



Iberdrola

POWERS OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

Pursuant to Article 34.6 of the *Regulations of the Board of Directors*, the Sustainable Development Committee shall have the powers set forth in the regulations thereof, and in any event the following:

- a. Conduct a periodic review of the Governance and Sustainability System, with special emphasis on the environmental, social and corporate governance and regulatory compliance policies, and also propose to the Board of Directors, for the approval thereof or for submission to the shareholders at a General Shareholders' Meeting, such amendments and updates as may contribute to the development and ongoing improvement thereof.
- b. Monitor the Company's corporate governance and sustainable development strategy.
- c. Monitor compliance with legal requirements and with the rules and regulations of the Governance and Sustainability System.
- d. Supervise the Company's actions relating to sustainable development, and particularly that its environmental and social practices conform to the strategy and policies approved by the Board of Directors, and report thereon to the Board of Directors and to the Executive Committee, as appropriate.
- e. Report on the climate action plan prior to the approval thereof by the Board of Directors, as well as monitor and review the level of achievement thereof and of subsequent updates.
- f. Inform the Board of Directors of the information it receives on the measures and procedures adopted within the boundary of the Group to implement and monitor compliance with the provisions of the *Policy on Respect for Human Rights*.
- g. Determine the general guidelines, standards and principles that should govern the preparation of the statement of non-financial information, verify that the content thereof conforms to the Company's sustainable development strategy and that it includes a statement regarding the level of achievement of the climate action plan approved by the Board of Directors after a report from the committee, and of any updates thereof.
- h. Report to the Board of Directors regarding the statement of non-financial information, taking into account the report in turn prepared by the Audit and Risk Supervision Committee.
- i. Inform the Board of Directors of the information it receives through the Foundations Committee regarding the annual programmes of activities of the foundations and their respective budgets, as well as the conduct of general interest and sustainable development activities by foundations linked to the Group to which such activities have been entrusted by the country subholding companies.
- j. Monitor the Company's actions relating to corporate reputation and report thereon to the Board of Directors and to the Executive Committee, as appropriate.
- k. Report on the Company's annual corporate governance report prior to the approval thereof, obtaining for such purpose the reports of the Audit and Risk Supervision Committee, the Appointments Committee and the Remuneration Committee with respect to the sections of such report that are within its powers.
- l. Receive information from the Compliance Unit regarding the interpretation and proposed amendments of the *Code of Ethics* and regarding any significant issue relating to the application thereof and compliance therewith, as well as significant issues relating to the effectiveness of the Company's Compliance System.
- m. Use the Compliance Unit to review the Company's internal policies and procedures in order to prevent improper conduct and identify policies or procedures that may be more effective in promoting the highest ethical standards.
- n. Review and validate the annual operating budget of the Compliance Unit, for submission thereof to the Board of Directors through the chairman of the Board for final approval, as well as its annual activity plan, and endeavour to ensure that the Compliance Unit has the material and human resources required to perform its duties.
- o. Issue its prior opinion on the annual report on the effectiveness of the Company's Compliance System prepared by the Compliance Unit, as well as the annual report on the effectiveness of the compliance systems of the Group's companies, and submit them to the Board of Directors.



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- p. Report on proposed amendments of the *Code of Ethics*, the *Regulations of the Board of Directors* and the *Regulations of the Compliance Unit*.
- q. Issue such other reports and take such other actions as may also fall within its purview pursuant to the Governance and Sustainability System or as may be requested by the Board of Directors or the chairman thereof.



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