



# Annual report on the Compliance and effectiveness of the Code for the separation of activities of Iberdrola España Group companies with regulated activities in Spain for 2024

5 February 2025

## NOTICE

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

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# 01. Introduction

Iberdrola España, S.A.U. (“**Iberdrola España**” or the “**Company**”) is the subholding company of the Iberdrola Group in Spain grouping the stake in head of business companies related to Iberdrola España, whose activities are performed essentially in Spain (hereinafter, the “**subsidiary companies controlled by Iberdrola España**”), either directly, wholly or in part, or via ownership of shares or stakes in other companies, while remaining subject in any case to the provisions of applicable sectoral legislation at any given time, and especially to the electricity sector.

Iberdrola España carries out its business in Spain through the following head of business companies: Iberdrola Energía España S.A.U., which carries out electrical energy and gas retail activities; Iberdrola Energía Sostenible España S.L.U., which carries out electrical energy production activities from sustainable sources; and i-DE Redes Eléctricas Inteligentes, S.A.U., with carries out Regulated activities<sup>1</sup> in Spain.

Iberdrola España’s activities cover the whole spectrum of energy production, operating several business lines in Spain. The company is committed to generating energy from renewable sources and updating power networks. Moreover, it offers customers energy solutions promoting energy efficiency and the protection of the environment.

Iberdrola España, fully controlled by Iberdrola, is endowed with the typical administration and management structure of Iberdrola Group subholdings, with a Board of Directors and independent directors, including the Chairman of the Board of Directors, with a chief executive officer, with its own Audit and Compliance Committee, an Internal Audit Area and a Compliance Division, also of its own. The Chairman of Iberdrola España’s Compliance Division is a professional external to the Iberdrola Group with extensive experience in Compliance.

According to the sector regime in force in the European Union<sup>2</sup>, one same company cannot carry out regulated and liberalised activities, but different companies of the same group can, provided that certain criteria of independence in the management of regulated activities are observed, as happens in the group formed by Iberdrola España and its subsidiary companies.

Specifically, the requirements for incompatible activities in Spain are defined with regard to the electricity sector in article 12 of Electricity Industry Act 24/2013, dated 26 December, and in regard to the Hydrocarbon Sector, in article 63 of Hydrocarbon Industry Act 34/1998 of 7 October.

Companies that carry out regulated activities in Spain that have more than 100,000 customers connected must have a code of conduct that establishes the measures adopted for ensuring compliance with the cited independence standards and the specific obligations of employees in this area and must also draw up an annual report for the same purpose.

This report, which will be submitted to the Ministry for Ecological Transition and Demographic Challenge and to the National Commission on Markets and Competition (CNMC), is used by Iberdrola España to report on compliance with the aforementioned obligations in the area of incompatible activities by the Group of which Iberdrola España and its subsidiaries are part with regulated activities in Spain in 2024.

1. As defined in section 2 of this report.

2. Directive 2009/944/EC of the European Parliament and of the Council concerning common rules for the internal market in electricity, and Directive 2009/73/EC of the European Parliament and of the Council concerning common rules for the internal market in natural gas.

## 02. Definitions

- **Liberalised Activities:** the production and sale of electricity and gas, as well as the provision of energy charging services in Spain.
- **Regulated Activities:** the distribution and transmission of electricity, as well as the regasification, basic storage, transportation and distribution of gas in Spain.
- **Code for the Separation of Activities:** Code for the Separation of Activities of the companies of the Iberdrola España Group with regulated activities whose current version was approved by the Board of Directors of Iberdrola España on 19 October 2023.
- **Compliance Unit:** a collegiate body of an internal, permanent nature, set up in accordance with the highest standards of independence and transparency and linked to the Company's Audit and Compliance Committee. The Compliance Unit is the body in charge of supervising and assessing compliance with the measures included in the Code for the Separation of Activities in the exercise of their powers and body responsible for proactively and independently supervising the implementation and effectiveness of the Company's compliance system and the effective compliance with the applicable regulations on the separation of regulated activities.
- **Organisational Structures for the Daily Management of Liberalised Activities:** those committees or work groups of the Liberalised Companies that are entrusted with the day-to-day management and development of the activities in Spain:
  - Operation and maintenance of generation and marketing facilities and other assets necessary for undertaking their activities.
  - Planning, construction, expansion, improvement and development of the assets necessary for undertaking their activities.
  - Negotiation, sale, invoicing and collection for electricity, both wholesale and supply to end users.
  - Contracting access to third-party installations as necessary for undertaking their activities.
- **Commercially Sensitive Information:** any specific information that is non-public, knowledge of which by the employees, managers or directors of the Liberalised Companies could provide these with a competitive advantage.
- **Electricity Sector Act:** Law 24/2013 of 26 December on the Electricity Sector.
- **Hydrocarbons Sector Act:** Law 34/1998 of 7 October on the Hydrocarbons Sector.
- **Individuals Responsible for the Management of Regulated Companies<sup>3</sup>:** the members of the Board of Directors with executive powers and those responsible for the Regional Operational Departments that perform the following duties in Regulated Companies:
  - Operation and maintenance, planning, construction, expansion, improvement and development of the transportation, distribution and other assets necessary for undertaking their activities.
  - Reading and measurement of electric energy.

3. **Appendix 1** includes the identity of those responsible for the Management of Regulated Companies subject to the Code for the Separation of Activities.

→ Installation, verification and supervision of facilities.

→ Application of appropriate consumer protection measures.

- **Regulated Companies:** companies in the group formed by Iberdrola España and its subsidiary companies carrying out Regulated Activities.
- **Liberalised Companies:** companies in the group formed by Iberdrola España and its subsidiary companies carrying out Liberalised Activities.

# 03.

## **The separation of activities in the Governance and sustainability system of Iberdrola España**

## 3.1. General principles

In the performance of its responsibilities and in the exercise of its power to make decisions, Iberdrola España has adopted its own Governance and sustainability system, which represents its internal regulation and consists of its own **By-Laws**, the **Purpose and Values of the Iberdrola Group** and its **Code of ethics**, the corporate policies and other compliance rules implemented at Iberdrola Group level which have been approved by the Board of Directors of Iberdrola España.

Iberdrola S.A. ("**Iberdrola**"), as holding company of the Iberdrola Group, based on its By-Laws has built up its Governance and sustainability system, a regulatory structure that ensures efficient coordination of the principles included in the Purpose and Values of the Iberdrola Group under the form of a regulatory system, subject to permanent review and update, to immediately adapt to regulatory changes and the most demanding international standards that, insofar as possible, are applicable to Iberdrola and which have been adopted by the Board of Directors of Iberdrola España, thus becoming part of the Governance and sustainability system of Iberdrola España.

The Company develops its strategy in accordance with a purpose and values to which all entities and individuals forming part of the Iberdrola Group are committed, the common denominator of which is the creation of value in a sustainable manner, the search for a social dividend and leadership in the performance of all of its activities.

Iberdrola España has a book compiling the main rules and procedures in its Governance and sustainability system which is published on its corporate website<sup>4</sup>. The Governance and sustainability system is formally structured in the following books: (i) Introduction to the Governance and sustainability system; (ii) By-Laws; (iii) Purpose; (iv) Environment and climate action; (v) social commitment; and (vi) corporate governance.

The Corporate Governance and Sustainability System includes the following commitments and guarantees regarding the separation of activities:

- Iberdrola España and the Iberdrola Group assume the legally established commitments in relation to the legal and functional separation of the Regulated Companies (section 3.b of the Corporate Governance Policy).
- The following duties are conferred to the Board of Directors of Iberdrola, within its competencies related to the general duties of supervision, organisation and strategic coordination of the Iberdrola Group:
  - To ensure that subholdings assure compliance with the regulations for the separation of regulated activities in their respective jurisdictions (Article 13.8.B) j) of the Regulations of the Board of Directors).
  - To adapt the structure of the Iberdrola Group to the legal requirements applicable in the jurisdictions in which they carry out their activities, and specifically as regards to the system of separation of regulated activities that is applicable in each jurisdiction (article 7.e) of the Policy for the definition and coordination of the Iberdrola Group and foundations of corporate organisation).

4. [https://www.iberdrolaespana.com/documents/2692041/2759192/Sistema\\_Gobernanza\\_Sostenibilidad.pdf](https://www.iberdrolaespana.com/documents/2692041/2759192/Sistema_Gobernanza_Sostenibilidad.pdf)

- Article D.2.3. in the Code of ethics establishes that members of the management team of the companies within Iberdrola Group shall have particular knowledge of the laws and regulations, including internal ones, affecting their respective areas of activity. Furthermore, they shall ensure that the professionals who report to them receive the appropriate information and training to enable them to understand and comply with the legal and regulatory obligations applicable to their position, including internal ones.
- Article D.18. In the Code of ethics, applicable to all professionals within the Iberdrola Group, regardless of their seniority, establishes the obligation to respect the industry regulations regarding incompatible activities and it expressly establishes, among others, the following specific obligations in the area of separation of activities:

- To ensure the independence in the day-to-day management of Regulated Companies and of those responsible for the management thereof, avoiding the participation of 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 Iberdrola Group shall ensure that Regulated Companies have the human, material and financial resources that are adequate and necessary to carry out their day-to-day activities.

- To ensure the independence and protection of the professional interests of the persons responsible for the management of Regulated Companies, as well as those of the workers who, by virtue of the applicable legislation, deserve special protection due to their duties.
- To take appropriate measures to ensure the protection of Commercially Sensitive Information of Regulated Companies that might give a competitive advantage if known by Liberalised Companies.

In this regard, Regulated Companies may not share commercially sensitive 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.

- To 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.
- Keep the books of Regulated Companies and of Liberalised Companies separately, as provided by applicable laws and regulations in each country.

Moreover, the Iberdrola Group companies shall ensure that economic transactions relating to, among other things, the transfer of resources, assets, rights and/or contracts, if any, made between Regulated Companies and the other companies of the Iberdrola Group, as well as the provision and receipt of services common to both types of company, observe the specific regulations established in each jurisdiction regarding the conditions governing such transactions.

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

- The companies within the Iberdrola Group guarantee that the aforementioned codes or regulatory instruments will be disseminated among the professionals and executive team of the Iberdrola Group companies in the respective jurisdictions in which they apply. In addition, they shall be disseminated externally, in particular, through the websites of the companies of the Iberdrola Group.
- The By-laws of Iberdrola España confer the following functions to the Company's Board of Directors regarding the separation of activities:
  - To disseminate, implement and ensure that the general policies, strategies and guidelines established by Iberdrola as a holding company in the interest of all companies of the Group are followed by the head of business companies in which the Company has an interest, taking into account the nature and particularities of the territories and countries within their purview, as well as the businesses carried out by the head of business companies and respecting their autonomy thereof to engage in the effective management and day-to-day administration of their business, as well as their responsibility for their day-to-day control thereof (article 18.2.a of the By-Laws of Iberdrola España).
  - To enforce compliance with the regulations on the separation of regulated activities in Spain and, therefore, exercise the general function of economic supervision and management of the companies that carry out such regulated activities, respecting their legal and functional separation, in order to guarantee the independence of the ordinary management and direction of the same and of those responsible for their management. The Company may not in any case give instructions to regulated companies on their ordinary activities (article 18.2 h. of the By-Laws of Iberdrola España).
  - To approve the annual financial plan of the regulated companies in which it participates and to establish the limits on its level of indebtedness, without prejudice to the fact that the regulated companies may annually submit to the Company the proposals they consider most appropriate to ensure that they have sufficient resources to carry out their activities (article 18.2.i. of the By-Laws of Iberdrola España).
  - To approve the Code for the Separation of Activities of the Companies of the Iberdrola España Group with Regulated Activities and its amendments, following a report from the Company's Audit and Compliance Committee (article 18.3.q. of the By-Laws of Iberdrola España).
- The Iberdrola España Audit and Compliance Committee in accordance with Article 3.2.h) of the Regulations of the Audit and Compliance Committee of Iberdrola España shall:
  - Issue a preliminary opinion on the reports compiled in the area of separation of regulated activities and, particularly, on this annual report prepared by the Compliance Unit as set out in article 20 of the Code for the Separation of Activities, for submission to the Board of Directors for their information.
  - Report in advance on the amendments to the Code for the Separation of Activities (section 28.4 s. of the Company's By-Laws).

- Report in advance on agreements concerning the appointment and removal of directors of the Iberdrola Group's Regulated Companies in Spain, ensuring the suitability of the proposed candidates for the effective independence of the management of said regulated companies (article 28.4.s. in the By-Laws).
- It is the responsibility of the Compliance Unit to ensure effective compliance with the regulations applicable to the separation of activities (Article 7.1 of the Regulations of the Iberdrola España Compliance Unit). Furthermore, the Compliance Unit must perform the duties conferred upon them by the Code for the Separation of Activities of the companies in the Iberdrola España Group with regulated activities and, particularly, supervise and assess compliance with the obligations established therein and compile the annual report referred to in Article 20 (article 7.2 of the Regulations of the Iberdrola España Compliance Unit).
- All this in addition to the provisions in the Code for the Separation of Activities developed below.

## 3.2. Code for the Separation of Activities

In compliance with the provisions of sections 12.2 of the Electricity Industry Act and section 63.4 of the Hydrocarbons Act, the Board of Directors of Iberdrola España, at a meeting held on 19 October 2023, approved the Code for the Separation of Activities<sup>5</sup>, which is still in force.

According to the provisions of article 3 of the Code for the Separation of Activities, it is applicable:

- To all directors, managers and employees of the Regulated Companies of the Group consisting of Iberdrola España and its subsidiary companies that carry out activities in Spain, regardless of their hierarchical level (except those from electricity distribution companies of the Group with less than 100,000 customers connected to their grids, as established by article 12.4 of the Electricity Industry Act); and also
- To the directors, managers and employees of the Liberalised Companies of the Group in Spain, to the extent that they are affected by applicable regulations regarding the separation of activities.

In particular, in 2024, the only Regulated Company subject to the Code for the Separation of Activities was i-DE Redes Eléctricas Inteligentes, S.A.U., (“**i-DE**”), since it is the only company in the group consisting of Iberdrola España and its subsidiary companies carrying out Regulated Activities with more than 100,000 customers connected to its networks.

i-DE is the head of business company of the networks business in Spain, notwithstanding the fact that it is Iberdrola Redes España, S.A.U., (“**Iberdrola Redes España**”), a subsidiary of Iberdrola España, the company that groups the participation of all the companies whose purpose is the distribution of energy in this country.

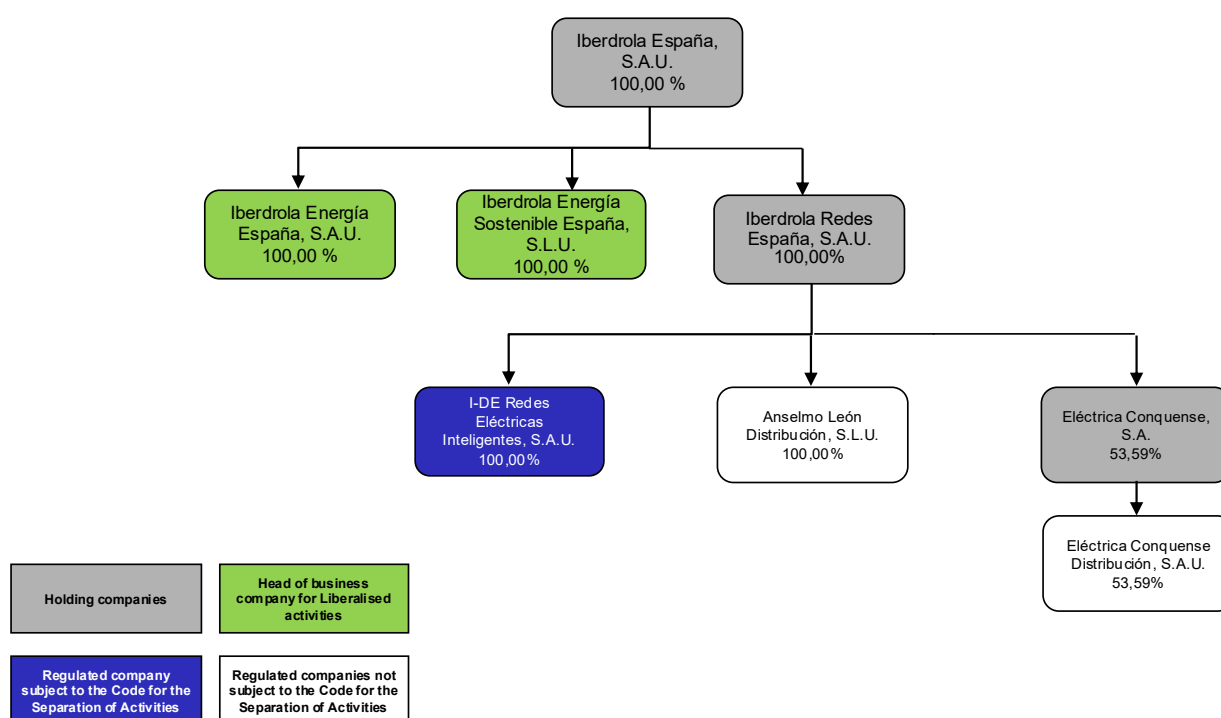
i-DE adopted the current Code for the Separation of Activities approved by the Board of Directors of Iberdrola España on 19 October 2023, at its Board of Directors meeting of 5 December 2023, in accordance with the provisions of its article 15.2.

5. The Code for the Separation of Activities is published on the respective web pages of i-DE and Iberdrola España.

With regards to the Liberalised Companies, Iberdrola Energía España, S.A.U., (“**Iberdrola Energía España**”) is the parent company of the retail business in Spain<sup>6</sup>, which manages the wholesale retail of gas and the energy management activity, and it is in turn the holding company of Iberdrola Cogeneración, S.L., whose activity is limited to electricity cogeneration, Iberdrola Clientes, S.A., (Sociedad Unipersonal), which groups the retail energy sales activity in Spain, and Iberdrola Clientes Internacional, S.A., which groups the stakes in foreign companies carrying out retail and energy purchase activities in the jurisdictions where the company is present<sup>7</sup>.

The production of electrical energy from sustainable energy sources and its sale is carried out through Iberdrola Energía Sostenible España, S.L.U.) (“**Iberdrola Energía Sostenible**”).

The chart below shows the Iberdrola España Group’s head of business companies that carry out Liberalised Activities and the companies that carry out Regulated Activities in Spain, specifying the Regulated Company that is subject to the Code for the Separation of Activities.



6. It also holds a stake in other Iberdrola Group retail companies in other foreign countries.

7. At reporting date, only in Ireland.

# 04. Management model

## 4.1. Areas of decision-making and responsibility

The Governance and sustainability system provides for a business model that combines a decentralised decision-making structure based on the principle of subsidiarity, with robust coordination mechanisms that ensure the overall integration of all the Group's businesses, all underpinned by an effective system of counterweights that prevents management power from being concentrated in any one governing body or person.

The Iberdrola Group's corporate structure and governance model provide for a separation between the central functions of defining Iberdrola's strategy and overseeing it and the executive responsibilities decentralised in the Iberdrola Group companies.

In accordance with the provisions of the Policy for the definition and coordination of the Iberdrola Group and bases of the corporate organisation the governance model of the Iberdrola Group is defined on the bases indicated below that duly differentiate, on the one hand, the functions of ordinary management and effective management and, on the other, those of supervision and control<sup>8</sup>:

- a. The Board of Directors of Iberdrola has been conferred powers regarding approval of the strategic goals at Group level, the definition of its organisational model, the supervision of compliance therewith and further development thereof, as well as those relating to decisions on matters of strategic relevance at the Group level, while fully observing the special framework of strengthened autonomy of the listed subholding companies mentioned in section d) below.
- b. The Chairman of Iberdrola's Board of Directors and Iberdrola's CEO, with the technical support of the Operating Committee, and by the management team, are responsible for the function of organisation, coordination and supervision at the Group level through the dissemination, implementation, and monitoring of the overall strategy and the basic guidelines for the management thereof established by the Company's Board of Directors.
- c. The function of organisation, coordination and supervision is strengthened through the subholding companies, which perform it with respect to each of their corresponding territories, countries, or businesses on the terms decided by Iberdrola's Board of Directors, disseminating, implementing, and ensuring compliance with the strategies and general guidelines at the Group level based on the characteristics, needs and particularities of their respective territories, countries or businesses.

One of the main functions of the subholding companies is to centralise the provision of services common to their head of business or country companies, in accordance with operational efficiency standards and fully respecting the provisions of applicable law and especially the legal provisions regarding the separation of regulated activities.

In this regard, the 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.

8. The Policy for the definition and coordination of the Iberdrola Group and foundations of corporate organisation is published on the corporate website [www.iberdrola.com](http://www.iberdrola.com) and can be downloaded from the following link: [https://www.iberdrola.com/wcorp/gc/prod/es\\_ES/corporativos/docs/politica\\_definicion\\_coordinacion.pdf](https://www.iberdrola.com/wcorp/gc/prod/es_ES/corporativos/docs/politica_definicion_coordinacion.pdf).

In compliance with the duties and responsibilities allocated to them by their respective Governance and sustainability systems, the subholding companies specify the application of the Group-level strategies and general guidelines approved by the Board of Directors, based on the applicable legal provisions in each territory, country or business, as well as their characteristics, needs and particularities. For this purpose, the subholding companies approve rules and principles applicable to their respective head of business companies and specify the application of the content of the Group-level general strategies and main guidelines for their management approved by Iberdrola's Board of Directors with Group-level coverage.

To best carry out their functions, the subholding companies have within their boards of directors at least one external director who, due to their personal and professional qualities thereof, may carry out their duties without being constrained by relationships with the companies of the Group or with the directors, significant shareholders, or members of the management thereof, as well as with audit and compliance committees, in addition to their own internal audit and compliance units or divisions.

The executive directors of each subholding company, appointed by their respective boards of directors, shall promote the specific application of the overall strategies and the basic guidelines for their management in each territory, country, or business, as applicable, proposing the annual targets and budget, with the ability to represent their respective companies before domestic institutions in coordination, if appropriate, with the executive directors of the head of business companies as indicated in section e) below, as well as performing any other functions as are determined by each board of directors, always acting under the supervision thereof.

- d. Listed subholding companies have a special framework of strengthened autonomy, that mainly covers the regulatory, related-party transactions and management areas.
- e. The head of business companies assume decentralised executive responsibilities, enjoy the independence necessary to carry out the day-to-day administration and effective management of their businesses, and are responsible for the day-to-day control thereof.

These head of business companies mostly have boards of directors, which where appropriate include external directors who, due to their personal and professional qualities thereof, carry out their duties without being constrained by relationships with the companies of the Group or with the directors, significant shareholders or members of their management thereof, and have their own managing boards, and may also have their own audit committees, internal audit areas and compliance units or divisions.

If applicable, the executive directors of each head of business company are responsible for their effective management thereof under the supervision of its board of directors, to which they shall propose the objectives of the businesses and the annual budgets within the framework of the overall strategy of the businesses established at the Group level, and may represent their respective companies before national institutions if they are domiciled in a country or territory other than that of the country or territory of the subholding company to which they are subordinate, on a coordinated basis with the executive director of the latter.

The provisions of the preceding paragraphs shall be without prejudice to the respect for the corporate autonomy of the subsidiaries of the head of business companies domiciled in countries or territories other than that of the head of business company. These subsidiaries may be vested with the effective management of their business activities in their own country or territory.

In order to facilitate the orderly exercise of the duties inherent to its status as the holding entity of Iberdrola Group, the Iberdrola Board of Directors establishes a series of mechanisms that allow the exchange of the necessary information for the strategic coordination of the activities carried out by the different subholding companies and business parent companies, without prejudice to their decision-making autonomy and the requirements imposed on their administrators by law, as well as those derived from the Governance and sustainability system, in the interest of all the companies within Iberdrola Group.

## 4.2. Bodies responsible for the administration and management of Regulated and Liberalised companies

Both i-DE, Iberdrola Energía España and Iberdrola Energía Sostenible have their own administration and management structures in the head of business companies of Iberdrola Group, which, as already mentioned, assume executive responsibilities in a decentralised manner, and have the required independence to perform ordinary, effective management of their businesses, and are also responsible for their ordinary control.

As such, on 22 December 2009, the Board of Directors of i-DE was established, with independent directors, and a chief executive officer was appointed, upon whom all members of the management team and employees of this Regulated Company ultimately depend. i-DE has had its own Audit and Compliance Committee and Internal Audit Department since 22 December 2009. It also has its own independent Compliance Unit linked to the Audit and Compliance Committee of the Board of Directors.

On the other hand, both Iberdrola Energía España and Iberdrola Energía Sostenible have their own Boards of Directors, with external members and their own appointed chief executive officers. They also have their own independent Compliance Units and Internal Audit Departments, linked to their Boards of Directors.

## 4.3. General supervision duty

Under the Code for the Separation of Activities, Iberdrola España, as a subholding company, has the power to supervise the economic affairs and management of Regulated Companies and of the remaining companies that make up the Iberdrola España Group and its subsidiary companies.

In the exercise of said powers, the Board of Directors of Iberdrola España has approved the annual budgets corresponding to 2024, ensuring the effective separation of the regulated activities and the compliance of the legally established independence criteria included in the income, expenditure and investment forecasts of all the businesses and companies in the Iberdrola España Group and its subsidiary companies for 2024, including the annual financial plan and the debt limits of the Regulated Companies.

# 05.

## **Specific measures taken to comply with the Code for the Separation of Activities**

To ensure the effective functional separation of the Regulated Companies from the Liberalised Companies and to comply with the legally established independence standards, the Group consisting of Iberdrola España and its subsidiary companies has adopted the measures established in the Code for the Separation of Activities, which are detailed below.

The Compliance Unit has made an objective and independent analysis of the observance of said measures to verify compliance with the Code for the Separation of Activities.

## 5.1. Measures relating to the differentiation of the companies where Iberdrola España has a stake

In compliance with the provisions of Title II regarding “Legal separation of activities” of the Code for the Separation of Activities, the companies of the group formed by Iberdrola España and the companies in which it has an interest maintain an effective legal separation of Regulated and Liberalised Activities. Regulated Activities and Liberalised Activities are done by different companies<sup>9</sup>.

The Regulated Companies, in accordance with article 6 of the Code for the Separation of Activities, maintain sufficiently differentiated names with respect to the Liberalised Companies.

Likewise, i-DE does not hold shares in companies that carry out Liberalised Activities but only participates in economic interest groups that carry out activities in support of those of i-DE<sup>10</sup>.

## 5.2. Measures relating to the provision of common services

In accordance with the provisions of article 7 of the Code for the Separation of Activities, Regulated Companies and Liberalised Companies may benefit from common services provided both internally and externally. In the case of exterior common services, due measures must be taken so that the following are avoided at all times: (i) confusion between Regulated and Liberalised companies; and (ii) the promotion of Liberalised Companies by Regulated Companies. In all cases, in the provision of common services, the costs are distributed, and the services are provided in accordance with objective, transparent and market criteria, thereby avoiding any discrimination, subsidy, or competitive advantage.

9. Attached as **Appendix 2** is the text of the corporate purpose of the Regulated Company i-DE, taken from its By-laws.

10. Attached as **Appendix 3** is a descriptive table of the participation of i-DE in economic interest groups that carry out activities in support of those of said Regulated Company.

During 2024, common support and assistance services were provided to the companies belonging to the Iberdrola España Group and its subsidiary companies under a framework service provision agreement to which various companies in the Group subscribed in 2016, including i-DE, and in which the specific services that would be the object of provision were decided for each company.

The agreements signed for those purposes expressly ensure the effective decision-making capacity of the Regulated Companies regarding the services whose management is entrusted to Iberdrola España and it is also expressly provided that the rules of the Code for the Separation of Activities are considered part of the contractual content without the possibility that the rights and duties arising from the framework services contract become effective in terms that contradict or prejudice said rules.

Likewise, on 3 February 2015 i-DE signed a framework collaboration agreement between the Company, Iberdrola and the Fundación Iberdrola España (formerly, Fundación Iberdrola) on 22 December 2014 to carry out the activities assigned to the aforementioned foundation.

In this agreement, it is expressly stated that this company will in all cases respect the obligations of i-DE as a Regulated Company in the Iberdrola España Group and its subsidiary companies, as specified in its legal and functional separation, ensuring independence in its daily management and in that of the supervisors, all under the terms and conditions established in both the current legislation on the matter and in the Code for the Separation of Activities.

## 5.3. Organisational measures

The governance model of the Group is established in an organisational structure, by virtue of which none of the Individuals Responsible for Management of i-DE participate in organisational structures of the Group or in the administrative bodies thereof which are directly or indirectly responsible for the day-to-day management of Liberalised Activities.

The scope of decision of the governing bodies of the Regulated Companies spreads to all matters that are not expressly attributed to the sole shareholder. For clarification purposes, the powers of Iberdrola España as sole shareholder of Iberdrola Redes España, or those of Iberdrola Redes España as sole shareholder of i-DE, in no case allow interference in the management of the Regulated Companies, which maintain their independence in this area both with respect to these and other Group companies.

In accordance with this competency framework, it is the responsibility of the Regulated Companies to establish their own organisational structure independent from the rest of the Iberdrola España Group companies, including the appointment of the Individuals Responsible for Management, as well as the structure of powers necessary for carrying out the management of their activities.

At 31 December 2024, the workforce of i-DE was 3,211 employees, with 194 new hires during 2024 based on the Iberdrola Group's policies, regulations and procedures for selection in Iberdrola Group companies, which were applied in accordance with the specific profiles of the job positions defined for Regulated Companies.

## 5.4. Measures aimed at protecting the functional independence of the individuals responsible for the management of the Regulated Companies

In order to ensure that the independence of i-DE is fully effective, the legal representation of this company is expressly attributed to both the Board of Directors and, if applicable, its CEO (article 16 of i-DE's By-laws).

In accordance with the Code for the Separation of Activities in force approved by Iberdrola España, the agreements concerning the appointment and removal of independent directors of i-DE can only be adopted upon a report from the Company's Audit and Compliance Committee, who shall ensure the suitability of the proposed candidates for the effective independence of the ordinary management of I-DE. This provision is also contained in the Regulations of the Audit and Compliance Committee and in the By-laws of Iberdrola España.

The remaining Individuals Responsible for Management have been appointed by the Board of Directors of i-DE and possess sufficient authority for the performance of their duties in line with the contents of the powers granted in their favour, which are duly registered in the Companies Registry, allowing them to exercise an effective decision-making capacity independent of the Iberdrola España Group and its subsidiary companies.

Additionally, according to the documentation sent to the Compliance Unit by the Individuals Responsible for the Management of i-DE, it is stated that none of them directly or indirectly holds shares in Liberalised Companies.

Additionally, it has been objectively and independently verified that the remuneration of persons responsible for the management is fixed according to the criteria ensuring their independence.

In 2024, none of the Individuals Responsible for the Management of i-DE have participated in the Organisational Structures for the Daily Management of Liberalised Companies.

The termination or dismissal of the Individuals Responsible for the Management of Regulated Companies subject to the Code for the Separation of Activities may in no case be based on causes that originate in the compliance by the affected party with the rules contained in the Code for the Separation of Activities. In this regard, it was evidenced that during 2024 four employees of i-DE were dismissed, who were not individuals responsible for the management of this company, nor were the dismissals related to compliance with the Code for the Separation of Activities.

## 5.5. Measures aimed at the protection of Commercially Sensitive Information

Under the provisions of article 14.2 of the Code for the Separation of Activities, i-DE and its employees, directors and administrators are prohibited from sharing Commercially Sensitive Information with Liberalised Companies or their staff.

In addition, article 30.3 of i-DE's By-Laws expressly impose upon its members of the Board the obligation to "observe their confidentiality duties provided in the Code for the Separation of Activities".

With the aim of exactly and always identifying the scope of the Commercially Sensitive Information handled by i-DE, it will select this information and adopt the measures necessary for maintaining its confidentiality. In particular, Commercially Sensitive Information includes, among other, all information related to the identification of the customer, their economic activity, current and historical information on access contracts, the consumption information associated with each of the supply points and, in particular, the hourly values of consumption in those supplies they have, the invoices sent to the customers, the historical information of the customers' debt, their claims, and information about the requests of new customers, provided that this information could be a competitive advantage for Liberalised Companies.

i-DE has designated a system administrator for each of the systems that contain Commercially Sensitive Information (the "**System Administrators**"), in particular the Supply Point Information System (SIPS) and the Remote Management System (STG)<sup>11</sup>.

The System Administrators are responsible for the following functions in their capacity in safeguarding Commercially Sensitive Information:

- Preparing the corresponding security document, which is mandatory for all personnel with access to Commercially Sensitive Information, and includes the following aspects: its scope of application; the measures, regulations, procedures and rules aimed at ensuring the level of security required by current regulations; the functions and obligations of personnel; the structure of the files; the procedures for notification, management and response to incidents; and the procedures for making backup copies and recovery of information (the "Security Information").
- Having an updated list of users with authorised access.
- Restricting access to this information by expressly authorised persons.
- Establishing identification procedures for access to Commercially Sensitive Information.
- Defining, assigning and periodically reviewing the access profiles to the Commercially Sensitive Information based on the specific needs of each employee for the correct performance of their duties.

11. **Appendix 4** specifies the identity of the Systems Administrators at 31 December 2024.

The Security Documents have been made known to all personnel within their respective fields of application.

Therefore, as soon as i-DE accesses the Commercially Sensitive Information, the treatment provided in the Code for the Separation of Activities for preventing the Liberalised Companies of the Iberdrola Group from accessing Commercially Sensitive Information is applied in a different way than for competitors.

It has been objectively and independently verified that the controls set in the aforementioned Security Documents were in force and operational in 2024.

Last, in 2024, a total of 30 i-DE employees were transferred to other Iberdrola Group companies and they are subject to the confidentiality obligations provided in article 14.9 of the Code for the Separation of Activities.

## 5.6. Measures for the dissemination of the Code for the Separation of Activities

The current version of the Code for the Separation of Activities approved by the Board of Directors of Iberdrola España on 19 October 2023 is available on the respective employee portals and corporate websites of the Company and I-DE. Additionally, i-DE employees are informed by email of the new versions of the Code for the Separation of Activities.

On the other hand, in 2024 specific training activities were undertaken in the area of separation of activities in which 291 i-DE employees participated.

All new i-DE employees receive training in the area of separation of activities.

## 5.7. The Compliance Unit

According to section 17 of the Code for the Separation of Activities, the Compliance Unit<sup>12</sup> is responsible for the supervision and assessment of compliance with the obligations established therein. The Compliance Unit is set up as a fully independent collegiate body with enough powers for the adequate exercise of their duties.

The Compliance Unit is governed in their work by the Regulations of the Compliance Division approved by the Board of Directors of Iberdrola España, which is published on its corporate website and employee portal.

There are specific measures that enhance the independence of Iberdrola España's Compliance Unit:

12. **Appendix 5** specifies the identity of the members of the Compliance Unit.

- The appointment of the members of the Compliance Unit corresponds directly to the Company's Board of Directors, after a report from the Audit and Compliance Committee (article 2.1 of the Iberdrola España's Compliance Unit Regulations).
- The position of Chairman of the Compliance Unit is held by a professional foreign to the Group companies, who is an renown expert in compliance matters with extensive experience in criminal, civil, company and constitutional law, has appeared in numerous arbitration and forensic proceedings before Province Courts, the National Court, the Supreme Court and the Constitutional Court.
- The members of the Compliance Unit, one of whom shall be the Company's Compliance Officer, and others who may include the heads of various areas or functions related to risk management in the area of regulatory compliance.
- The dismissal or removal of members of the Compliance Unit may not, under any circumstances, be based on grounds originating in the performance of the duties conferred by the Code for the Separation of Activities (Article 17.2 of the Code).
- The granting of the powers necessary to properly perform their functions and their independent nature are provided for (article 2 of the Iberdrola España's Compliance Unit Regulations and article 17.1 of the Code for the Separation of Activities).
- The Unit will have access to all information, documents and offices of the Group consisting of Iberdrola España and its subsidiary companies as necessary for the proper performance of their duties. In this regard, all professionals and directors of such companies must provide the Compliance Unit with the cooperation required for the proper performance of their duties (articles 17.3 and 17.5 of the Code for the Separation of Activities).

Last, in accordance with the provisions in the Governance and sustainability System, its Audit and Compliance Committee must ensure the Compliance Unit has its own human and material resources required to perform their duties, supervising their independence and effectiveness (article 3.2.f.ii of Iberdrola España's Regulation of the Audit and Compliance Committee and article 28.4 of the Company's By-Laws).

# 06.

## Conclusions of the evaluation process

The Compliance Unit of Iberdrola España has had access to all the information and documentation required for preparing its Annual report on the compliance and effectiveness of the Code for the separation of Iberdrola España Group companies with regulated activities.

As a result of this and of the conclusions included in this report, it is duly accredited that the group consisting of Iberdrola España and its subsidiary companies complied properly with the measures established in the Code for the Separation of Activities in 2024.

# 07.

## **Issuance of the annual report on the compliance and effectiveness of the Code for the Separation of Activities of Iberdrola Group España companies with regulated activities in 2024**

Based on the assessment referred to in the previous section, the Compliance Unit of Iberdrola España issues this report, the content and results of which will be reported to the Audit and Compliance Committee of Iberdrola España and the i-DE Board of Directors.

The Board of Directors of Iberdrola España took note of the Annual report on the compliance and effectiveness of the Code for the separation of activities of Iberdrola España Group Companies with regulated activities in Spain for 2023 in the meeting held on 18 February 2025, following the positive opinion issued by its Audit and Compliance Committee on 13 February 2025.

# APPENDIX 1

## Persons Responsible for the Management of the Regulated Companies subject to the Code for the Separation of Activities

Name	Position
Ms. Eva Mancera Flores	Chief executive
Mr. Francisco Javier Arriola Alcívar	Director of the Northern Region
Mr. María Martínez Yáñez	Responsible for the Management of the Northern Region
Ms. Ana Lafuente González	Director of the Eastern Region <sup>13</sup>
Mr. Guillermo Raga Burguet	
Mr. Óscar Villanueva Moreno	Director of the Western Region

13. Ms. Ana Lafuente González ceased to perform her duties as Director of the Eastern Region on January 31, 2024 and was replaced by Mr. Guillermo Raga Burguet, who was appointed for such position by means of the resolution of i-DE's Board of Directors on April 10, 2024.

## APPENDIX 2

### Corporate purpose of the Regulated Company subject to the Code for the Separation of Activities

Company	Corporate purpose (article 2 of the By-laws)	Address
<b>I-DE REDES ELÉCTRICAS INTELIGENTES</b>	<p>The performance of all types of activities, work and services for or relating to the business of transmission, distribution and third-party access to the electricity grid, subject, as the case may be, to the provisions of laws applicable at any given time to the Electricity Sector.</p> <p>These activities shall be performed primarily in Spain, and also abroad, either directly, wholly or in part, by i-DE Redes Eléctricas Inteligentes, or via ownership of shares or stakes in other companies, with identical or similar purposes remaining subject in any case to the provisions of applicable sectoral legislation at any given time and, especially, to the electricity sector, ensuring compliance with the regulations that may apply, particularly those regarding the separation of regulated activities.</p>	Avenida San Adrián 48, Bilbao (Vizcaya), CP 48003

## APPENDIX 3

### Participation by the Regulated Company subject to the Code for the Separation of Activities in economic interest groupings

Company	Subsidiary companies	Percentage of holding
I-DE REDES ELÉCTRICAS INTELIGENTES	INKOLAN Información y Coordinación de Obras, A.I.E.	14.29 %
	Oficina de Coordinación de Obras de Valencia, A.I.E. (OCOVAL)	16.67 %

# APPENDIX 4

## System Administrators of the Regulated Company subject to the Code for the Separation of Activities at 31 December 2024

System	System Administrator
Supply Point Information System	Mr. Ignacio Canales Abaitua
Remote Management System	Mr. Javier Mateo Arenas

# APPENDIX 5

## Compliance Unit of Iberdrola España

Nombre	Cargo
Mr Carlos Aguilar Fernández <sup>14</sup>	Chairman (external)
Ms Zaloa Lesta Sobrino	Compliance Officer
Mr Álvaro Murga Tomé	Member
Mr Manuel Martínez Rodríguez <sup>15</sup>	Member
Mr Manuel Cabezudo Pueyo	Member
Mr Francisco de Borja García Ruiz	Secretary (non-member)

14. Mr Carlos Aguilar Fernández was appointed in this position by resolution of the Company's Board of Directors on 8 November 2024, replacing Mr José María Ayala de la Torre.

15. Mr Manuel Martínez Rodríguez was appointed in this position by resolution of the Company's Board of Directors on 16 October 2024, replacing Mr Francisco Blázquez Sarro.



Iberdrola  
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