

# Board of Directors Diversity and Member Selection Policy



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

In fulfilling these responsibilities, within the framework of the law and the *By-Laws* and recognising transparency in all its activities, including the process for selecting candidates to hold the position of director of the Company, and diversity within its Board of Directors, as key elements of its corporate governance strategy, the Board of Directors hereby approves this *Board of Directors Diversity and Member Selection Policy* (the “**Policy**”).

The text of this *Policy* shall be interpreted in accordance with the *Equality, Diversity and Inclusion Policy*.

## ■ 1. Purpose

The purpose of this *Policy* is to ensure that the proposed appointments of directors of the Company are based on a prior analysis of the needs of its Board of Directors and ensure a diversity of skills, knowledge, experience, origin, nationality, age and gender within the composition thereof.

## ■ 2. Scope

This *Policy* applies to the selection of candidates for director of the Company.

## ■ 3. Aims in Selecting Candidates

The selection of candidates for director of the Company shall start with an analysis of its needs, which must be carried out by the Board of Directors with the advice of the Appointments Committee.

It shall also target persons who satisfy the conditions set forth in the following sections in this *Policy* and whose appointment favours diversity of skills, knowledge, experience, origin, nationality, age and gender within the Company’s Board of Directors, in accordance with the Sustainable Development Goals (SDGs) approved by the United Nations (UN), and particularly with goal five relating to the empowerment of women.

## ■ 4. Sources for the Identification of Candidates

The performance of executive duties at the companies of the Group, as well as duties as a director thereof, especially of country subholding companies and of head of business companies, provides a deep understanding of the activities that are carried out within the boundary of the Group and of its internal operations, which facilitates the rapid inclusion of the persons holding such positions into the dynamics of the operations of the Company’s Board of Directors. In turn, it provides first-hand knowledge of their skills, work capacity, commitment to the position and potential to provide value.

For all of the foregoing reasons, candidates who have prior experience within the other companies of the Group shall be given preference in the selection of directors of the Company, based on the following criteria:

- a. the identification of candidates for executive director shall first take into account management personnel who have been linked to the Company or other companies of the Group for at least five years.
- b. the selection of candidates for independent director shall first consider external directors of companies of the Group.

In both cases, in the absence of suitable candidates or when circumstances so justify, as acknowledged by the Appointments Committee, other profiles shall be evaluated.

For purposes of contributing to compliance with the provisions of this section, the appointment of the external directors of the companies of the Group shall endeavour to take into account the provisions of this *Policy*, and particularly the goals described in sections 5, 6 and 7 below, as well as the specifically applicable provisions of the countries, sectors and jurisdictions in effect at any time.

In addition, any member of the Company’s Board of Directors may suggest other candidates for director that meet the requirements established in this *Policy*.

## ■ 5. Conditions to Be Satisfied by the Candidates

A search for profiles with knowledge and experience in the main countries and sectors in which the companies of the Group do or will do business shall be promoted in the process of selecting candidates for director of the Company.

All candidates for director of the Company must be respectable and qualified persons, widely recognised for their expertise, competence, experience, qualifications, training, availability and commitment to their duties. They must also have sufficient knowledge of the Spanish and English languages to be able to perform their duties.

In particular, they must be irreproachable professionals, whose professional conduct and background is aligned with the principles set forth in the *Code of Ethics* and with the corporate values contained in the *Purpose and Values of the Iberdrola Group*.

By way of guidance, the appropriateness shall be considered of candidates for director of the Company generally not exceeding the age of seventy years.





## ■ 6. Grounds for Disqualification Provided by Law or the Governance and Sustainability System

Those persons that have incurred legal grounds for disqualification from the holding of their position, or that fail to meet any of the requirements to be a director established in the Governance and Sustainability System and, in particular, the following, shall be ineligible as candidates for director of the Company:

- a. directors or members of senior management, or such persons, if any, as are proposed by them in their capacity as shareholders of domestic or foreign companies competing with the Company in the energy industry or other industries. For clarification purposes, the other companies of the Group shall not be deemed competitors of the Company.
- b. persons serving as directors in more companies than are permitted under the provisions of the *Regulations of the Board of Directors*.
- c. persons who, during the two years prior to their appointment, have occupied high-level positions in Spanish government administrations that are incompatible with the simultaneous performance of the duties of a director of a listed company under Spanish national or autonomous community law, or positions of responsibility with entities regulating the energy industry, the securities markets or other industries in which the companies of the Group operate.

In the case of candidates who have held high-level positions in the governments of other jurisdictions that are incompatible with the simultaneous performance of the duties of a director of a listed company, the Appointments Committee must take appropriate action to verify that the holding of such positions does not entail an impediment to the potential appointment of the candidate as a director of the Company.

- d. persons that are under any other circumstance of disqualification or prohibition governed by provisions of a general nature, including those that have interests in any way opposed to those of the Company or the other companies of the Group.

## ■ 7. Diversity in the Composition of the Board of Directors

The selection of candidates shall endeavour to ensure that a diverse and balanced composition of the Company's Board of Directors as a whole is achieved, such that decision-making is enriched and multiple viewpoints are contributed to the discussion of the matters within its purview.

Along these lines, the Board of Directors assumes the commitment to promote diversity in the composition thereof, and for this purpose, in selecting candidates for director, shall assess candidates whose appointment favours the directors having different skills, knowledge, experience, origin, age and gender.

The diversity criteria shall be chosen based on the nature and complexity of the businesses of the Group's companies, as well as the social and environmental context where they have a presence. Other criteria may also be taken into consideration based on the needs of the Company's Board of Directors.

Any type of bias that might entail any kind of discrimination shall be avoided in the process of selecting candidates for director of the Company. Pursuant to the provisions of goal five of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), any bias that hinders the appointment of female directors shall be particularly avoided. The Company shall also observe at least the minimum percentages for the gender less represented on the Board of Directors that are established by applicable legal provisions or by generally accepted good governance recommendations.

## ■ 8. Evaluation and Dissemination

The Board of Directors shall periodically evaluate the level of compliance with and effectiveness of this *Policy* at the Company, and especially the percentages represented by each gender therein.

The annual corporate governance report that the Company prepares shall also include a detailed description of this *Policy*, as well as the goals set in this regard and the results obtained.

## ■ 9. External Validation

The Company may rely on the cooperation of external advisers to validate that the candidates for director of the Company meet the conditions referred to in section 5 and that they are not subject to any of the grounds for ineligibility set out in section 6 above.

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This *Policy* was initially approved by the Board of Directors on 25 March 2015 and was last amended on 19 December 2023.