such conduct or agreements if they are otherwise unlawful or contrary to the principles set out in the Iberdrola Corporate Governance and Sustainability System including the '*Purpose and Values of the Iberdrola Group'* and '*Code of Ethics'*. No director, officer or employee of the ScottishPower Group ("**Professionals**"), shall in any circumstances fail to comply with this Policy. A breach of this Policy shall entitle the ScottishPower Group to take appropriate disciplinary action.

c) To achieve compliance with UK Competition Law, the ScottishPower Group has a detailed Competition Law Compliance Programme captured in the "*ScottishPower Competition Law Compliance Manual*" and this Policy (collectively the "**Manual**"). All Professionals of the ScottishPower Group are required to familiarise themselves and comply with that Manual, which sets out the Policy in detail and provides practical guidance about UK Competition Law.

d) All Professionals must consult with their Business Legal Director, or the ScottishPower Group Legal Function if there are any queries or concerns about this Policy.

e) All Professionals must participate in appropriate training programmes that are provided by ScottishPower.

f) The ScottishPower Group promotes a transparent environment, maintaining appropriate internal channels to favour the communication of possible breaches, including the Ethics Mailboxes, which allow Professionals, suppliers, and shareholders of the ScottishPower Group to communicate conduct that may entail a breach of Iberdrola's Corporate Governance System or the commission by a Professional of the ScottishPower Group of an act contrary to the law or to the rules of the Iberdrola *Code of Ethics*.

g) The ScottishPower Group's relationship with its suppliers is based on legality, efficiency, and transparency. Ethical and responsible behaviour is one of the pillars of the ScottishPower Group's conduct. No supplier of the ScottishPower Group shall: (i) offer in any way, or (ii) act in any way, which could breach UK Competition Law in the context of any activity carried out for or on behalf of the ScottishPower Group.

7. CONTROL, EVALUATION AND REVIEW

The ScottishPower Compliance Division is responsible for the implementation of the Competition Law Policy and Manual. Scottish Power's Chief Compliance Officer is responsible for this Policy and will report to the Scottish Power Limited Audit and Compliance Committee on compliance against this policy as appropriate.

The ScottishPower Group Legal Function is responsible for any legal advice or guidance provided within the scope of this Policy, along with the content of the Competition Law Compliance Manual. No changes will be proposed to this Policy or Manual without the express permission of the ScottishPower Group Legal Function.

The ScottishPower Compliance Division shall ensure that the contents of this Policy are reviewed on an annual basis, working with the ScottishPower Group Legal Function to ensure that the policy reflects the recommendations and best international practices in effect, and shall seek approval from the Secretary to the Board and General Counsel prior to proposing any changes.

Following this review and approval from the Secretary to the Board and General Counsel, those proposed changes will be proposed to the Board of Directors.

This Policy was approved by the Board of Directors on 13 July 2021.

8. FURTHER INFORMATION AND GUIDANCE

The following supplementary policies are available for ScottishPower employees *on the SP Compliance Division area of the ScottishPower intranet portal* :

- Competition Law Compliance Manual
- Code of Ethics;
- ScottishPower Code of Conduct and Disciplinary Rules;
- *ScottishPower Anti-Bribery and Corruption Policy and Procedures; and*
- *Speaking Out Guidelines.*

9. REPORTING A CONCERN

The Company takes a zero-tolerance approach to non-compliant and non-ethical behaviour with laws and regulations with which the Company must comply. We are committed to a programme to counter the risk of the ScottishPower Group being involved in breaches of Competition Law.

Any concerns relating to a breach of this Policy should be reported to your Business/Corporate Legal Director.

The key legal contacts for this programme are: [redacted].

In addition, ScottishPower maintains independent reporting channels for anyone concerned about conduct which does not comply with the Code of Ethics or Code of Conduct and Disciplinary Rules. *Please refer to the ScottishPower Speaking Out Guidelines for detailed information on the resources available and the protections for anyone making such reports. The Speaking Out Guidelines are available for ScottishPower employees on the SP Compliance Division area of the ScottishPower intranet portal (Iberdrola Group > Our areas and businesses > SP Compliance Division).*

Governance & Sustainability System Chapter V – Part 2

Corporate Governance

Risk Policies

Chapter V of the Governance & Sustainability System contains the corporate governance policies and rules relating to the Company's (and its Group's) main decision-making bodies, and the corporate administration, management, and development of its business generally. It is divided into three Parts.

Part 2 of this chapter contains the following risk policies of the Iberdrola Group as adopted by the Company and its Group, and ScottishPower-specific policies.

The *General Risk Control and Management Policy* (dated 22 February 2022) was formally adopted by the Company on 21 June 2022.

The *Corporate Risk Policies of the Iberdrola Group* (dated 26 April 2022) were formally adopted by the Company on 21 June 2022 of which a summary document is included here.

The *Specific Risk Policies for the Various Group Businesses* (dated 22 February 2022) was formally adopted by the Company on 21 June 2022 for which a summary document is included here.

References in these documents to Iberdrola, its Group, etc. shall be accordingly construed *mutatis mutandis*.

GENERAL RISK CONTROL AND MANAGEMENT POLICY

22 February 2022

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 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 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 of the Group.

The country subholding companies must adopt said risk policies of the Group and define the application thereof, approving guidelines on specific risk limits based on the nature and particularities of the businesses in each country.

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 in the various countries in which it operates.

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 from reaching its objectives and successfully carrying out its strategies.

The risk factors to which the Group is subject generally are listed below:

a) **Corporate Governance Risks:** the main corporate governance risks arise 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 approved by 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) the participation of dissident shareholders at the General Shareholders' Meeting, (iii) requests received from the CNMV, or any sanction thereby, and (iv) divestment from and/or lack of interest in investing in shares of the Company.

b) **Market Risks**: understood as the exposure of the Group's results and assets 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 prices, gas and other fuel prices, CO2 emission rights or other support mechanisms for renewables, as well as

those related to other raw materials (steel, aluminium, copper, polysilicon and 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, 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 through its 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 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;
- the operation and construction of facilities;
- procurement and the supply chain;
- cybersecurity and information technology systems;
- the safety and health of people;
- climate change, extreme natural phenomena and pandemics;
- regulatory compliance;
- trustworthiness of financial and non-financial information;
- fraud and corruption; and
- litigation, arbitration and taxation issues.

g) **Reputational Risks:** potential negative impact on the value of the Group 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 through the monitoring tools. 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.

– the inclusion of secondary risk factors, including financial, environmental, sustainability, governance (environmental, social and governance, or "ESG"), fraud or corruption, tax, health, cybersecurity or third party risk factors.

4. Basic Principles

The Group is subject to various risks inherent in the different countries, industries and markets in which it does business and in the activities it carries out, which may prevent it from achieving its objectives and successfully implementing its 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 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 the strategic objectives formulated by the Group with controlled volatility;

b) provide the maximum level of assurance to the shareholders;

c) protect the interests of shareholders, customers and other Stakeholders;

d) contribute to meeting the Sustainable Development Goals (SDGs) approved by the United Nations, with a special focus on goals seven and thirteen;

e) protect the results and reputation of the Group;

f) ensure corporate stability and financial strength in a sustained fashion over time; and

g) raise awareness of the risk culture among the Group's professionals 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 Area and of the Risk Management and Internal Assurance Division of the Group, which reports functionally to the committee, and in coordination with the audit and compliance committees existing at other country subholding companies of the Group.

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 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.

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" for the commission of unlawful acts and situations of fraud set forth in the *Crime Prevention 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 a Risk Committee of the Group 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 as a whole.

d) The **measurement and control of risks following homogeneous procedures and standards common to the entire Group**.

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 Area.

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 Risk Policy.*
- *Specific Risk Policies for the Various Group Businesses:*
  - *Risk Policy for the Networks Businesses of the Iberdrola Group.*
  - *Risk Policy for the Renewable Energy Businesses of the Iberdrola Group.*

- *Risk Policy for the Liberalised 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 22 February 2022.

CORPORATE RISK POLICIES

26 April 2022

Corporate Credit Risk Policy

The *Corporate Credit Risk Policy* provides the framework for the monitoring and the management of credit risk from a global viewpoint covering the entire Group, credit risk being understood as all counterparty risks that, in the event of default by such counterparty, might cause the Group to sustain an economic or financial loss.

The policy focuses on identified segments within the Group's financial relationships 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 allocation 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 of the different types of businesses.

Corporate Market Risk Policy

The *Corporate Market Risk Policy* provides a global framework for the monitoring and management of market risk throughout the Group, market risk being understood as any potential loss of margin and/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, hedging transactions).

b) Regulated energy management and/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 in line with the characteristics of the different types of businesses and the countries in which the Group has a presence.

Operational Risk in Market Transactions Policy

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 Group operates.

It is based on the implementation of a sound internal control framework based on 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

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 of the Group.

It includes the limits for the main insurance programmes, including:

a) Damage to conventional assets.

b) Damage to renewables.

c) Civil liability.

d) Environmental risks (EIL).

e) Nuclear risk.

f) Cyber risks.

g) Directors' and officers' liability.

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.

The following are monitored: (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 Group's captive reinsurance company, (iii) the main limits of the indemnities; and (iv) main deductibles assumed.

Investment Policy

The *Investment Policy* provides a common framework for the analysis, monitoring and control of new investment or divestment projects of all businesses within 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 Group's 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.

Financing and Financial Risk Policy

The *Financing and Financial Risk Policy* establishes the framework for the monitoring and management of the Group's financial risks.

The Group must develop a strategy 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 to maintain its credit rating in accordance with pre-established objectives.

e) complying with the requirements of local regulators and the tax provisions applicable in each country.

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.

In particular, and in relation to the performance of the function of managing financial risk, it is established that the Finance and Treasury Division will be responsible for coordinating and controlling the financial operations of the companies of the Group.

Treasury Share Policy

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 and/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.

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

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 across the entire Group, with special emphasis being laid on adherence to the ethical commitments of the Group and of its suppliers.

The policy rests on the following basic principles:

f) 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*.

g) 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.

h) Implementing the mechanisms required for purchasing decisions to in any event ensure the achievement of balance among technical competence, quality, price and the rating and quality of the supplier as a key condition for the contribution of value.

i) Establishing supplier selection procedures that conform to standards of objectiveness, impartiality and equal opportunity, ensuring at all times the professionalism of its personnel as well as loyalty to the Group and its shareholders regardless of their own or third-party interests.

j) 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 *Equality, Diversity and Inclusion Policy* and requiring acceptance of the principles set out in the *Code of Ethics* specifically applicable to the suppliers of the Group.

k) Furthering a supplier relationship policy based on legality, efficiency and the principles of corporate ethics and transparency, striving for continuous improvement and mutual benefit and promoting innovation and development activities.

l) Fostering the motivation and active participation of the workforce, as well as the training required for the performance of their tasks and the continuous education thereof.

m) Promote sustained, inclusive and sustainable economic growth, productive employment and decent work for all professionals forming part of the Group's value chain, in line with the provisions of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations.

The *Purchasing Policy* establishes guidelines and limits regarding levels at which authority may be delegated and purchasing procedures within the Group 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

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 Group. It contemplates the management of risks associated with the use, ownership, operation, participation, influence and adoption of specific information technology, as well as 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 throughout the Group, based on the creation of a Global IT Governance Committee, which will supervise compliance of information technology within the Group, including the significant aspects of the audits and evaluations of compliance therewith and related action plans.

Cybersecurity Risk Policy

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 Group's control systems or information technology and communications systems, as well as any other asset forming part of its cyber-infrastructure.

It also establishes the guidelines for a common cybersecurity management model for the entire Group, coordinated by a Cybersecurity Committee and based on the development of global rules and standards 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:

n) Raising awareness among the entire workforce, suppliers and partners regarding cybersecurity risks and ensuring that they have the knowledge, skills, experience and abilities needed to support the Group's cybersecurity goals.

o) Ensuring that the Group's cyber assets 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.

p) Fostering the existence of appropriate cybersecurity and cyber-resilience mechanisms for the systems and operations managed by third parties that provide services to the Company.

q) Strengthening capacities for prevention, detection, reaction, analysis, recovery, response, investigation and coordination against terrorist activities and criminality in cyberspace.

r) Providing procedures and tools that permit rapid adaptation to changing conditions in the technological environment and to new threats.

s) Collaborating with regulatory bodies in order to contribute to the improvement of cybersecurity in the international sphere.

t) Promoting the cybersecurity principles established in the *Corporate Security Policy*.

u) Protecting the information regarding the Group's critical cyber-infrastructure and cybersecurity systems.

v) Implementing efficiency-based cybersecurity measures that contribute to the functionality of the systems and the continuity of key services.

w) Acting in accordance with applicable law, the *Code of Ethics* and the Company's other internal rules.

The *Cybersecurity Risk Policy* sets out the Company's commitment to clearly and transparently report on its 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 this term is 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 the monitoring and management of reputational risk to be implemented by all the Divisions of the Group on a coordinated basis with the Investor Relations Division.

The management of reputation seeks two complementary objectives, to bring out opportunities that trigger favourable behaviour towards the company, and to diminish reputational risk.

There is a direct relationship between this policy and the *Stakeholder Engagement Policy*, the purpose of which is to identify the Company's Stakeholders, engage them and strengthen 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 Group.

Occupational Safety and Health Risk Policy

1. Purpose

The Company's Board of Directors, recognising the importance of occupational safety and health risks, undertakes to carry out 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 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.

2. Main Principles of Conduct

To achieve this goal, the Group adheres to and promotes the following main principles, among others, that must inform all of its activities:

a) Quality, productivity and the profitability of its activities are as important as the safety and health (both physical and mental) of the people participating in the value chain, including their emotional, psychological and social well-being. All of the foregoing are permanent and basic objectives of the Group.

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 social well-being, promoting mental health through actions that create environments and living conditions that nurture mental health and allow people to adopt and maintain healthy lifestyles.

3. Occupational safety and health commitments

The purpose and basic principles of the Group regarding occupational safety and health 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

The occupational safety and health commitments of the Group 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 Risk Policy.*

c) The development and implementation of a system of global occupational safety and health standards that determines minimum levels in this area and ensures the harmonisation of the standards applied at all companies of the Group.

d) The acquisition and maintenance of occupational safety and health certifications in line with the strictest international standards.

e) The efficient provision of appropriate technical, financial and human resources.

f) The periodic preparation of specific strategic plans that determine strategic priorities and key matters relating to prevention.

g) The establishment of specific, indicative, stimulating and verifiable objectives regarding occupational safety and health.

h) The exchange of best practices in the area of occupational safety and health among all of the organisations of the Group.

i) 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.

j) 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.

f) 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 engages in its activities.

k) Participation in international initiatives, ratings and indices relating to occupational 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.

SPECIFIC RISK POLICIES FOR THE VARIOUS GROUP BUSINESSES

22 February 2022

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*. The policy applies to all regulated electricity and gas distribution and transmission/transport activities carried out by the Group 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 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 its 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.

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.

c) Planning, construction, operation and maintenance of electricity transmission facilities, including lines and substations.

Significant 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.

Risk Policy for the Renewable Energy Businesses of the Iberdrola group

The *Risk Policy for the Renewable Energy Businesses of the Iberdrola group* provides the framework for the monitoring and management of risks associated with the Group's renewable energy businesses within applicable regulations and the general guidelines set out in the *General Risk Control and Management Policy* in the various countries in which it operates:

Spain

Production and sale of energy from wind, hydroelectric and photovoltaic sources.

United Kingdom

Production and sale of energy using onshore and offshore wind technology.

United States of America

Production and sale of distributed energy at wind, gas, cogeneration and other renewable energy plants.

Mexico

Production and sale of energy using onshore wind technology and solar sources.

Brazil

Production and sale of energy using onshore wind technology and from hydraulic sources.

International

Production and sale of energy using offshore wind technology in Germany from other renewable energy sources in other European countries and Australia.

The exposure of the renewables businesses to market risk for energy not sold at tariff or under PPAs is transferred to the liberalised business in those countries where said business is present for the integrated management thereof.

Of particular relevance is the control and monitoring of credit risk and of energy sales at regulated rates to long-term fixed price customers (PPA) and to the market, as well as the risks associated with hydro, solar and wind resources and the availability of facilities. Regulatory risk in each country is also constantly monitored.

Risk Policy for the Liberalised Businesses of the Iberdrola group

The *Risk Policy for the Liberalised Businesses of the Iberdrola group* provides the framework for the monitoring and management of risks associated with the Group's liberalised businesses within applicable regulations and the general guidelines set out in the *General Risk Control and Management Policy* in the various countries in which it operates, defining the activities affected thereby and establishing appropriate management guidelines in accordance with the structure of each market:

Spain

a) Operation and production of electricity from conventional thermal, nuclear and cogeneration facilities.

b) Wholesaling of energy (electricity, gas and other energy products).

c) Retail sale of electricity, gas and energy services, including long-term sales of electricity through PPAs.

d) Management of the integrated renewable and thermal energy position together with coverage for sales in the Iberian Electricity Market (*Mercado Ibérico de Electricidad*) (MIBEL), which includes the operational planning of electricity production, of the supply of fuel and emission allowances and of the wholesale and retail sale of electricity and gas.

e) Investments in new conventional thermal generation and cogeneration plants, as well as investments to acquire customers or investments dedicated to supplying customers with electricity.

f) Production and supply of hydrogen.

United Kingdom

a) Wholesaling of energy (electricity, gas and other fuel), including the power purchase agreement with Scottish Power Renewables.

b) Retail sale of electricity, gas and energy services to customers.

c) Investments to increase the portfolio of customers or strictly dedicated to the supply of electricity to customers.

d) Production and supply of hydrogen.

Mexico

a) Production and sale of electricity to the Federal Electricity Commission (*Comisión Federal de Electricidad*) (CFE).

b) Production and sale of electricity and steam to private user partners and qualified customers.

c) Sale into the Wholesale Electric Market of electricity produced by Iberdrola's plants and sale of electricity acquired on the Wholesale Electric Market.

d) Sale of power by Iberdrola Renovables Mexico under the service and power purchase agreements and clean energy certificates signed.

e) Strategic and operational planning of electricity production and fuel supply.

f) Investments in new combined cycle or cogeneration plants, as well as investments to acquire customers or to supply customers with electricity.

g) Production and supply of hydrogen.

h) Implementation of industrial heating and cooling projects and facilities.

Brazil

a) Operation and production of electricity at the Termopernambuco plant.

b) Sale of electricity and energy solutions, managing the portfolio of liberalised customers. Development of solar energy micro-projects, installation of infrastructure and start-up of solar facilities, as well as other energy solutions.

c) Management of the energy position of the renewable generators of the Neoenergia group through the contracting of energy derivatives.

d) Support to the distributors of the Neoenergia group in relation to market variables and the management of contracting levels, taking into account regulatory restrictions on the sharing of information and infrastructure.

Other countries

Retail sale of electricity, gas and/or energy services in Portugal, Italy, France, Germany, Ireland and the United States.

Of particular relevance are the control and monitoring of:

- Market risks associated with the cost of production and the prices at which energy is sold to customers.

- The risks of customers not paying for electricity.

- Operational risks associated with the management of production plants and serving the group's millions of customers.

- The regulatory risks under which liberalised businesses operate, associated with the various energy sources used to produce electricity in each country.

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.U. 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.U in Spain and other countries.

Governance & Sustainability System Chapter V – Part 3

Corporate Governance

Governance Rules of the Corporate Decision-Making Bodies and of Other Internal Functions and Committees

Chapter V of the Governance & Sustainability System contains the corporate governance policies and rules relating to the Company's (and its Group's) main decision-making bodies, and the corporate administration, management, and development of its business generally. It is divided into three Parts.

Part 3 of this chapter contains the principal regulations of the main executive and non-executive or administrative bodies and committees of the Company and its Group, as follows.

The *Basic Internal Audit Regulations* (dated 15 December 2020) was formally adopted by the Company on 24 March 2021.

The *Terms of Reference of the ScottishPower Renewable Energy Limited Board of Directors* were approved by the Company on 22 November 2021.

References in these documents to Iberdrola, its Group, etc. shall be accordingly construed *mutatis mutandis*.

BASIC INTERNAL AUDIT REGULATIONS

These *Basic Internal Audit Regulations* (the "***Basic Regulations***") govern the nature, organisation, competencies, powers and duties of the Internal Audit Area of Iberdrola, S.A. (the "**Internal Audit Area**" and "**Iberdrola**" or the "**Company**", respectively) and of the Internal Audit divisions of the various companies of the group of which Iberdrola 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 Iberdrola's Governance and Sustainability System.

TITLE I.- NATURE AND REGULATION

Article 1.- Nature of the Internal Audit Area and of the Internal Audit Divisions

The Internal Audit Area is an internal unit of the Company that hierarchically reports to the chairman of Iberdrola'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 of the Group.

For their part, the Internal Audit Divisions shall perform duties equivalent to those of the Internal Audit Area 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 Area 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 Area and the Internal Audit Divisions prepared by the head of the Internal Audit Divisions 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 Area and the Internal Audit Divisions, as well as the professionals assigned thereto, shall conform their activities 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 AREA 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.- Director of the Internal Audit Area and Heads of the Internal Audit Divisions

1. The director of the Internal Audit Area 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 Governance and Sustainability System, the Company's Board of Directors is responsible for the appointment and removal of the director of the Internal Audit Area, 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 appointment of the heads of the Internal Audit Divisions of: (i) country subholding companies with an ACC; or (ii) head of business companies with an ACC, but subordinate to a country subholding company that does not have an ACC, in order to prepare the proposal or report of the respective ACC, the chair thereof shall first consult with the director of the Internal Audit Area.

In order to appoint the heads of the Internal Audit Divisions of head of business companies with an ACC that are subordinate to country subholding companies that also have 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 director of the Internal Audit Area.

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 Iberdrola's Board of Directors.

3. The director of the Internal Audit Area 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, and shall report hierarchically to the chair of the board of directors thereof.

4. The ARSC is the body that evaluates the operation of the Internal Audit Area 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 chief executive 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 director of the Internal Audit Area and the heads of the Internal Audit Divisions shall manage the operation and the budget, respectively, of the Internal Audit Area 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 Area and the Internal Audit Divisions

1. The director of the Internal Audit Area shall establish an appropriate framework for relations of coordination and information between the Internal Audit Area 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 director of the Internal Audit Area 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 Area, 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 director of the Internal Audit Area 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 director of the Internal Audit Area deems appropriate for the proper performance of the function.

TITLE III. POWERS OF THE INTERNAL AUDIT AREA AND OF THE INTERNAL AUDIT DIVISIONS

Article 6.- Scope

The Internal Audit Area 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 Group, providing a systematic and disciplined focus in order to evaluate and improve the efficiency of the risk management, control and governance processes of the Group.

The nature and scope of any consulting work performed by the Internal Audit Area and the Internal Audit Divisions shall be previously agreed with the relevant Division of the

Group. In no case may the Internal Audit Area 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 Area 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 director of the Internal Audit Area 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 director of the Internal Audit Area 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 risk control and 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 Area or the Internal Audit Division, as applicable, in the review of the financial and non-financial information.

3. The Internal Audit Area 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 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 (like the Risk and Internal Assurance Division).

Article 8.- Powers to Supervise the Effectiveness of the Internal Control System

1. The Internal Audit Area and the Internal Audit Divisions shall objectively and independently supervise the effectiveness of the Group's internal control system, 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 of the Group, 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 Group, including information that the Company must regularly publish due to its status as a listed company.

iii. **The effective application** of the rules, protocols and procedures making up the Group's Compliance System, which is intended to prevent action or conduct that is improper or contrary to ethics or the law, including, without limitation, supervision of the measures established to prevent corruption, fraud and conduct constituting bribery, as well as programmes to prevent the commission of crimes.

iv. **The effective operation** of the overall framework for the control and management of the Group's cybersecurity risks, as well as the framework for the governance and management of the processes and actions relating to information technology (IT) within the Group.

v. **The effective operation** of the mechanisms established by the Group 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 Group.

2. The Internal Audit Area and the Internal Audit Divisions shall also engage in any other actions needed to perform their duty of ensuring the effective operation of the Group's internal control system.

3. The Internal Audit Area 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 Group in order for the responsibilities of the Internal Audit Area and the Internal Audit Divisions to be clearly defined and in order for there to be proper mechanisms of coordination with other assurance functions.

Along these lines, the powers of the Internal Audit Area and of the Internal Audit Divisions set out in this article shall not include the duties assigned to the Risk and Assurance Division in relation to the management and supervision of the Group's risks, and particularly the development and implementation of the risk policies.

5. Furthermore, the Internal Audit Area and the Internal Audit Divisions, as applicable, must be informed of the provision of any assurance services to the Group by outside service providers. When appropriate, the Internal Audit Area 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 Area 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 director of the Internal Audit Area shall prepare a proposed annual activities plan of the Internal Audit Area and shall submit it for the approval of the ARSC. Such proposal:

i. shall contain the budget of the Internal Audit Area 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

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 Area 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 director of the Internal Audit Area 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 director of the Internal Audit Area and of the heads of the Internal Audit Divisions.

Article 11.- Activities Report and Recommendations

1. The director of the Internal Audit Area 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 Area (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 director of the Internal Audit Area 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 director of the Internal Audit Area 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 Area, 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 its Group.

2. In the exercise of its powers, the Internal Audit Area 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 director of Internal Audit Area shall generally have the powers necessary to carry out the duties he or she is called upon to perform.

4. The director of the Internal Audit Area 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.

Article 13.- Duties

The members of the Internal Audit Area 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 Area 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 Iberdrola's corporate website and shall form part of the management tools of the Internal Audit Area. The director of the Internal Audit Area 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 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 director of the Internal Audit Area and the heads of the Internal Audit Divisions shall ensure the proper dissemination hereof.

2. The director of the Internal Audit Area 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 director of the Internal Audit Area, 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 director of the Internal Audit Area 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*.

Terms of Reference
ScottishPower Renewable Energy Limited
Dated 22 November 2021

1 Purpose

1.1 The principal responsibility of the board of directors (the **"Board of Directors"**) of ScottishPower Renewable Energy Limited (the **"Company"**) is to facilitate the effective management of the renewables businesses within the ScottishPower Group (**"ScottishPower Renewables Business"**) in accordance with the strategy set by Scottish Power Limited Board of Directors.

1.2 These Terms of Reference of the Board of Directors of the Company contain the guidelines that are to govern all action taken by the Board of Directors of the Company, the basic rules for the organisation and operation thereof and the rules of conduct to be observed by its directors, in order to achieve the greatest degree of transparency, effectiveness, dynamism, supervision and control in the performance of its management and duties and representation of the interests of the ScottishPower Group (being, for the purposes of these Terms of Reference, Scottish Power Limited and its subsidiaries), in accordance with the *Purpose and Values of the Iberdrola Group*.

1.3 These Terms of Reference further develop and supplement the legal provisions applicable to the Board of Directors of the Company and form part of the Company's Governance and Sustainability System. The Company's Governance and Sustainability System is the set of documents made up of the Company's Articles of Association and the internal corporate governance and compliance rules approved or adopted by the appropriate management bodies of the Company from time to time, all of which are configured in accordance with applicable laws and rules regarding the protection of corporate autonomy and with the aim to best fulfil the corporate purpose, corporate interest, and dividend, as so defined in the Governance and Sustainability System, including in these Terms of Reference and the Articles of Association of the Company.

1.4 These Terms of Reference have been prepared taking into account the good governance recommendations generally recognised in international markets.

1.5 The guidelines for action and the rules for organisation and operation of the management decision-making bodies within the subsidiary companies within the group whose controlling entity, within the meaning established by law, is the Company (hereinafter, the **"Group"**) shall be governed by these Terms of Reference.

1.6 The principles set forth in these Terms of Reference, without prejudice to any adjustments that may be required based on the circumstances of each company, and shall, in all cases, abide by the guarantees required by the Company's Governance and Sustainability System and the principles of coordination and information that must govern the relations among the management decision-making bodies of the various subsidiary companies of the ScottishPower Group in order for them to fully comply with their respective duties.

2 Scope

2.1 These Terms of Reference apply to the Board of Directors, the representative decision-making bodies thereof (whether collective or single-person) and its internal committees (if any).

2.2 The persons and bodies to whom these Terms of Reference apply shall have the duty to be informed of them, to comply with them and to enforce them, for which purpose the secretary of the Company shall provide the Board of Directors with a copy that is to be acknowledged by means of a signed receipt, and that is to be published to the Directors' website and the Company's corporate website.

2.3 The Directors shall comply with and enforce the provisions of the Company's Governance and Sustainability System and shall confirm such commitment in writing upon accepting their appointment or re-election in such manner as is determined by the secretary of the Company.

3 Approval, Amendment and Priority

3.1 These Terms of Reference of the Board of Directors established from time to time further develop and supplement the law and the provisions set out in the current Articles of Association of the Company.

3.2 In the event of a conflict between these Terms of Reference, the law and Articles of Association, the law and Articles of Association shall prevail.

3.3 These Terms of Reference shall be interpreted in accordance with the Company's Governance and Sustainability System.

3.4 These Terms of Reference, and any amendment to them, must be approved by resolution of the Board of Directors.

4 General Principles

4.1 Pursuant to the Board of Directors' powers to establish rules to regulate itself and make provision for the management of its internal activities and its disposal of matters, each Director of the Board of Directors, including the Chief Executive Officer, shall, in accordance with their fiduciary duties (including in particular, but not limited to their duty under section 172 of the Companies Act 2006) independently carry out their functions and competencies with due regard to the corporate interest and common purpose, in accordance with the Iberdrola Group's (as defined below) *Purpose and Values of the Iberdrola Group* and *Code of Ethics*, adopted by the Company from time to time as part of the Company's Governance and Sustainability System, and to all applicable legislation, including, in particular, the applicable provisions regarding the separation of regulated activities.

4.2 These Terms of Reference also express the Company's commitment to the purpose (to continue building, together each day, a healthier, more accessible energy model, based on electricity) and the values (sustainable energy, integrating force and driving force) of the *Purpose and Values of the Iberdrola Group* and the *Code of Ethics* as adopted by the Company from time to time, which, shall form the basis of the Company's corporate ideology and ethical principles, and guide its corporate purpose and strategy and performance. The Board of Directors will take note of the fact that the Company shares (in so far as adopted by the Company and given its place within the group) the corporate interest of the Iberdrola group (being the multinational group of companies whose listed and controlling entity, pursuant to Spanish law is Iberdrola, S.A., hereinafter, the **"Iberdrola Group"**), which is aimed at creating sustainable value for all Iberdrola Group shareholders, taking into consideration and

involving all stakeholders related to the Iberdrola Group's business and making them participants in the social dividend generated by its activities, and contributing to the achievement of the Sustainable Development Goals approved by the United Nations (the **"SDGs"**) and the most demanding requirements in environmental matters, social commitment and good governance (ESG) criteria, and thereby defining the Company as a key institutional player in the economic and social environment in which it operates.

5 Corporate Interest

The Company, pursuant to its status as the head of business sub-holding company for the renewable energies business of the Iberdrola Group in the United Kingdom, shares with the Iberdrola Group the concept that it is the duty of each Director to act in the way he/she considers, in good faith, would be most likely to be in the corporate interest of the Company, understood as that most likely to promote the success of the Company for the benefit of all shareholders of the Company, taking into account other stakeholders related to its business (including, in relation to the Company and in particular, having regard to the matters set out under section 172 of the Companies Act 2006).

6 Social Dividend

6.1 The performance of the activities included within the Company's corporate objectives, 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 the commitments made in the *Code of Ethics*.

6.2 The Company, as head of business sub-holding company of the renewable energies business in the United Kingdom, contributes to the Iberdrola Group's social dividend, which is understood as the direct or indirect contribution of value through its activities for all stakeholders, and, in particular, through its contribution to the achievement of the SDGs. In this respect, the Company may collaborate with entities related to the Iberdrola Group in order to promote and carry out activities developed in relation to the sustainable development policies of its business.

6.3 The Company's performance in social, environmental and sustainability areas, as well as the social dividend generated and shared with its stakeholders, make up the Company's non-financial information, and the Company shall in accordance with any stakeholder engagement policy as may be adopted by the Company (and in coordination with Iberdrola, S.A.) promote the public dissemination of its non-financial information and the corporate dividend generated, especially among its stakeholders.

7 Applicable Legal Provisions, Governance and Sustainability System and Compliance System

7.1 The Company is governed by its constitutional documents and all applicable laws, rules and regulations, as well as its Governance and Sustainability System which is adopted by the Board of Directors.

7.2 The Governance and Sustainability System is the Company's internal system of rules, made up of the Articles of Association, and those corporate policies and other governance and compliance rules that have been approved or adopted by the Board of Directors, including the *Purpose and Values of the Iberdrola Group* and the *Code of Ethics* and those corporate policies and other governance and compliance rules that have been approved by the board of directors of Iberdrola, S.A. pursuant to its status as the Iberdrola Group holding company or those approved by the board of directors of Scottish Power Limited pursuant to its status as the country sub-holding company of the Iberdrola Group in the United Kingdom and adopted by the Company, and thus incorporated into the Company's Governance and Sustainability System.

7.3 The Governance and Sustainability System is founded upon the principles of the *Purpose and Values of the Iberdrola Group*, which define the ideological foundation of the Company's business, which, due to its size and importance, is a focal point for a large number of stakeholders and the economic and social environments in which it and its subsidiaries carry out their businesses.

7.4 The Board of Directors is responsible for the development, application and interpretation of the rules making up the Governance and Sustainability System (along with any rules approved by the sole parent(s) of the Company), including in relation to ensuring compliance at all times with the purposes of the

Governance and Sustainability System and the fulfilment of the corporate interest of the Company.

7.5 Full or summarised versions of the rules making up the Governance and Sustainability System shall be made available on the Company's corporate website (in so far as not confidential or internal in nature).

7.6 The Company shall have a compliance system to prevent and manage the risk of regulatory and ethical breaches and breaches of the Governance and Sustainability System, and to contribute to the full realisation of the *Purpose and Values of the Iberdrola Group* and the corporate interest of the Company.

8 Powers of the Board of Directors

8.1 The principal responsibility of the Board of Directors (subject to their fiduciary duties) is the effective management and day to day operation of the ScottishPower Renewables Business in accordance with the Group's strategy, in the carrying out of which the Board of Directors shall take into account the ScottishPower Group strategy where the Board of Directors believe this is in the interests of the Group.

8.2 The effective management and operation of the Company will be administered by the Board of Directors.

8.3 In addition, without prejudice to the power of the shareholder(s) of the Company (in such capacity) to take shareholder type decisions in relation to the Company, there are a number of matters reserved exclusively to the Board of Directors or to any Committee of the Board of Directors duly authorised in this regard (subject to their fiduciary duties). These are as follows:

(a) Coordinate with Scottish Power Limited as the Iberdrola Group's sub-holding company in the United Kingdom with regard to the establishment of the ScottishPower Group's management guidelines and strategic objectives in the United Kingdom.

(b) Subject always to legal requirements and restrictions regarding the separation of regulated activities, the Company shall remit to Scottish

Power Limited relevant information and proposals regarding its annual objectives, results and required budget, in order to facilitate the performance of the parent company's own functions in the monitoring and strategic coordination of the ScottishPower Group in the United Kingdom.

(c) Approve objectives (short or long-term as the case may be) and performance programmes and indicators of the Company (and such of its officers) as may be determined from time to time.

(d) Prepare proposals for the distribution of dividends in accordance with any policy relating to dividends as adopted by the Company and in accordance with the Articles of Association of the Company.

(e) Promote and supervise the strategy relating to the Company´s engagement with its respective stakeholders, in accordance with the policy and model established in this respect at the Iberdrola Group level, and approving in particular the signing of any collaboration agreement(s) (or accession agreement thereto) with Scottish Power Limited and the ScottishPower Foundation for the promotion and execution of activities relating to sustainable development policies.

(f) Oversee compliance by the Company and its subsidiaries with the personal data protection regulations in accordance with any policies in this regard within the Governance and Sustainability System of the Company, in respect of which the Data Protection Officer shall periodically (and in any case annually) as deemed necessary provide a report to the Board of Directors.

(g) Approve the annual consolidated budget of the Company and its subsidiaries.

(h) Approve the financial information relating (directly or indirectly) to the Company and its subsidiaries, which shall have also been reviewed by the auditor of the Company, if appropriate.

(i) Approve the non-financial information relating (directly or indirectly) to the Company and its subsidiaries, in so far as required for the non-financial information reporting of Iberdrola, S.A., the Company and/or the ScottishPower Group.

(j) Consider the recommendations or other output of business groups or committees charged with the development of the Company's business which may promote or maximise the value of the ScottishPower Renewables Business as a whole.

(k) Supervise contracts for the provision of intragroup services, and oversee and coordinate (as appropriate) any relevant support provided to the governance bodies established within the ScottishPower or Iberdrola Group as applicable to the Company or its Group, and approve each year the standards that must be met (to protect the corporate interest) for transactions carried out between the Company and its subsidiaries and all other companies within the ScottishPower or Iberdrola Group; Oversee the implementation and development of stakeholder engagement by the ScottishPower Energy Retail Holdings Business.

(l) In accordance with Article 11 of these Terms of Reference, approve, delegate or propose to the sole member of the Company for approval, as the case may be, the transactions that the Company undertakes with its sole member, with its subsidiaries or with any related party all under the terms established by law and in accordance with the Company's Governance and Sustainability System and all without prejudice, where applicable, to the relevant powers of the Board of Directors or the board of directors of Iberdrola, S.A. or of Scottish Power Limited;

(m) Promote the presence of the Company on social networks, and promote the development of the Iberdrola Group's communication and innovation strategy and digital transformation.

(n) Establish the structure and accessibility of the Company´s corporate website, through which the *Purpose and Values of the Iberdrola Group* as well as the *Code of Ethics* shall be disseminated, which shall identify

the Company's activities, its relationship with the Iberdrola Group, and its position on matters of corporate governance, sustainability and the environment, and which shall facilitate the Company's engagement with its stakeholders and the public; while also ensuring an appropriate level of coordination among the Company's corporate website and those of Scottish Power Limited.

(o) Authorise or note any proposal for the appointment and removal of directors of subsidiaries of the Company in accordance with any Iberdrola Group policy adopted by the Company as it relates to the appointment and removal of directors of the ScottishPower Group.

(p) Review and decide on possible conflicts of interest among the companies of the ScottishPower Company's Group.

9 Board Reserved Matters

The Board of Directors shall further have reserved to it, the following powers:

9.1 Making of any proposal to the shareholder(s) of the Company in relation to the alteration to the Articles of Association of the Company.

9.2 Making of any proposal to the shareholder(s) of the Company in relation to the appointment or termination of appointment of the Company's Auditors or its lead advisors.

Financial Management and Reporting

9.3 Approval of the statutory accounts of the Company and, as required, the consolidated financial statements of the Company and the ScottishPower Renewables Business.

9.4 Declaration of any dividend payable to the immediate parent company.

Investments and Divestments

9.5 The approval of investment/divestment proposals and investment/divestment plans for the ScottishPower Renewables Business in accordance with the ScottishPower Group's *Investment Policy*, parameters and criteria exceeding €6 million (or such other sum as may from time to time be substituted therefore pursuant to the *Standard for the Supervision of Investments and Divestments in the Companies Belonging to the Iberdrola Group*).

Company Operations

9.6 The acquisition or sale of assets or properties, whether in the form of a business undertaking or shares in an incorporated company, by the Company or any of its subsidiaries where the value exceeds €6 million (or where the value is negative).

Procurement/Purchasing

9.7 Approval of procurement/purchasing proposals for the ScottishPower Renewables Business in accordance with the ScottishPower Group's purchasing policy, parameters and criteria exceeding €1 million.

Operation & Maintenance (O&M)

9.8 Approval, identification and implementation of O&M proposals and operational efficiency initiatives for the ScottishPower Renewables Business all in accordance with any policy adopted relating to the foregoing, and parameters and criteria.

Contracts and Other Commitments

9.9 Approval of any contract awards, items of operational expenditure or items of capital expenditure for the ScottishPower Renewables Business exceeding €6 million.

Other Operational Matters

9.10 All other decisions related to the effective management of the ScottishPower Renewables Business in accordance with the Group´s business policies, parameters and criteria.

10 Director and Secretary Duties and Obligations

10.1 General Duties of Directors

Without prejudice to the Company's Articles of Association and any provision of law, including the Companies Act 2006, Directors must discharge and observe the duties of their office and those prescribed by law and the Company's Governance and Sustainability System with the diligence of a prudent business executive and must discharge the duties of their office in accordance with their fiduciary duties towards the Company, and, in particular, each Director shall undertake to:

(a) Properly prepare for meetings of the Board of Directors and, if applicable, the meetings of the committees of which the Director is a member, for which purpose the Director shall diligently obtain all relevant information regarding the running of the Company and the matters to be discussed at such meetings.

(b) Attend meetings of the Board of Directors and, if applicable, the meetings of the committees of which the Director is a member, and actively take part in deliberations so that their judgement effectively contributes to decision-making

(c) Perform any specific task entrusted to them by the Board of Directors, provided that such task reasonably falls within the scope of the Director's area of specialisation.

(d) Give notice to the Board of Directors of any irregularities in the management of the Company of which the Director becomes aware, subject always to any applicable provision of law or the Company's Governance and Sustainability System in relation to such irregularity.

(e) Propose that an extraordinary meeting of the Board of Directors be called or further items be added to the agenda of a meeting of the Board of Directors so that such matters as the Director deems appropriate may be discussed

(f) Oppose resolutions that are contrary to the law, to the Company's Governance and Sustainability System or to the Company's corporate interests (and demand that their dissent be noted in the minutes of meetings of the Board of Directors), and, subject to their power, authority and discretion seek the invalidation of any such resolution.

10.2 Duty not to Compete

A Director may not be a director or executive of, nor provide services to, another company having a corporate purpose wholly or partly similar to that of the Company or operating as a competitor of the Company. The foregoing shall not apply to functions and offices held: (i) at Iberdrola Group companies; (ii) at companies where the Director acts as a representative of the Iberdrola Group's interests; (iii) at companies in which a member of the Iberdrola Group holds a minority interest and the Director does not act as a representative of the Iberdrola Group's interests (unless the Board of Directors takes the view that such role or services is or could be a risk to the corporate interests of the Iberdrola Group); and (iv) in other circumstances in which, in accordance with the Company's Articles of Association and any provision of law, the sole member of the Company or the Board of Directors releases him from the above restriction following a review and consideration of any risk and/or damage to the corporate interest that might arise from doing so.

10.3 Use of the Company Assets

Without prejudice to their director duties at law, a Director may not use the Company's assets nor exploit their position at the Company to obtain any economic advantage unless they have provided adequate consideration in respect of such (although, as an exception, a Director may be released from the obligation to provide adequate consideration by the Board of Directors or the

sole member of the Company (as appropriate), but in that event the economic advantage shall be treated as remuneration in kind).

10.4 Return of Information

Immediately prior to removal from office as director of the Company, Directors shall return (and/or, at the request of the Company, delete their own personal copies of) all the corporate documentation and information they may have had access to in the exercise of their position, including information stored by any means or on any device, whether corporate or personal, and must expressly confirm, at the request of the Company, that they have done so.

10.5 Conflict of Interest

Without prejudice to the Company's Articles of Association and any provision of law:

(a) Communication

When a Director becomes aware of being involved in a conflict of interest, the Director must report it in writing to the Board of Directors through the secretary of the Company as soon as possible.

This communication must contain a description of the situation that has given rise to the conflict of interest, indicating whether it is a direct one or an indirect one through a related person, in which case the latter party must be identified

The description of the situation must specify, as appropriate, the purpose and the main terms and conditions of the transaction or circumstance, including details of the financial amounts involved or an approximate estimate.

(b) Abstention

Any doubt as to whether or not a Director could be in a conflict of interest situation must be reported to the secretary of the Company. In

such a case, the Director shall take all reasonable steps to avoid the continuation of such conflict until the situation is resolved in accordance with the Company's Articles of Association or any applicable provision of law.

The secretary of the Company shall remind the Directors at all meetings of the Board of Directors, and any committees of it, which the secretary attends of the reporting and abstention rules set forth in this Article of these Terms of Reference and in the Company's Articles of Association before proceeding with the agenda of the meeting.

(c) Transparency

Whenever so required by law, the Company must report on any conflict of interest situations that Directors may find themselves in during the financial year in accordance with all applicable company reporting regulations.

10.6 Business Opportunities

(a) Subject always to any applicable provision of law, a Director may not, for their own or any related party's benefit, exploit any of the Company's business opportunities, unless such investment or transaction was previously offered to the Company and the Company declined to exploit it and was not influenced to do so by the Director, and the Director's exploitation of the transaction is authorised by the Board of Directors or the sole member of the Company.

(b) For the purposes of the foregoing paragraph, a "business opportunity" means any possible business transaction that arises or is discovered in connection with the Director's performance of their office or by the use of the Company's resources and information or under such circumstances where it is reasonable to conclude that the third party's offer was in fact to the Company and not to the Director.

(c) A Director shall abstain from using the Company's name or relying on their status as a Director of the Company for the purpose of entering into transactions on their own or any related party's behalf.

10.7 Disclosure

A Director shall, via the secretary of the Company, disclose to the Company:

(a) Any ownership or shareholding interest that they may have in any company having the same, a similar or a complementary type of business to that constituting the corporate purpose of the Company, any position or function they may perform at such company, and their pursuit, on their own or another's behalf, of any manner of activity that is complementary to that constituting the corporate purpose of the Company. These disclosures shall be set out in the notes to the financial statements in accordance with statutory and financial reporting requirements.

(b) All positions that the Director holds in, and services the Director provides to, other companies or entities, with the exception of those within the Iberdrola Group, as well as all other professional duties they may have. In particular, the Director shall inform the Board of Directors prior to accepting any directorship or managerial office at another company or entity (except for the positions the Director is called upon to hold at companies belonging to the Iberdrola Group or at other companies in which they represent the interests of the Iberdrola Group).

(c) Any material change in their professional situation that might affect the nature or status under which they were appointed a Director.

(d) Any judicial, administrative or other proceedings instituted against them which, by reason of their nature or significance, might seriously affect the Company's reputation (including, but not limited to, a situation where a Director becomes subject to an order for criminal prosecution). In such instance and subject always to the Company's Articles of Association and any applicable provision of law, the Board of Directors shall review the case as soon as practicable and shall adopt

the decisions it deems fit taking into account the interests of the Company.

(e) In general, any other relevant circumstance or situation that may adversely impact their performance as a Director.

10.8 Duties of Secretaries

The secretary of the Company, and, if such office is in existence, any deputy secretary of the Company, shall be bound by the relevant obligations upon such an officer of the Company as set out under the Companies Act 2006.

11 Related Party Transactions

11.1 Related party transactions shall be deemed to be any transaction involving a transfer of resources, services or obligations between the Company or its subsidiaries or Associated Companies (within the meaning given thereto by section 256 of the Companies Act 2006) with related parties (within the meaning given thereto by the international accounting standards as defined in section 474 of the Companies Act 2006), whether or not any consideration is involved, but excluding those transactions which, in accordance with any provision of law (including the Disclosure Guidance and Transparency Rules and the Companies Act 2006), the Articles of Association of the Company and these Terms of Reference or in accordance with Article 11.2 below, do not constitute related party transactions (**"Related Party Transactions"**).

11.2 Related Party Transactions shall not include: (i) operations or transactions between the Company and its direct or indirect wholly-owned subsidiaries, or between these subsidiaries; (ii) operations or transactions between the Company and its subsidiaries (or companies in which a member of the Iberdrola Group holds a minority interest) where no other party linked to the Company has interests in such subsidiaries (or such minority interest companies); (iii) the signing by the Company and any executive director or member of senior management of a contract governing the terms and conditions of the executive duties they are going to perform, including the determination of the remuneration to be paid for said duties (which must be approved pursuant to the provisions of the Articles of Association of the Company); nor (iv) transactions offered on the

same conditions to all shareholders of the Company in which their equal treatment and the interests of the Company are assured.

11.3 Related Party Transactions must necessarily be approved by the sole member of the Company when they involve a transaction with a value exceeding ten percent of the Company's assets (or such other material value as determined by the sole shareholder of the Company). Where this threshold is not met, Related Party Transactions shall be submitted for approval to the Board of Directors.

11.4 The Board of Directors, shall ensure that Related Party Transactions are fair and reasonable from the Company's standpoint.

11.5 Without prejudice to the foregoing of this Article 11, the Board of Directors may delegate the approval of transactions of the Company with other Iberdrola Group companies, or ScottishPower Group companies which are not excluded pursuant to Article 11.2 above, when these transactions are conducted in the ordinary course of business, including those resulting from the performance of a contract or framework agreement, and which are concluded on arms' length terms. For the approval of Related Party Transactions refered to in this paragraph the Board of Directors must establish an internal information control procedure, and which shall confirm the fairness and transparency of such transactions and, where appropriate, compliance with the criteria that allow for delegation.

11.6 The conducting of a Related Party Transaction places the Director who carries it out, or who is related to the person that carries it out, in a conflict of interest situation, thus the provisions of Article 10.5 of these Terms of Reference apply.

11.7 All Directors within the first quarter of each year (and in advance of the issue of the statutory auditor's report in respect of the Company's audited accounts) shall provide a report addressed to the Company of those Related Party Transactions that they have carried out, or persons tied to the Company who are related to them have carried out, during the previous year. Without prejudice to the foregoing, the Directors must immediately report in writing any Related Party Transaction in which they are involved or anyone related to them is involved that require approval by the Board of Directors under law or in accordance with the provisions of the Company's Articles of Association or these Terms of Reference. The reporting of Related Party Transactions must contain the

following information: (i) purpose and nature of the transaction; (ii) date on which it began; (iii) main terms and conditions, including the value or amount of the consideration and the terms and conditions of payment; (iv) identity of the people involved in the transaction and relationship, where applicable, with the Director; and (v) other aspects, such as price policies and guarantees, that enables it to be assessed, including, particularly, information that makes it possible to verify that it is a fair and reasonable transaction from the Company's standpoint.

11.8 The secretary of the Company or such appropriate other person shall cause to be recorded the Related Party Transactions concerning Directors.

11.9 On an annual basis, the Board of Directors shall report to the sole member of the Company on any and all Related Party Transactions, such as they may exist.

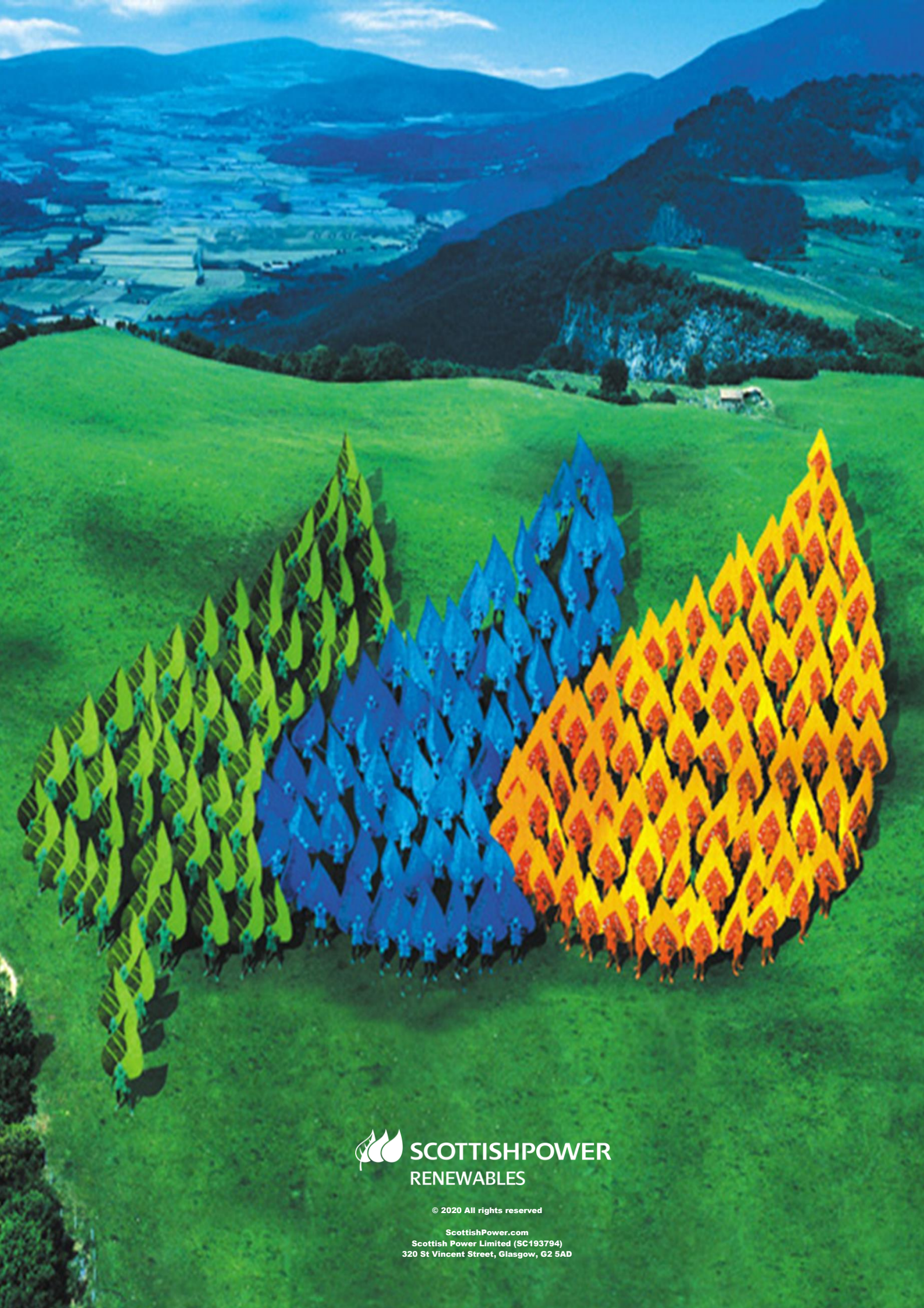
Group Corporate Governance

Internal Procedures & Protocols

The Company's Governance and Sustainability System is supplemented by the Internal Procedures & Protocols, as formally **adopted** by the Company.

This section also consists of any other internal procedures and protocols of the relevant subholding company of the group.

Being documents of an internal nature, these procedures and protocols are not published.



SCOTTISHPOWER
RENEWABLES

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