



Transparency Report of the Compliance systems of Iberdrola España, S.A.U. and its Subsidiary Companies 2024

May 2025



Iberdrola España, S.A.U.

Agreed-upon procedures report on the Iberdrola
España, S.A.U. and its subsidiary Companies
Compliance systems Transparency Report 2024

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



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Agreed-upon procedures report on the Iberdrola España, S.A.U. and its subsidiary Companies Compliance systems Transparency Report 2024

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To the Compliance Unit of Iberdrola España, S.A.U.

Purpose of this agreed-upon procedures report and restrictions on its use and distribution

Our agreed-upon procedures report on certain indicators contained in the Iberdrola España, S.A.U. and its subsidiary companies Compliance systems Transparency Report 2024 (hereinafter, the Transparency Report), detailed in part 3 of the Procedures and *findings* section of this report, is issued solely to assist the Compliance Unit of Iberdrola España, S.A.U. (hereinafter the Company) in its evaluation of certain information included in the Transparency Report prior to its publication on the Company's website, and may not be suitable for any other purpose. Accordingly, it may not be used for any other purpose without our prior written consent.

Our maximum liability to Iberdrola España, S.A.U. for damage and loss arising from misconduct or negligence on our part in the provision of these services is that specified in our engagement letter dated 3 April 2025. In no circumstances shall we accept any liability to parties other than the addressees of this report that may obtain access to it.

Responsibility of the engaging party

The Company's Compliance Unit has confirmed that the agreed-upon procedures are suitable for the purpose of the engagement. The Company's Compliance Unit is likewise responsible for preparing the Transparency Report on which the agreed-upon procedures are applied.

The addressees of the report are responsible for ensuring that the procedures performed are sufficient to meet the objectives pursued.

Auditor's responsibility

Our engagement was undertaken in accordance with generally accepted professional standards in Spain applicable to agreed-upon procedures engagements based on ISRS 4400 (Revised), which regulates the auditor's work in this type of engagement. In an agreed-upon procedures engagement, the users of the report should draw their own conclusions from the factual findings reported as a result of performing the specific procedures defined by you for the aforementioned purpose. We do not accept any liability for the sufficiency of the procedures performed.



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Because the above procedures do not constitute either an audit, a review or an assurance engagement, we do not express an opinion or conclusion on the information contained in the Transparency Report, taken as a whole. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Professional ethics and quality management

We have complied with the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). For the purpose of this engagement, we are not bound by any independence requirements.

Our firm applies the International Standard on Quality Management 1 (ISQM1), "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*," which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

The procedures applied and findings obtained were as follows:

- 1- Procurement from management of the Company's Compliance Unit of the "Iberdrola España, S.A.U. and its subsidiary Companies Compliance systems Transparency Report 2024" prepared by the Compliance Unit. This document accompanies our report.
- 2- Procurement from management of the Company's Compliance Unit of the reports extracted from the Iberdrola España, S.A.U. and its subsidiary companies information systems relative to the indicators detailed in procedure 3 and corroboration of the information contained in these reports with that contained in the Transparency Report for the corresponding indicators.
- 3- For each of the indicators contained in the accompanying Transparency Report and detailed below, performance of the procedures specified in the "Procedures performed" column of the following table:

Indicator	Section/Page of the Transparency Report	Procedures performed
1. Number of compliance directors' appearances before their respective governing bodies in 2024	2.1 Composition and duties of the Company's Compliance Unit of Iberdrola España, S.A.U. and the other compliance units of the Group's	<ol style="list-style-type: none">1- Procurement from management of the Company's Compliance Unit of a list of compliance directors' appearances before their respective governing bodies in 2024.2- Procurement of the minutes of 5 randomly selected appearances in 2024.



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	companies (page 16).	3- Corroboration that the minutes obtained in the preceding step contain express details of all the directors' appearances contained in the list obtained in point 1 above.
2. Amount budgeted for the Compliance Unit	2.2 Budget and resources (page 18)	1- Procurement from management of the Company's Compliance Unit of the budget for Compliance functions in 2024 approved by approved by their respective governing bodies of Iberdrola España, S.A.U. and subsidiaries. 2- Procurement of the Control Management Report detailing the amount budgeted for the Compliance functions of Iberdrola España, S.A.U. and subsidiaries and monitoring of actual vs. budgeted expense. 3- Corroboration that the budget approved for the Compliance functions of Iberdrola España, S.A.U. and subsidiaries for 2024 matches that reflected in the Control Management Report and in the Transparency Report.
3. Number of employees	2.2 Budget and resources (page 18)	1- Procurement from management of the Company's Compliance Unit of a list of Group companies' employees working solely for Compliance function of Iberdrola España, S.A.U. and subsidiaries at 31 December 2024. 2- For a sample of 5 employees selected randomly from the list in point 1 above, corroboration of their assignment to the Compliance function in the



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		Iberdrola España, S.A.U. and subsidiaries internal directory.
4. Evidence of how controls work	3 Compliance risk analysis and assessment (page 20)	<p>1- Procurement from management of the Company's Compliance Unit of a list of controls identified in 2024 by the Compliance functions of Iberdrola España, S.A.U. and subsidiaries to cover the different risks.</p> <p>2- For a sample of 5 controls selected randomly from the list in point 1 above, procurement of documentation supporting evidence of the design and execution of the control.</p>
5. Third party evaluations	5.1 Assessment of third parties (page 27)	<p>1- Procurement from management of the Company's Compliance Unit of a list of the evaluations made of third parties (Iberdrola España, S.A.U. and subsidiaries suppliers and debtors in 2024).</p> <p>2- For a sample of 5 evaluations selected randomly from the list in point 1 above, procurement of documentation supporting the evaluations made.</p>
6. Transactions supervised by nature	5.1 Assessment of third parties (page 27)	<p>1- Procurement from management of the Company's Compliance Unit of a list of transactions of Iberdrola España, S.A.U. and subsidiaries supervised by the Compliance functions in 2024 classified by nature of the risk.</p> <p>2- For a sample of 5 transaction selected randomly from the list in point 1 above, procurement of documentation supporting the supervision carried out.</p>



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7. Robust principal supplier compliance system	5.2 Sustainability - Development of suppliers (page 28)	<p>1- Procurement from management of the Company's Compliance Unit of the criteria followed by the Iberdrola España, S.A.U. and subsidiaries Compliance functions in 2024 for classifying the supplier compliance systems.</p> <p>2- Procurement from management of the Company's Compliance Unit of a list of principal suppliers together with the compliance evaluation carried out.</p> <p>3- For a sample of 5 suppliers selected randomly from the list in point 1 above, procurement of documentation supporting the compliance evaluation of compliance carried.</p>
8. Background checks of the management team	5.4 Professionals (page 30)	<p>1- Procurement from management of the Company's Compliance Unit of a list of background checks of Iberdrola España, S.A.U. and subsidiaries made in 2024.</p> <p>2- For a sample of 5 background checks selected randomly from the list in point 1 above, procurement of documentation supporting the evaluation carried out.</p>
9. Conflicts of interest	5.4 Professionals (page 30)	<p>1- Procurement from management of the Company's Compliance Unit of a list of conflicts of interest of Iberdrola España, S.A.U. and subsidiaries communicated to the Compliance functions of Iberdrola España, S.A.U. and subsidiaries in 2024.</p> <p>2- For a sample of 5 communications selected randomly from the list in point</p>



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		1 above, procurement of documentation supporting communications received.
10. Gifts and hospitality	5.4 Professionals (page 30)	1- Procurement from management of the Company's Compliance Unit of a list of gifts and hospitality communicated in 2024. 2- For a sample of 5 communications selected randomly from the list in point 1 above, procurement of documentation supporting evidence of the communications made.
11. Training given by the Compliance Unit	7.1 Training (page 37)	1- Procurement from management of the Company's Compliance Unit of a list of training sessions given by the Compliance functions of Iberdrola España, S.A.U. and subsidiaries in 2024. 2- Procurement from management of the Company's Compliance Unit of a list of employees trained and number of hours' training received in total training sessions given by the Compliance functions of Iberdrola España, S.A.U. and subsidiaries, and in particular, those relative to anti-corruption. 3- For a sample of 5 training sessions selected randomly from the list in point 1 above, procurement of documentation supporting the number of attendees and the number of hours' training.



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12. Communication	7.2Communication (page 38)	<ul style="list-style-type: none">1- Procurement from management of the Company's Compliance Unit of a list of internal and external compliance communication activities carried out in 2024.2- For a sample of 5 communication activities selected randomly from the list in point 1 above, procurement of documentation supporting the communications made.
13. Ethics mailbox	8. Internal reporting system (page 42)	<ul style="list-style-type: none">1- Procurement from management of the Company's Compliance Unit of a list of communications received by the ethics mailbox in 2024 (complaints and consultations) indicating for each one whether it was admitted and the disciplinary measures adopted.2- For a sample of 5 communications selected randomly from the list in point 1 above, procurement of documentation supporting the communication received, whether it was admitted and any disciplinary measures adopted, if applicable.



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- 4- Procurement of the Compliance Unit's secretary certification approving the Transparency Report.
- 5- Procurement of a representation letter signed by the director of the Company's Compliance Unit.

We have not detected any exceptions as a result of performing the aforementioned agreed-upon procedures.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Igor Zugaza Santamaría

30 May 2025

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NOTICE

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01. Introduction

Iberdrola España, S.A. (Sociedad Unipersonal) (“**Iberdrola España**” or the “**Company**”) aims to ensure that its conduct and that of the people associated with it, in addition to the legislation in force and its Governance and sustainability system, complies and conforms to generally accepted ethical and sustainable development principles.

In this regard, the Company fosters a preventive culture based on the principle of “zero tolerance” towards the commission of illegal acts and all forms of fraud and corruption.

For this purpose, the Company’s Board of Directors (the “**Board of Directors**”) has adopted the Purpose and Values of the Iberdrola Group, which sets out the *raison d’être* and the ideological and axiological basis of the business project of the companies belonging to the Iberdrola Group and presides over its daily activity. The contents of the Purpose and Values of the Iberdrola Group develops and takes shape in the Code of ethics, which is intended to serve as a guide for the actions of the directors, the professionals, and the suppliers of the Iberdrola Group’s companies.

For clarification purposes, whenever “Iberdrola España” or the “Company” is mentioned in this report, reference is made to this company individually, whereas when references are made to the “**Group**”, they include the Company and the companies in which it has a majority interest, directly or indirectly (the “**Subsidiary Companies**”). The Group does not have its own legal personality distinct from that of each of the aforementioned companies, nor does it therefore have its own specific management bodies or offices. On the other hand, whenever “**Iberdrola Group**” is mentioned in this report, reference is made to Iberdrola, S.A. and the rest of the companies belonging to the group of which Iberdrola, S.A. is the controlling company within the meaning established by law, which operate autonomously, in a coordinated manner and based on a corporate and governance structure that includes three levels (holding, subholding companies and head of business or country companies).

In addition to the Purpose and Values of the Iberdrola Group and the Code of ethics, the Board of Directors of Iberdrola España, exercising its responsibilities, has adopted the Compliance and internal reporting and whistleblower protection system policy and the Anti-corruption and anti-fraud policy.

Within this context, in order to give effect to the ethical standards and principles established in their Governance and sustainability system, Iberdrola España and its Subsidiary Companies have established compliance systems that include all regulations, formal procedures, and material actions intended to ensure the conduct of each company in accordance with ethical principles, the law, and internal regulations, in particular the Governance and sustainability system, to contribute to the full realisation of the Purpose and Values of the Iberdrola Group and of the corporate interest, as well as to prevent, manage and mitigate the risk of breaches of regulations and ethics that may be committed by the directors, professionals or suppliers thereof within the organisation (the “**Compliance system**”).

**Iberdrola España
and its Subsidiary
Companies
promote a
preventive
culture based on
the principle of
“zero tolerance”
towards all forms
of fraud and
corruption**

The bodies and divisions directly entrusted with its implementation, development, and supervision are also part of the compliance systems of the Group companies. They are fundamental elements of the Group's companies compliance systems, on the one hand, the crime prevention programmes and, on the other hand, each company's internal reporting system, which includes their respective internal whistleblowing channels for reporting possible irregular conducts or potential unlawful acts or acts contrary to the law or to the Governance and sustainability system.

To proactively ensure the effective operation of the Company's Compliance system, in 2023 the Board of Directors of Iberdrola España created the Company's Compliance Unit (the **"Compliance Unit"** or the **"Unit"**), that took on, among others, the functions hitherto entrusted to the Company's Compliance Division. The Unit is a collegiate body of an internal and permanent nature, configured in accordance with the highest standards of independence and transparency linked to the Company's Audit and Compliance Committee (the **"Audit and Compliance Committee"**), in accordance with the provisions of its Governance and sustainability system, for which it is vested with extensive powers, budgetary autonomy, and independence of action.

The Compliance Unit of Iberdrola España is linked to the Audit and Compliance Committee

Similarly, in 2023, the boards of directors of the Group's head of business or country companies (**"Head companies"**) set up their own compliance units responsible, in particular, for proactively and autonomously overseeing the sufficiency, the implementation, and the effectiveness of its company's compliance system. Notwithstanding the prior existence of the corresponding compliance division in each of these companies. In addition, there are some Subsidiary Companies that do not report to any head of business or country company that have its own compliance officer.

Pursuant to the provisions of the Governance and sustainability system of the corresponding company, these compliance units are linked to a consultative committee of their board with specific compliance related duties, if established, or to its board of directors if it does not have one. The functions of these aforementioned compliance units include fostering a culture of ethical behaviour and based on the principle of "zero tolerance" towards irregular actions and the commission of unlawful acts or contrary to the law or to the Governance and sustainability system, as well as monitoring the application and effectiveness of the compliance systems of its companies in a proactive and autonomous manner, notwithstanding the appropriate coordination carried out at Group level.

The Unit conducts its functions in connection with the Company's Compliance system in coordination with the Compliance Unit of Iberdrola, S.A. (the **"Unit of Iberdrola, S.A."**) and coordinates those carried out autonomously by the compliance units of each of the companies in the Group.

This report, approved by the Compliance Unit on 29 May 2025, includes the main actions, initiatives and measures developed, promoted and adopted by the different compliance units and officers of the Group's companies during 2024, which illustrate the functioning of the Compliance systems of the Group's companies and highlight their effectiveness.

02.

The compliance units of the Group's companies

2.1 Composition and duties of the Compliance Unit of Iberdrola España and of the rest of the compliance units of the Group's companies

The Compliance Unit of Iberdrola España is a collegiate body of an internal and permanent nature linked to the Company's Audit and Compliance Committee, and has been vested with powers related to the Code of ethics, the effectiveness of the Compliance system, and to the internal reporting system and whistleblower protection, crime prevention, separation of activities, as well all those that may be assigned thereto by the Audit and Compliance Committee or the Board of Directors, or that are attributed thereto by applicable law and the internal regulations of the Company, and in particular the Governance and sustainability system.

The composition, powers and functioning of the Unit are regulated in the Company's Compliance Unit Regulations.

Its members are appointed by the Board of Directors, at the proposal of the Audit and Compliance Committee and hold the following positions:

- The chairman of the Unit, a position that is held by a professional external to the Group companies and its holding company, who is an expert of recognised prestige in compliance.
- The members of the Unit, one of whom is the Compliance officer of the Company (the "**Compliance officer**"). Other members may include, but are not limited to, those responsible for different various areas or functions related to compliance risk management.
- The secretary of the Unit (non-member).

The Compliance officer is in charge of the operation of the Unit and its budget and is responsible for executing the actions included in the Annual activities plan and all those that are necessary for the Unit to proactively and autonomously perform its functions, regularly reporting to it on the performance of the aforementioned actions, and carries out the other functions attributed to it in the regulations, and in particular, in the Governance and sustainability system.

During 2024, the Compliance Unit of Iberdrola España has held ten sessions.

The Compliance Unit of Iberdrola España, represented by its Compliance officer, regularly appears before and reports to the Audit and Compliance Committee

The Unit, represented by its Compliance officer, regularly appears before and reports to the Audit and Compliance Committee to report on the activities, actions and incidents related to the compliance function. For these purposes, in 2024, the Compliance officer has appeared 5 times before the Audit and Compliance Committee.

For their part, the boards of directors of the Group's Head companies set up compliance units in their respective companies configured as independent and autonomous internal areas, linked to their respective governing bodies, responsible for proactively and autonomously overseeing the sufficiency, the implementation and the effectiveness of their respective company's compliance system, which includes, among other regulations and procedures, the crime prevention programme. The members of the compliance units are also appointed by their respective board of directors, at the proposal of the corresponding audit and compliance committee, if it exists, in accordance with the following composition:

- The chairperson, who is a professional external to the Group companies and its holding company, who is an expert of recognised prestige in compliance matters.
- The members, one of whom is the compliance officer of the corresponding company. Other members may include, but are not limited to, those responsible for different various areas or functions related to compliance risk management.
- The secretary (non-member), who is a professional of the Legal Services area of the respective company.

**Budgetary
autonomy and
independence of
action**

The units also periodically report to their governing bodies or their audit and compliance committees, as appropriate, on the most relevant issues of the activities conducted by the compliance function during the year. The separation and appointment of the members of the units correspond to the governing bodies of the respective Head companies, following a report from the audit and compliance committee, if it exists.

The Unit relates to the Unit of Iberdrola, S.A. in accordance with the provisions of the General coordination, collaboration and information protocol, which is approved by Iberdrola, S.A. and adopted by Iberdrola España, in accordance with the provisions of the Governance and sustainability system and regulates the relations between the Unit and the Unit of Iberdrola, S.A. In addition, the Unit relates to the compliance units and officers of its Subsidiary Companies, in accordance with the provisions of the Protocol for coordination, collaboration and information of the Compliance Unit of Iberdrola España, S.A.U. which, approved by the Unit in accordance with the provisions of the Governance and sustainability system, governs the relations between them. Notwithstanding their management autonomy, the compliance units and officers shall endeavour to coordinate their actions and to comply with the general guidelines issued by the Unit of Iberdrola, S.A. to ensure the effectiveness of the compliance systems of the Iberdrola Group companies.

In 2024, the Compliance officer of Iberdrola España has attended 23 coordination meeting with members of the compliance function of Iberdrola, S.A., and/or the Subsidiary Companies.

21 appearances
of compliance officers before their respective
governing bodies in 2024

2.2 Budget and resources

669 thousand euros
budget at Iberdrola España
and its Subsidiary Companies

Both the Company's Compliance Unit Regulations and the regulations of the different compliance units establish that the compliance function will have the necessary material and human resources to perform their functions. Thus, on an annual basis, the governing bodies of each company approve the budget of their respective compliance units, giving them the necessary autonomy and independence for the exercise of their functions.

7 full-time professionals
at Iberdrola España and its Subsidiary Companies

2.3 Professional qualification

The members of the compliance units, their chairpersons, the compliance officers and the other professionals who work in the compliance function in each of the Group's companies have proven knowledge, experience, and skills to perform their duties.

The main certifications in terms of compliance that have been obtained by professionals in the compliance function are as follows:

- Certified Compliance & Ethics Professional (CCEP) issued by the Compliance Certification Board (CCB) of the Society of Corporate Compliance and Ethics (SCCE).
- Leadership Professional in Ethics and Compliance (LPEC), issued by the Ethics and Compliance Initiative (ECI).
- Certified Fraud Examiner (CFE) issued by the Association of Certified Fraud Examiners (ACFE).
- International Compliance Officer Certificate (CICO), issued by the Institute of Compliance Officials (IOC).

Training and updating the knowledge of compliance professionals is a fundamental element of the Compliance systems. Accordingly, during 2024, the members of the compliance function of Iberdrola España and its Subsidiary Companies have spent a total of 214 hours on various ethics and compliance training activities.

An average of 30.6 hours
of training received by the professionals
of the compliance function

03.

Compliance risk analysis and assesment

The compliance units, in their respective companies, periodically update the compliance risk map, following the guidelines set out in the Guide for the assessment of compliance risks approved by the Unit of Iberdrola, S.A. and adopted by the Unit of Iberdrola España. This assessment includes the evaluation of the likelihood of the materialisation of each of the risks and the impact that such materialisation would have.

These risk maps are drawn up on the basis of a homogeneous risk inventory for the Iberdrola Group's perimeter and using a common methodology. The risks to be assessed are shown in the following table:

Crime prevention
Harassment
Money laundering and terrorism funding
Supply chain
Cybercrime
Competition
Conduct in the securities markets
Smuggling
Corruption and fraud
Workers' rights
Discrimination
Embezzlement
Falsification of public information
Fraud against public administrations and social security
Criminal insolvency
Hindering external oversight
Permits, licences, and authorisations
Health & Safety
Intellectual and industrial property
Consumer protection
Data protection
International sanctions
Trade secrets
Facility safety, environment, and public health

Each compliance unit analyse the possible existence of such risks in each of the corporate areas and businesses of its respective company. In the risk assessment process, the managing team responsible for said areas and businesses is involved.

The information obtained is used to draw up the compliance risk map for each entity, identifying the main controls in place within the Group's perimeter to mitigate them and proposing, where appropriate, improvement actions to reinforce the effectiveness of these controls.

In 2024, the total number of controls executed in Iberdrola España and its Subsidiary Companies amounts to 1,046, and 1,872 pieces of evidence have been generated regarding its correct functioning. This process has involved 495 professionals in key positions responsible for attesting the correct functioning of controls.

The risk maps of each company are regularly updated by their respective compliance units.

1,872 pieces of evidence
of the correct functioning of controls

04. Regulations

The compliance systems of Iberdrola España and its Subsidiary Companies are structured on the basis of: (i) certain regulations either approved by the board of directors of Iberdrola, S.A. and adopted by the governing bodies of Iberdrola España and its Subsidiary Companies, or approved by the own governing bodies of those companies and are part of their own governance and sustainability system; and (ii) the complementary regulations developed, approved and/or adopted by each compliance unit under the powers granted to them by their corresponding regulations.

Regulations approved or adopted by the board of directors of Iberdrola España ¹	Regulations approved or adopted by the compliance units
Code of ethics	General coordination, collaboration, and information protocol
Compliance and internal reporting and whistleblower protection system policy	Coordination, collaboration, and information protocol of the Compliance Unit of Iberdrola España, S.A.U.
Anti-corruption and anti-fraud policy	Protocol for Internal Investigations and Management of the Internal Information System
Regulations of the Compliance Unit of Iberdrola España	Protocol for corporate transactions
Code for the Separation of Activities of Iberdrola España Group companies with regulated activities	Sponsorships, donations, and social contributions protocol
Procedure for related party transactions with members of senior management and delegated related party transactions	Protocol for the management of third-party fraud and corruption risk
	Protocol for the business relationship with the Public Administration
	Protocol for fair competition
	Protocol for gifts and hospitalities
	Protocol for action in the event of notification of judicial and administrative penalty proceedings
	Guide for the assessment of compliance risks
	Guide for the assessment of third-party risks and due diligence procedures
	Guide for background check procedure prior to undertaking managing duties

1. The regulations approved by the Board of Directors (except for the Procedure for related party transactions with members of senior management, and delegated related party transactions) are available at www.iberdrolesa.es

In addition to the aforementioned regulations, another 307 procedures approved by the different Group's companies and other internal regulations specific to the different areas and businesses of the companies that make up the Group also contribute to effectively prevent the commission of crimes and other irregular conducts. These regulations are periodically updated and are monitored by the compliance units to assess their preventive potential.

05.

Risk management

5.1 Assessment of third parties

Pursuant to the provisions of the Protocol for the management of the third-party fraud and corruption risk, suppliers and debtors of the Group companies are assessed on fraud and corruption.

This analysis is conducted before the supplier can be invited to any contracting process.

The risk assessment of the third party considers, among other matters:

- Links with countries considered by the compliance function as having a higher-than-normal risk.
- International sanctions.
- Adverse media or incidents related to:
 - Human rights.
 - Modern slavery and child labour.
 - Corruption and bribery.
 - Anticompetitive practices.
 - Other irregularities and unlawful conduct.
- Links with persons with public responsibility or state-owned entities.

Based on this analysis, the compliance function rates the fraud and corruption risk of suppliers and debtors and records this rating in the corporate systems. If the risk is considered higher than normal, the compliance function will monitor all transactions intended to be entered into with that third party.

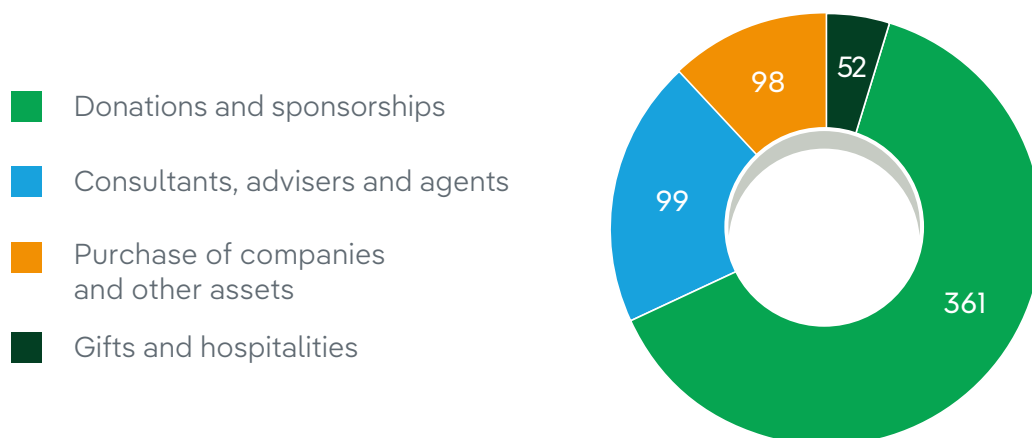
Suppliers and debtors considered to present a critical risk are blocked in the systems, which prevents the formalisation of any transaction or payment in relation to them.

1,018 third party assessments

carried out in 2024

After the initial screening upon registration, the Group's suppliers and debtors are monitored on a daily basis through the fraud and corruption databases (ongoing screening). The compliance function is automatically alerted as soon as there is a new development concerning one of the Group's suppliers and debtors and immediately analyses it to update the risk assessment of that supplier or debtor.

NUMBER OF TRANSACTIONS SUPERVISED BY COMPLIANCE (CLASSIFIED BY NATURE)



The contracts entered into by the Group's companies include specific ethics clauses and provisions against corruption and fraud that bind the third-party to business ethics and integrity and the principles set forth in the Code of ethics and in the Anti-corruption and anti-fraud policy.

5.2 Sustainability - Development of suppliers

The compliance function of each company, in line with the Iberdrola Group's strategic goals on sustainability, encourages the development of compliance systems in the third parties with which it interacts.

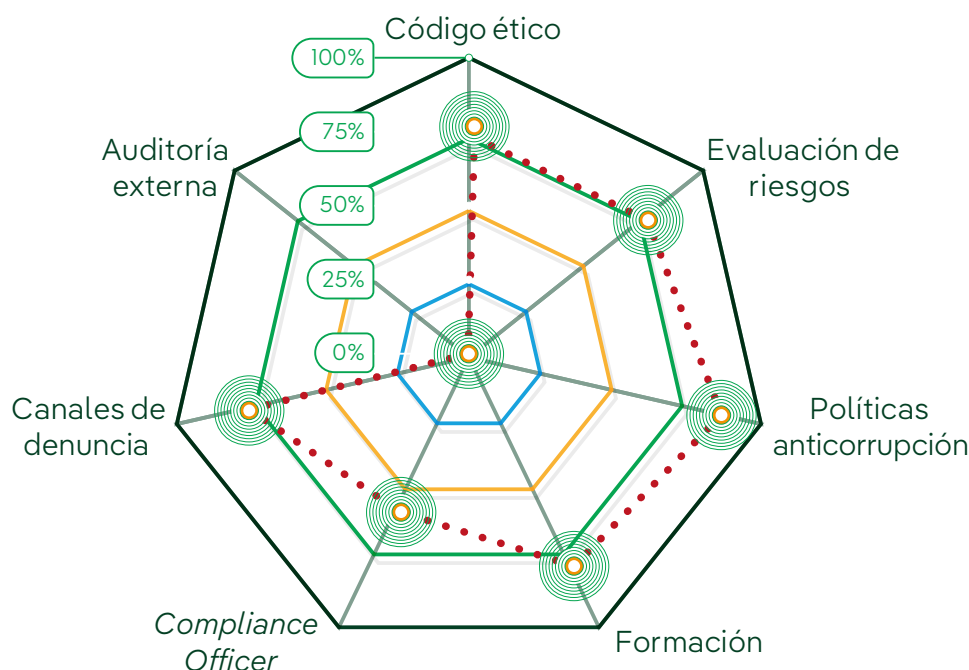
In coordination with the Procurement Division, the compliance functions maintain regular contact with their respective suppliers to promote the implementation in their organisations of effective compliance systems aligned with the principles set out in their Governance and sustainability system.

The impact of these actions is monitored through the evolution of the supplier's score in the supplier assessment model developed by the Procurement Division according to sustainability criteria.

2,088 main suppliers
of the Iberdrola Group's companies
have a robust compliance system²

2. A score of 7 out of 10 or more in the ethics and compliance section of the supplier assessment model.

PRESENCE OF ELEMENTS OF A COMPLIANCE SYSTEM AT THE IBERDROLA GROUP SUPPLIERS³



The compliance function is proactively requesting the key suppliers of the Group's companies to have their ethics and compliance systems audited by an independent third party. Accordingly, in 2024, 19 strategic suppliers have been assisted in developing their respective compliance systems. This help includes specific meetings to know key elements of their compliance system, the assessment of documentation and the establishment of an agreed road map to improve their compliance system. The purpose of these sessions is to reinforce the supplier's compliance system so it can be subject to an external audit in accordance with the best practices in the matter.

5.3 Strategic projects

The Investment policy approved by the board of directors of Iberdrola, S.A. and adopted by the governing bodies of Iberdrola España and of its Subsidiary Companies establishes the need to involve the compliance function in strategic decisions so that an analysis of the potential risk of fraud and corruption associated with each investment or divestment project is conducted prior to approval. In 2024, the compliance functions have assessed a total of 14 projects of Iberdrola España and its Subsidiary Companies.

3. Information on the 4,227 suppliers of the Iberdrola Group's companies with the highest turnover.

5.4 Professionals

Background checks

The compliance units conduct prior checks on the persons who assume management functions in their respective companies, by analysing publicly available information, to ensure their suitability from a compliance perspective (background checks).

In 2024, the compliance function has conducted 58 background checks on members of the management teams of Iberdrola España and its Subsidiary Companies. None of the candidates were rejected as a result of these assessments.

58 background checks
to the management team

Conflicts of interest

In accordance with the provisions of the Code of ethics, the Group's professionals are obliged to report in writing any conflict-of-interest situations in which they find themselves.

In 2024, the compliance function collected statements of conflicts of interest from members of the management team and certain professionals in key positions in Iberdrola España and its Subsidiary Companies. As a result of this process and of spontaneous communications by professionals received reporting potential situations of conflict of interest, 791 statements have been collected.

Following the analysis of all communications, the compliance function recommended specific preventive measures in 5 cases.

791 conflict of interest
communications

Related transactions

In accordance with the provisions of the Company's Procedure for related party transactions with members of senior management and delegated related party transactions and analogous regulations applicable in the Group's Head companies, the compliance units have sought 38 statements from the members of senior management of their respective companies about:

- a) any conflicts of interest that they or their related parties may have with Group companies,
- b) and any related-party transactions they intend to carry out.

Gifts and hospitalities

The Protocol for gifts and hospitalities sets out the principles to be observed by professionals for the offer and acceptance of gifts from third parties in the professional environment.

The compliance function in Iberdrola España and its Subsidiary Companies has handled 48 enquiries related to the acceptance of gifts and hospitalities received, especially during the Christmas season.

48 queries
regarding gifts and hospitalities

Compensation and performance

All persons joining the Group formally commit to comply with the ethical and transparency principles established in our Code of ethics.

As evidence of this strong commitment, the Group's strategic goals include a series of sustainability indicators, among which are goals related to the Compliance system. The achievement of these goals is linked to the variable remuneration of the management team throughout the Group.

In addition, the performance of each professional in accordance with ethics and transparency principles is one of the basic pillars of the annual performance review process, in which both the employee and their immediate supervisor participate.

5.5 Competition

In accordance with the provisions of the Protocol for fair competition of Iberdrola España and in the analogous regulations of the Subsidiary Companies, a series of measures and controls has been implemented with the aim of ensuring compliance with the legislation in force in this area in the following areas:

Risk	Scope
Collusion	Retail of energy
	Wholesale market
	Tenders and public auctions
Abuse of dominance	Retail of energy
Unfair competition	Contracting
	Grid management
Concentrations	Consortia
	Corporate transactions
Supplier relationships	Tenders

5.6 Prevention of money laundering

Despite Iberdrola España and its Subsidiary Companies not being subject to Law 10/2010, of 28 April, on money laundering and financing of terrorism, the risk of committing this type of crime is included in their respective crime prevention programmes. Therefore, all the aforementioned companies have controls in place to suitably cover this risk.

5.7 Artificial intelligence

The boards of directors of the Group's companies have adopted the Policy on the responsible development and use of artificial intelligence tools of Iberdrola, S.A., which establishes the principles that are to govern the design, development, and application of artificial intelligence tools, as well as the responsible use of these tools:

- Respect for human beings and social wellbeing.
- Diversity, non-discrimination, and fairness.
- Culture of innovation.
- Privacy.
- Transparency.
- Security and resilience.
- Training and awareness-raising.

To ensure the attainment of the goals established in the Policy, a coordination Group led by Digital Transformation has been set up with the involvement of different areas of the Company, including Compliance, Internal Audit and Legal Services, among others.

06.

Separation of activities

The sector regulations applicable to the electricity and gas sector in Spain ensure the proper functioning of the essential services intended to guarantee the supply of electricity and gas. Such regulations allow for the performance of certain activities, such as the production and the sale (liberalised activities), under the free competition system, in comparison with others that, due to the nature thereof, must be carried out as a natural monopoly, including the electricity and gas distribution and transmission (regulated activities).

According to the sector regulations in force in Spain, 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 is the case of the group formed by Iberdrola España and its Subsidiary Companies.

Iberdrola España has specific internal regulations on this matter, and its fulfilment is monitored annually by the Unit.

07.

Ethical culture

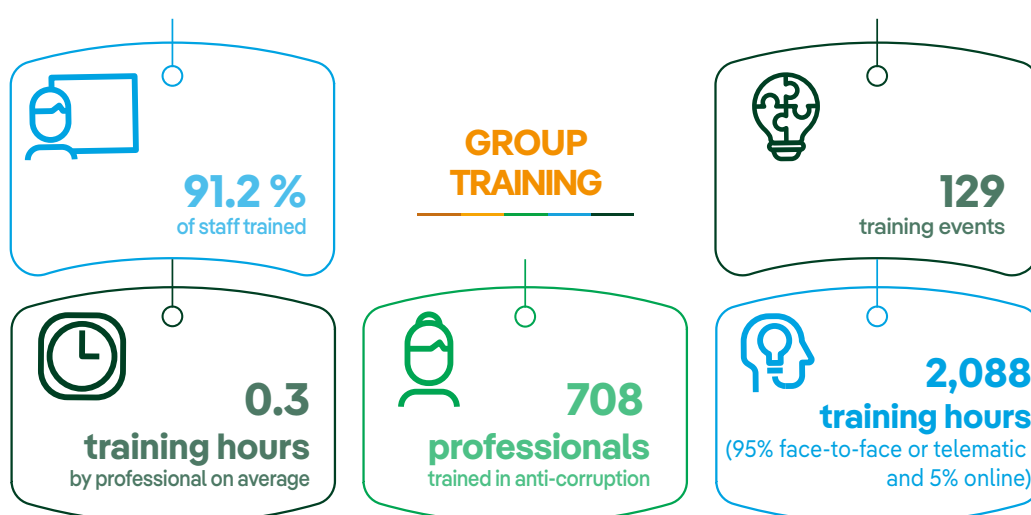
7.1 Training

Training is one of the fundamental pillars of the compliance function and of the awareness of and compliance with the Code of ethics by all professionals in Iberdrola España and its Subsidiary Companies. Accordingly, the compliance units plan their training activities annually in collaboration with the corresponding People and Organisation divisions.

The training strategy stems from global training initiatives for the professionals of Iberdrola España and its Subsidiary Companies on compliance issues of a general nature and applicable to the majority of the workforce, and additionally develops specific training plans for certain groups of professionals for whom special and specific compliance risks have been identified. Thus, the Global Compliance Training Plan includes training activities specifically adapted to:

- Board members.
- Senior management.
- New hires.
- Managers and team leaders.
- Staff in key positions to mitigate risks.
- All other professionals.
- Value chain.

For all this, the compliance units use different training formats such as online courses, telematic courses, videos and face-to-face training sessions taught by external professionals or by those responsible for the compliance function aimed at both full-time and part-time professionals.



7.2 Communication

Communication plan

The dissemination and communication of the Group's ethical principles and the key elements of the Compliance systems of Iberdrola España and its Subsidiary Companies is one of its essential elements.

The Unit has a Communication Plan for the 2023-2025 period with the following objectives:

- Ensuring that professionals perceive the value Compliance actions entail for them on a personal level.
- Raising the awareness of professionals about the most relevant risks associated with their professional activity and the regulations or recommendations to minimise them.
- Promoting the participation of professionals in the Compliance activities that require it.
- Encouraging the involvement of the senior and middle management in spreading the compliance culture among their teams.

For communication activities, the different available tools and channels have been used, selecting the most effective according to the specific features of each case. The support, collaboration and advice of the Communications Division have been available at all times.

Number of communication initiatives

Internal activities	
Mailing	9
Newsletter	5
Information screens	1
Employee portal	30
Informative meetings	1
Video	4
WhatsApp	2

External activities	
Events	2
Mailing	3
Press	2
Corporate website	1

Among the numerous communication activities carried out during 2024, the video shared on social media in which the Compliance officer of Iberdrola, S.A., in a casual tone, accepted the challenge to make a one-minute review of the main milestones and metrics of the Compliance system of the Iberdrola Group's companies stands out.

Awareness on the supply chain

Supplier of the year awards

In 2024, Iberdrola has held the 9th edition of the "Supplier of the Year Awards" in Spain to promote and drive excellence among its suppliers. The different award categories recognise suppliers' works in areas as relevant for Iberdrola as service quality and response, health and safety, environment, sustainability, internationalisation, job creation, competitiveness and innovation and diversity and equality.

A new aspect in this 2024 edition was the inclusion of a new category named "Ethics and Compliance" aiming at recognising the supplier that has shown the greatest commitment to ethical business conduct, establishing an effective compliance system that ensures transparency and integrity in all its activities.

This award, widely disseminated among the press and social media, is once again proof of the Group's companies' effort in driving the implementation of robust compliance systems in its supply chain.

Training of the supply chain

In 2024, the Iberdrola España Group has reiterated its commitment with the dissemination of ethical business conduct and compliance through several initiatives promoting the development of robust compliance systems among its supply chain:

- On the corporate website (www.iberdrola.com) several content to promote ethical principles in the supply chain have been made available to suppliers. Among the material available, the interactive online module designed to improve the knowledge our suppliers have of the key elements of an effective compliance system stands out.
- Under the framework of the UN Global Compact's Training Program: Sustainable Suppliers, face-to-face and remote sessions on crucial Compliance matters, such as the Code of ethics and crime prevention, have been held, and more than 1,500 professionals from several suppliers attended those sessions.

- A mailing campaign addressed to 1,160 suppliers in Spain has been carried out to highlight the importance of internal whistleblowing channels, reminding them of the whistleblowing channels existing in the Iberdrola Group companies and encouraging them, if applicable, to implement and disseminate their own channels among their professionals and supply chain
- Iberdrola has helped 19 key suppliers in the development of their compliance systems. This help includes specific meetings to know key elements of their compliance system, the assessment of documentation and the establishment of an agreed road map to improve their compliance system. The purpose of these sessions is to reinforce the supplier's compliance system so it can be subject to an external audit in accordance with the best practices in the matter.

7.3 Effectiveness measurement

Ethical culture survey

The compliance units conduct among the professionals a survey aimed at measuring the degree of ethical culture at the Iberdrola Group companies and monitoring its evolution over time. This survey, which is conducted every other year and is addressed to all professionals, covers the following aspects

- Knowledge of the Compliance system.
- Perception of the compliance function.
- Irregularities observed and reported.
- Pressure to commit irregularities.
- Organisational justice.
- Perception of the integrity of peers, managers, and senior management.

In the survey carried out in 2024, in which 4,647 professionals in Spain have participated (50.69% of the workforce), show that they rate the ethical culture existing at the Group highly and consider that the conduct of professionals and the management teams is aligned with the guidelines established in our Code of ethics.

The survey has also exhibited the positive effect it has on the use of the whistleblowing channels the fact that professionals with people in charge openly discuss compliance risks with their team. Thus, with the aim to boost the use of the whistleblowing channels, different initiatives to encourage this dialogue between team leaders and their staff are planned in 2025.

4,647 professionals

have participated in the ethical culture survey

Supplier survey

In 2024 the 9th edition of the Supplier Survey has been held and 2,251 took part in it. This survey is a key tool to identify the aspects best valued by suppliers in our procurement process and those where there is area for improvement.

As in previous editions, the survey includes an “Ethics and Compliance” section where participants are asked (i) if they are aware of the Iberdrola Group’s companies’ whistleblowing channels and (ii) if they have observed any irregular conduct by a professional of any of the Iberdrola Group’s companies. In this edition, 53% of the suppliers surveyed declare to be aware of the existence of the Iberdrola Group’s companies’ whistleblowing channels and 2.3% declare to have observed some irregular conduct.

Data analytics

The measuring of the effectiveness of the actions carried out by the compliance function on training and awareness is one of the priorities of the compliance units. For this reason, the Iberdrola Group has developed a data model that calculates the correlation between awareness actions (training sessions and internal communications) and the internal reporting system activities (claims and queries), identifying the communication patterns that are more effective.

The model also monitors through the tool Google Analytics professionals’ interaction with content related to ethics and Compliance available on the employee portal (policies and regulations downloaded, content views, etc.).

The analysis of these data and their evolution over time allow to measure the effectiveness of awareness actions and set recommendations and improvement plans adapted to the specific cases of each of the Group companies.

08.

Internal reporting system

Monitoring activities are conceived as detection and control mechanisms for verifying the effectiveness of preventive measures. They also enable the continuous improvement of the compliance systems. The key element for detecting irregular conduct is the whistleblowing channels set up in the Group's companies.

The management of the internal whistleblowing channels provided for in the Code of ethics and in the Compliance and internal reporting and whistleblower protection system policy correspond to the compliance units of the different Group's companies.

The Group's internal whistleblowing channels are configured as tools made available to all shareholders, directors, professionals, suppliers and other third parties as determined by law to report any conduct that may involve the commission of any irregularity or any act that is unlawful or contrary to the law or to the Governance and sustainability system. Moreover, these channels may be used to make enquiries about aspects relating to the interpretation and compliance of the Code of ethics and any other issue related to compliance matters. All communications received through these internal channels are considered confidential information and, in the case of claims, may be anonymous.

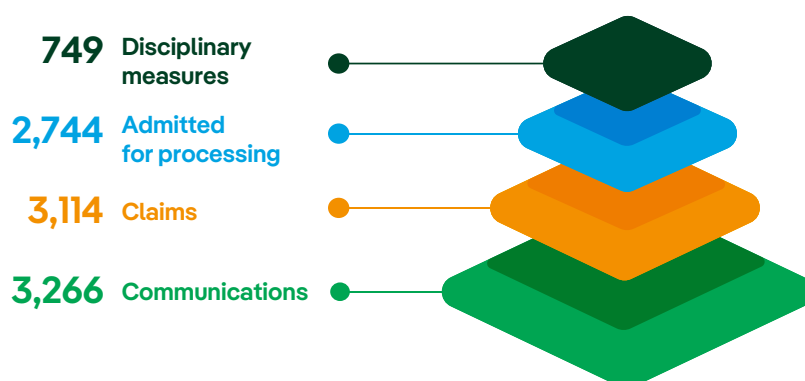
The Group's companies have established for the members of their governing body, professionals and suppliers the obligation to report, through the aforementioned internal channels, about any irregularity they are aware of.

In all cases, there is a firm express Group's commitment, reflected in the Code of ethics, in the Compliance and internal reporting and whistleblower protection system policy and in the rest of internal procedures and regulations on the matter, with the prohibition of retaliation against those using the aforementioned internal channels, except in cases of bad faith.

These internal whistleblowing channels, which enable anonymous reports, as well as the principles governing the processing of communications received through them are available 24 hours a day in the Group's companies web pages as well as the employee's portal.

The processing of the claims and queries made through the internal whistleblowing channels falls to the competent compliance unit, as applicable. They both are an essential source of information to identify points for improvement in the Compliance system and additional prevention and control mechanisms.

A total of 3,266 communications have been received by Iberdrola España and its Subsidiary Companies through the internal whistleblowing channels in 2024, of which 152 are queries and 3,114 claims.



Of the 3,114 claims, 2,744 have been admitted for processing.

In 2024 749 disciplinary measures have been adopted in Iberdrola España and its Subsidiary Companies as the existence of irregular conduct or conduct contrary to internal regulations or to the Code of ethics has been proved. Of these, 748 have been imposed to suppliers (or by the suppliers to their professionals) and are related, fundamentally, to irregularities committed by external energy retail agents.

Claims admitted for processing by nature	
Fraud in sales	2,713
Health & safety and environmental	7
Harassment	4
Corruption	3
Inappropriate behaviour with clients	3
Other	14
TOTAL	2,744

Disciplinary measures by nature	
Supplier penalty	748
Dismissal	1
TOTAL	749

09. Monitoring and review

9.1 Monitoring indicators

The Unit supervises the effectiveness of the Compliance systems of Iberdrola España and its Subsidiary Companies on a periodic basis by reviewing the indicators of the main compliance risks (KRIs) as well as the effectiveness of the activity of the compliance units (KPIs). The indicators cover the following aspects, among others:

- Operations in countries considered by the compliance function to be above a normal level of risk.
- Third-party risk assessment.
- Internal whistleblowing channel activity.
- Monitoring risky operations.
- Ethical development of suppliers.
- Training activities.
- Internal and external communication initiatives.
- Conflicts of interest.
- Professionals' background checks.
- Gifts and hospitalities given and received by professionals.
- Legal proceedings involving professionals due to their professional activity and work in the Group.
- Audits and reviews of the Group companies' compliance systems.

9.2 Internal audit

Internal Audit, as an independent function, conducts periodic audits of the Compliance systems of Iberdrola España and its Subsidiary Companies, making the appropriate recommendations for their continuous improvement.

The Internal Audit division formalised a coordinated assurance approach to the monitoring of the Compliance systems, which has three main lines of action:

a) Internal Audit activity plan

In general, the Internal Audit area carries out an on-going review of the compliance systems of the Group's companies through the specific audit work included in the annual activity plans approved by the respective governing bodies.

b) Specific review of the different areas of the Compliance system

Specifically, and on a multi-annual basis, Internal Audit reviews the different areas comprising the Compliance system:

- Code of ethics, in relation to the specific competencies entrusted to the compliance units.
- Crime prevention programmes (related policies, procedures, and protocols).
- Separation of regulated activities.

c) Collaboration in investigations

At the request of the compliance units, the Internal Audit division will collaborate with the formers in investigations that may affect the corresponding companies' Internal Control System.

In this framework, during 2024 the Internal Audit division, among others, has audited the fulfilment of the obligations assigned to the compliance units by their respective governing bodies in their corresponding regulations. Moreover, it has also conducted a specific audit on the operation of the Internal reporting systems (whistleblowing channels) of the Group's companies.

9.3 External reviews

ISO 37001 “Anti-bribery management systems” and UNE 19601 “Criminal compliance management system” certifications

In 2024, the Compliance systems of Iberdrola España and its Subsidiary Companies have maintained their certifications granted by AENOR in accordance with:

- I. the UNE 19601 standard on criminal compliance management systems, and/or
- II. the UNE-ISO 37001 standard on anti-bribery management systems.

These certifications were first obtained by the Company in 2018.

External audit of the crime prevention programmes

In 2024, the law firm Uría Menéndez has issued an external audit report on the effectiveness of the crime prevention programmes implemented in the different Spanish companies of the Group. The review concludes that these programmes incorporate and adopt the best international practices, are effective and are useful in significantly reducing the risk of commission of the crimes that they seek to prevent. Likewise, the assessment has also brought forth certain recommendations for improvement, the implementation of which is being coordinated by the respective compliance units.

The crime prevention programmes have been subject to the aforementioned annual audit since 2015.

Audit of the internal reporting system

Periodically an independent audit of the operation of the internal reporting channels (whistleblowing channels) is conducted. The main objectives of this audit are the following:

- Verify that upon reception of an anonymous report through the internal whistleblowing channel form, it is materially impossible to find out the whistleblower's identity.
- Ensure that the content of the reports received through the internal whistleblowing channel is not accessible to third parties or to anyone other than the user of the whistleblowing tool.

Following the review conducted by Tarlogic and based on the evidence obtained, it has been concluded that the security measures implemented guarantee the confidentiality, integrity and availability of the data managed by the platform.

**The
Compliance
system is
audited
externally
every year**

10. Dissemination and promotion of bussiness ethics

The compliance function conducts activities aimed at promoting the adoption of effective compliance systems in the business fabric, as well as the development and professionalisation of the compliance function in organisations.

In line with the above, during the year, Iberdrola has held the 9th edition of the “Supplier of the Year Awards” in Spain to promote and drive excellence among its suppliers, in which it has been included a new category named “Ethics and Compliance” aiming at recognising the supplier that has shown the greatest commitment to ethics business conduct, establishing an effective compliance system that ensures transparency and integrity in all its activities.



Iberdrola
España