Annual Report on **Remuneration of Directors and Officers**

Year 2025

Iberdrola

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This Annual Report on Remuneration of Directors and Officers 2025 has a **version** that has been designed to be **fully accessible**, ensuring that all persons without exception, regardless of their abilities, age or the technology used, can access the content hereof. Various measures have been implemented, including the use of a clear and legible format, the inclusion of alternative descriptions for images and charts, and, in the digital version, compatibility with assistive technologies.

Iberdrola's commitment is to ensure that **all users can understand and use** the information.

Issuer identification details

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Company name:

IBERDROLA, S.A.

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Plaza Euskadi número 5,
48009 Bilbao (Biscay), Spain

This Annual Report on Remuneration of Directors and Officers has been prepared by the Remuneration Committee of Iberdrola, S.A. ("Iberdrola" or the "Company") pursuant to the provisions of Section 541 of the Spanish Companies Act (*Ley de Sociedades de Capital*), Circular 3/2021 of 28 September of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), which amends Circular 4/2013 of 12 June establishing the templates for the annual remuneration report for directors of listed companies and for members of the board of directors and of the control committees of savings banks that issue securities admitted to trading on official securities markets, and Articles 13 of the Regulations of the Board of Directors and 5 of the Regulations of the Remuneration Committee of Iberdrola.

This report has been prepared in free-format design, in accordance with the regulatory approval set out in Circular 3/2021 of 28 September of the National Securities Market Commission, although its content respects the minimum content established in the aforementioned regulations and is accompanied by the standard statistical appendix established therein, in Subsection B.4 and Section C, providing (in accordance with the principle of transparency established in the Director and Officer Remuneration Policy) clear and adequate information as much in advance as required and in line with the good governance recommendations generally recognised in international markets in the area of director remuneration.

At its meeting held on 24 February 2026, the Board of Directors of Iberdrola approved this Report upon a proposal of the Remuneration Committee, which Report will be submitted to the consultative vote of the shareholders at the next General Shareholders' Meeting as a separate item on the agenda in compliance with the provisions of Section 541.4 of the Companies Act.

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References

The references included in this Annual Report on Remuneration of Directors and Officers 2025 are available at the **following links:**

- Contribution of value: social dividend
- Capital Markets Day - September 2025 (London)
- Code of Conduct for Directors, Professionals and Suppliers
- Statement of Non-Financial Information and Sustainability Information
- By-Laws
- Annual Corporate Governance Report 2025 (including comprehensive reports on the annual work of the Board of Directors and the Committees thereof)
- Strategic Plan 2025-2028: Strategic objectives
- Stakeholder Engagement Policy
- Director and Officer Remuneration Policy
- Purpose and Values of the Iberdrola Group
- Regulations of the Board of Directors
- Regulations of the Remuneration Committee
- Governance and Sustainability System
- Policy on the Responsible Development and Use of Artificial Intelligence

Executive summary

In 2025, the Remuneration Committee **reviewed the Director and Officer Remuneration Policy** of Iberdrola (hereinafter, the "**Policy**" or the "**Remuneration Policy**") applicable to the remuneration of directors and officers for financial year 2025, which was approved by **95.64%** of the votes at the **General Shareholders' Meeting of 17 May 2024**.

The Policy is intended to **recruit, retain, motivate and develop the best talent**, incentivising the **creation of value** and the achievement of corporate objectives to ensure **maximum alignment with stakeholders,** in accordance with the provisions of policies of other *comparable companies*.

However, what sets Iberdrola apart is the manner in which the Policy is implemented, highlighting **over the years** its **consistency and continuity**, which has made it possible to **provide clarity** to its directors and officers as to what is expected of them with respect to the **achievement of strategic goals** and the **principles to which they must adhere in order to achieve them**

This Policy, among others, has enabled Iberdrola to consolidate its international presence, operating in multiple markets as a global leader in the energy sector that since year-end 2014 has generated value of approximately **€115 billion** as a result of having **increased its capitalisation by close to €88 billion** and distributed **dividends of over €27 billion**. **Total shareholder return** has been **significantly higher than the top three American utilities by capitalisation, the Euro STOXX 50, the Euro STOXX Utilities and the IBEX 35**. All this ensures the long-term sustainability of the Company.

2015-2025

+ €88 billion capitalisation

+ €27 billion dividend distributed

Total return superior to comparable companies

On **24 September 2025** at the **Capital Markets Day**, Iberdrola presented the **2026-2028 Transformational Plan**, which updates the Company's commitments and reinforces the investment strategy, transforming Iberdrola's profile towards a more regulated company, with electricity networks as a major growth vector. This Plan defines the Company's roadmap to boost electrification during the 2025-2028 period.

2026-2028

Company's Transformational Plan

In 2025, the **Remuneration Committee** revised the Policy to ensure that the principles, content and disclosures are aligned with the expectations of its shareholders (retail and institutional), of its proxy advisors and of analyses of the various channels, as well as those arising from its action plan, concluding:

- That the Policy **continues to promote sound remuneration principles and practices** to contribute to the achievement of the Company's long-term strategic objectives.
- That the Policy complies with **best market** and **corporate governance practices** and is aligned with the **expectations of shareholders (retail and institutional)** and **proxy advisors.**
- That the Policy is **transparent** and provides information that is complete, relevant, sufficient and in line with generally recognised **good governance** recommendations in international markets regarding the remuneration of directors.

- That the Remuneration Policy is a **strategic tool for the creation of value** for all stakeholders and its application has made it possible to align remuneration with shareholder performance (pay for performance), at the same time as **increasing dividends for shareholders** (dividend floor of €0.64 per share).

€0.64
dividend floor per share

The Remuneration Committee also took into account certain significant milestones achieved in 2025, including:

- **Changes** in the **composition** and **positions of the Board of Directors** and its committees, following the replacement of the chief executive officer.
- The **results** after the end of the **2023-2025 Strategic Bonus** evaluation period.

  Although ambitious, the objectives disclosed to the markets in the 2023-2025 Strategic Plan were comfortably outperformed by results that again broke records ("record after record").

Results
2023-2025
"Record after record"

- The **new challenges of the 2026-2028 Transformational Plan.**

  It updates the Company's commitments and reinforces the investment strategy, transforming Iberdrola's profile towards a more regulated company, with electricity networks as a major, predictable and profitable growth vector, maintaining financial strength and growing dividends.

  Analysts have **positively** received the new strategic plan, highlighting **growth** in **net profit**, **commitment** to the **dividend** and a reinforced **investment plan**. In addition, they welcome the clarity provided on the development of EBITDA and net profit compared to consensus expectations.

New challenges
2026-2028
Transformational Plan

- Flexibility in the ability to **attract, retain and motivate** the most qualified professionals so that the Company can meet its strategic objectives within an increasingly competitive and globalised framework.

Thanks to a cohesive management team, **led by the** Company's **executive chairman**, Iberdrola will reach its **125th anniversary** with a **leadership position** achieved in the **last 25 years**, especially following the arrival of Mr José Ignacio Sánchez Galán at the Company, **creating long-term sustainable value, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and increasing the "social dividend".**

125th Anniversary
25 years
Leadership position

Creating long-term sustainable value

In view of the above, the Board of Directors, upon a proposal of the Remuneration Committee, proposes to submit to the next General Shareholders' Meeting a new Director and Officer Remuneration Policy and a new long-term incentive plan **aligned with the pace required in this new context** and which reinforce the **Company's competitive advantage**. All of this is aligned with the long-term creation of value for stakeholders.

Iberdrola's growth over the last 25 years

From a company focused on traditional generation to a **global leader in clean generation**

Networks have become the **strategic pillar,** with heavy investment and digitalisation

From a company focused on Spain to **international expansion** in core countries, with a strong focus on investment grade countries

Increase in **customer base and diversification of services and products** for electrification

From a local electricity company to become the **leading utility in Europe** and one of the two **largest utilities in the world by capitalisation.**

Key **figures**

Networks

- Km of lines multiplied by **6x**, substations by **5x**, supply points by **4x**, and distributed energy by **3.5x**.
- The network has been digitalised, going **from zero to 14M smart meters**.
- **Internationalisation**: from networks in Spain and a limited presence in some LATAM countries, to the leading network company with key presence and growth in the United Kingdom, the United States, Spain and Brazil.

Generation

- Installed capacity has multiplied by **3.5x**.
- Emission-free generation by **2.9x** from 38 TWh to **110 TWh**.
- The most polluting technologies such as **coal and fuel oil have been shut down** (from 4,000 MW to zero).

Customers

- The company has been transformed to an open market of **32 million** commercial contracts.

Other figures

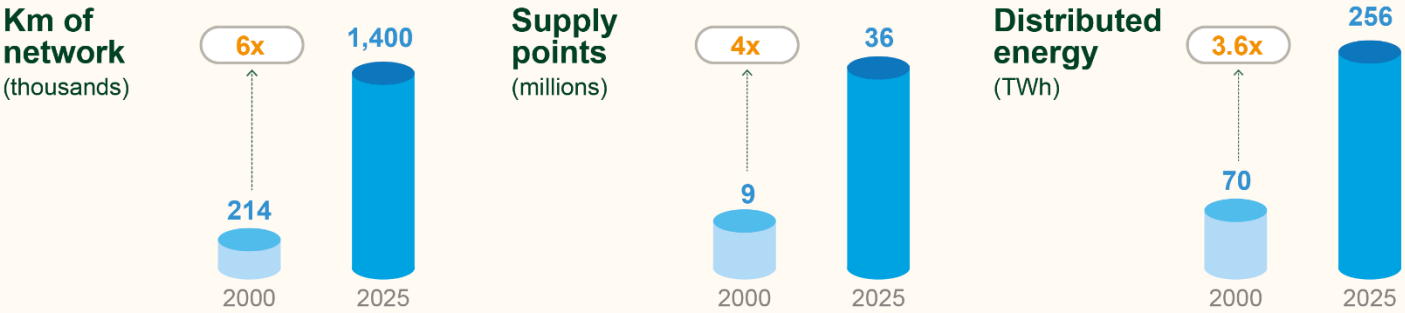
- **Workforce:** has multiplied by **4x**, from ~11,000 people to over **45,000**.
- **R&D investment:** has multiplied by **35x**, from €12 million in 2000 to **€425 million**.

Does not take into account minority-owned companies in Latin America.

Networks

From a local electric utility to a global leader in electricity networks.

- **Km of network** multiplied by **6x**, from **214,000 km** to **1,400,000 km**.
- The total number of electrical **substations** increases **5x**, from ~900 to more than **4,500**.
- **Supply points** are increased by **4x**, from ~9 million to **~36 million**.
- **Distributed energy** grows by **3.6x**, from ~70 TWh to **256 TWh**.
- A total of **14 million** new smart meters are in place.



Does not include figures from minority-owned companies in Latin America in 2000.

Entry of new generation technologies

- **2005** – Commencement of expansion into **cogeneration**
- **2007** – Commencement of expansion into **onshore wind**
- **2014** – Commencement of **offshore wind**
- **2015** – La Muela II **pumping station**
- **2019** – Commencement of **solar PV** deployment
- **2020** – Commencement of **battery** deployment
- **2022** – First **green hydrogen** plant
- **2024** – Tâmega **pumping station**
- **2025** – Valdecañas and Valparaíso **pumping station**

- Onshore wind: **18x** from ~1.2 GW to **~21 GW**.
- Offshore wind: zero to **2.5 GW**.
- Solar PV: from non-existent in 2000 to a key technology today with **8.7 GW**.
- Storage: incorporated **503 MW** in batteries and strengthened pumping with **1.7 GW**.
- Coal and fuel oil have been shut down (from 4,000 MW to zero).
- Green hydrogen: Puertollano, the world's first commercial-scale plant in 2022.

International expansion

- **2007** – ScottishPower
- **2008** – EnergyEast
- **2011** – Neoenergia/Elektro
- **2015** – UIL
- **2020** – Infigen Energy Australia; Companhia Energetica de Brasilia
- **2024** – Electricity North West

New products and customer services

2000

- kWh

2025

- **Transmission**: Smart Mobility — Charging infrastructure
- **Industry**: Industrial heat — CPD 4Green Data Centres — Green hydrogen
- **Buildings**: Smart Clima — Smart Solar
- kWh — Smart contracts

+ €155,832 million

of **value creation** over the **last 25 years**

Total dividend

+€44,499
million

Increase in stock market capitalisation

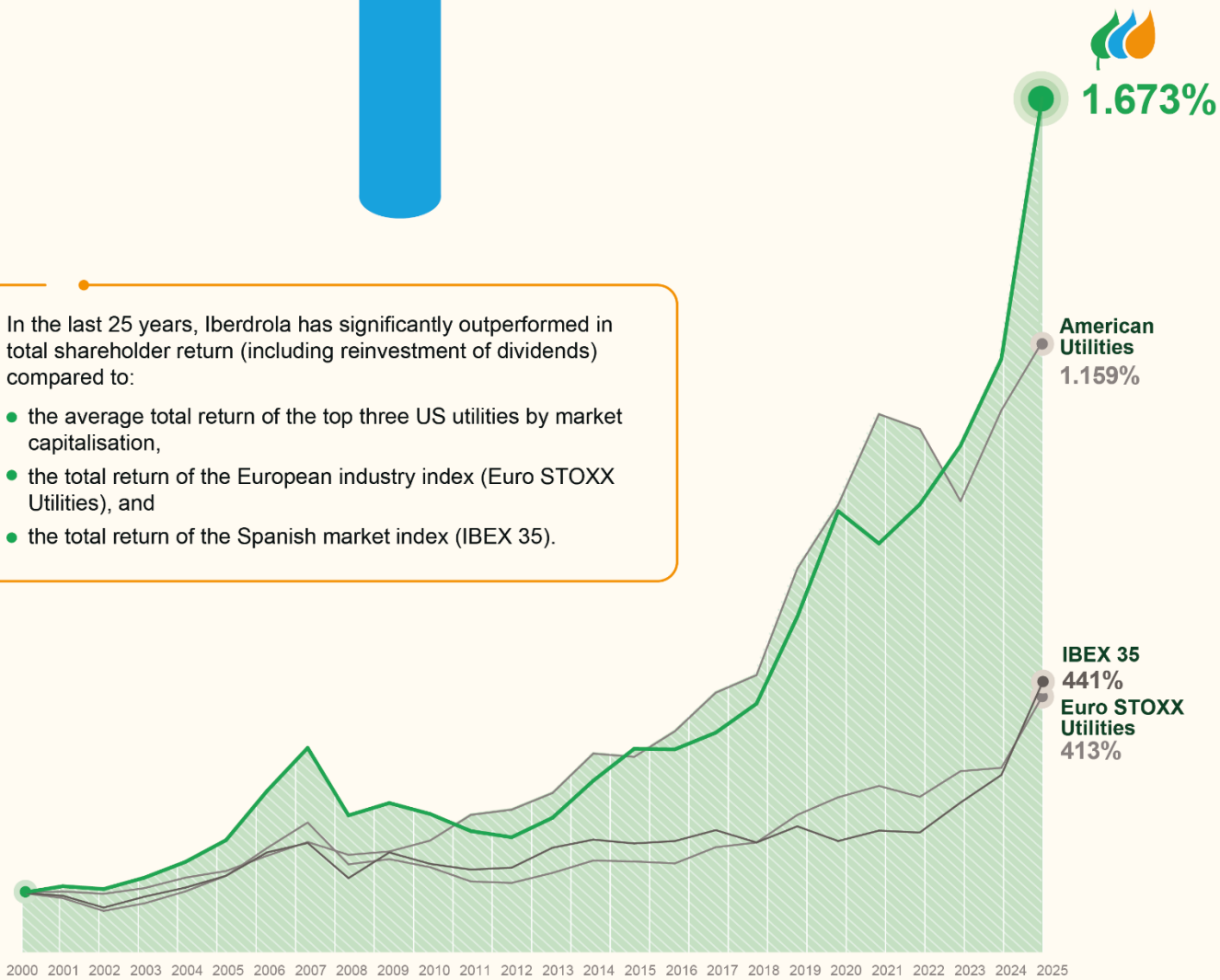
+€111,333
million

Creation of value over last 25 years

+€155,832
million

In the last 25 years, Iberdrola has significantly outperformed in total shareholder return (including reinvestment of dividends) compared to:

- the average total return of the top three US utilities by market capitalisation,
- the total return of the European industry index (Euro STOXX Utilities), and
- the total return of the Spanish market index (IBEX 35).



Key decisions on remuneration

At its meeting held on 24 June 2025, Iberdrola's Board of Directors appointed Mr Pedro Azagra Blázquez as a director of the Company, with the classification of executive director, on an interim basis (co-option), and as chief executive officer, applying the remuneration and contract conditions established in the Director and Officer Remuneration Policy approved at the General Shareholders' Meeting held on 17 May 2024.

With effect from 24 June 2025, Mr Armando Martínez Martínez resigned from his positions as director of the Company, with the classification of executive director, as well as chief executive officer. His resignation was accepted by the Board of Directors. **In application of the Policy**:

- No non-compete payment has been made in terms of his classification as a director in his capacity as such, and as an officer, the items payable on termination of service have been paid, including severance pay equivalent to two times his annual remuneration (which in turn includes one year of non-competition).
- As regards long-term variable remuneration, under the 2020-2022 Strategic Bonus, shares received prior to resignation from a position remain subject to recovery mechanisms (clawback clauses), and for the 2023-2025 Strategic Bonus, the status of beneficiary and therefore any right to receive shares linked to said plan is lost.

In a context in which Iberdrola has **again** posted **record-breaking** results ("**record after record**") and reached **all-time highs in total shareholder return**, from 2026 onwards the Company will address the main challenges of the 2026-2028 Transformational Plan, including:

- Ensuring the achievement of corporate objectives with the required pace.
- Securing maximum alignment with the stakeholders and alignment or remuneration with shareholder performance ("pay for performance"), while integrating the "social dividend" in recognition of the broader interests of the stakeholders.
- Strengthening the competitive advantage.
- Retaining profiles with a high strategic impact on the creation of value, backed by repeated international recognition.

The Board of Directors of Iberdrola, S.A. plans to submit the following **proposals** relating to remuneration for approval by the shareholders at the upcoming **General Shareholders' Meeting**, as separate items on the agenda:

1. **Director and Officer Remuneration Policy** for financial year 2026 and for financial years 2027, 2028 and 2029, replacing the policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024.

2. **Long-term incentive plan via the delivery of shares** for the 2026-2028 period, considering the strategic objectives to comply with the 2026-2028 Transformational Plan.

3. **Annual Report on Remuneration of Directors and Officers 2025.**

As regards the **proposal** for the **Director and Officer Remuneration Policy**, the general lines are the same as in previous years, taking into account the following changes:

For directors in their capacity as such:

- It is proposed to expand the **permanent shareholding commitment** for directors in their capacity as such to **an amount equivalent to 25% of the annual fixed remuneration** (instead of 20%) per year in office, to be **held** for a **cumulative period of five years** (instead of four years).

For officers, whether or not directors:

- It is proposed to expand the **permanent shareholding commitment** by setting the period during which they may not transfer ownership of the shares received at **five years** (instead of four years) unless an amount is retained that is equivalent to at least **five times (500%) their fixed remuneration** (instead of two times).

- With regard to **cancellation** (*malus*) or **clawback clauses** for amounts already paid as short- and long-term variable remuneration, it is proposed to clarify the inclusion of **misconduct** among the triggering circumstances, defined as inappropriate or unethical behaviour that may cause damage to the Company's reputation, declared within the next three financial years, by means of a final court judgment.

- To boost and incentivise the **pace at which strategic objectives are achieved** (pay for performance), aligning the interests of officers with those of shareholders and considering the existing **competitive advantage**, it is necessary to motivate and retain **profiles with a high strategic impact on the creation of value** in contexts of economic volatility and geopolitical tensions.

  These profiles provide the Company with a differential in terms of the combination of leadership, experience, skills and abilities, talent, dedication and innovation, and they have been backed by **repeated international recognition over time**.

  In view of the foregoing, a **long-term incentive via the delivery of shares for performance linked to achievement of the Company's strategic objectives, specifically, the 2026-2028 Outlook** presented at Capital Markets Day on 24 September 2025 ("2026-2028 *Transformational LTIP*") **to maintain the** Company's **competitive advantage**, will be submitted for approval by the shareholders at the upcoming General Shareholders' Meeting.

  The Board of Directors unanimously recommends the granting of a 2026-2028 *Transformational LTIP*, a long-term incentive involving the **delivery**

Expansion of shareholding policy

For directors
25% fixed remuneration to be maintained for 5 years

For officers
5 times fixed remuneration to be maintained for 5 years

***Malus* and clawback clarification**

Description of misconduct

Long-term incentive

Linked to Outlook 2026-2028

Maintain competitive advantage

of shares linked to the 2026-2028 Outlook, with a duration of six years and without structural changes.

The proposed **2026-2028 *Transformational LTIP*** is designed as a **multi-year plan with deferred delivery of shares** linked to the **achievement of long-term goals that are submitted *ex ante* to the shareholders for approval at the General Shareholders' Meeting** and is intended to encourage commitment to the long-term strategic goals of the Iberdrola group, aligning remuneration with the creation of value and shareholder return, as well as with the sustainable achievement of the Company's strategic goals and the maximisation of its "social dividend". This Plan is also intended to strengthen the alignment of leadership and executive responsibility in the long term. Its purpose is to ensure an exceptional level of commitment to the implementation of Iberdrola's strategic priorities and to shape a structured period that permits the expeditious and effective continuity of strategic momentum.

The Remuneration Committee considers it appropriate to position the Company in the upper range of the sample as regards long-term incentives insofar as Iberdrola has established its position as a global leader in the sector, **significantly increasing the complexity, scope and demands of their leadership responsibilities**.

The goal is to **drive the execution of Iberdrola's next phase of growth and to strengthen the retention of leadership** during a critical and demanding period for the Company.

The specific details of the new Director and Officer Remuneration Policy are set forth in the *Report of the Board of Directors of Iberdrola, S.A. regarding the proposed Director Remuneration Policy*, which is submitted to the shareholders for approval at the General Shareholders' Meeting.

The specific details of the Long-Term Incentive Plan via the delivery of shares for the 2026-2028 period are set out in the proposed resolution submitted to the shareholders for approval at the General Shareholders' Meeting.

Continuously monitoring our remuneration practices to ensure that they are in line with expectations

The Remuneration Committee, as part of the continuous improvement plan (action plan), has engaged in the following activities, which are reflected in this Annual Report on Remuneration of Directors and Officers 2025 (hereinafter, the "Report"), specifically seeking quality, clarity, consistency and completeness of the information:

1. Greater emphasis on share price appreciation

For officers, whether or not directors:

Analysis.

In a context of sustained appreciation of Iberdrola's shares, the Remuneration Committee has specifically analysed the impact of such performance on the theoretical value of the long-term variable remuneration plans awarded to the officers, in order to ensure the consistency of the remuneration model with the creation of value for shareholders (pay for performance).

This analysis has included a review of the structure of Iberdrola's long-term incentive plan, consistency with the remuneration principles and practices defined at Iberdrola, the historical results of the long-term incentive plans, and the positioning of the Company in relation to market benchmarks at comparable global companies.

Pay for Performance

Creation of value for the shareholders

Action.

As a result of this comprehensive analysis, the Remuneration Committee has:

- Confirmed that structuring long-term variable remuneration around a fixed number of shares, and not as a multiple of remuneration, remains the most appropriate approach to reinforce a clear and sustainable alignment between officer remuneration and the creation of value for shareholders.
- Concluded that the increase in the theoretical value of the awards arises directly from the positive and sustained evolution of the share price and, therefore, of the Company's performance, although this does not justify automatic adjustments in award levels.
- Deliberately decided to maintain the Company's performance-linked long-term incentive award level after comparing the resulting positioning with the remuneration practices of comparable companies, including those in which share-based remuneration represents a greater weight (comparable companies in the United States), concluding that Iberdrola's model remains appropriate, competitive and balanced, in accordance with its remuneration principles and practices and with the market benchmarks analysed.
- Reaffirmed that maintaining the level of shareholder participation is the key element of the remuneration model, with the objective of ensuring

sustained alignment with long-term performance, encouraging appropriate risk-taking and protecting shareholder interests.

The Remuneration Committee regularly reviews the general remuneration programmes for the group's professionals, assessing the suitability and results thereof, and it takes them into account when determining the Director and Officer Remuneration Policy. As regards share plans for professionals, sharesave schemes and share incentive plans are encouraged.

2. Benchmarking of total remuneration

Analysis. During financial year 2025 and for 2026, the Remuneration Committee, with advice from an independent external party, has carried out benchmark market analyses of the total remuneration of:

(i) the directors in their capacity as such;

(ii) the executive chairman and the chief executive officer.

The total remuneration of the executive chairman and chief executive officer takes into account the variations that may occur as a result of the changes in the share price.

Action. The Remuneration Committee has evaluated:

- The selection criteria for the peer group. Considering the 2026-2028 Transformational Plan, the current market context and the recommendations of proxy advisors, the Remuneration Committee has reviewed **the selection criteria for the peer group with a particular focus on:**

  (i) **prioritising**, within the US companies, the inclusion of companies from the **energy and industrial sectors**, and

  (ii) **simplifying the selection criteria** by incorporating energy companies into the global leaders criteria, provided they meet the established criteria.

  As a result of the review, the peer group for the market benchmark analyses of total remuneration in 2025 has been reduced to 28 comparable companies, with a distribution **of more than 60% between the United Kingdom and the United States and less than 40% for other European companies,** which reinforces the alignment with the 2026-2028 Transformational Plan, as well as with best market practices and recommendations from proxy advisors.

- Alignment of remuneration with the **complexity** of duties and the skills and abilities required of officers to perform their duties effectively.

- **Transparency**, providing investors with a **clearer understanding** of the commitment and effectiveness of the Board of Directors.

28
Comparable companies

60%
United Kingdom and United States

For directors in their capacity as such:

- Competitiveness, to ensure that the dedication and responsibility undertaken to maximise the long-term creation of value and the commitment to the Company's Purpose and Values is adequately rewarded, **concluding that no increase is required for 2026**.
- In the case of directors in their capacity as such, the positioning of their total remuneration is in the upper range of the sample. This positioning of the total remuneration reflects the **dedication and responsibilities** assumed by the members of the Board of Directors, as well as being competitive for the creation of value, recruiting and retaining qualified members with significant international experience, and in line with the size, internationalisation and complexity of the Company.

For officers, whether or not directors:

- In the case of the executive chairman and of the chief executive officer:
  - the positioning of the total remuneration is in the first decile of the median in the case of the executive chairman and approximately in the third decile in the case of the chief executive officer.
  - the positioning of the long-term variable remuneration is around the median in the case of the executive chairman and in the second decile in the case of the chief executive officer.
- The Remuneration Committee considers it appropriate to position the Company in the upper range of the sample as regards long-term variable remuneration insofar as Iberdrola has established its position as a global leader in the sector, significantly increasing the complexity, scope and demands of its leadership responsibilities. The number of shares granted has remained unchanged over the last 10 years, so the increase in remuneration is due to the increase in share value, aligning the interests of shareholders with those of the officers.

3. Variable remuneration metrics aligned with the Company's long-term strategy

For officers, whether or not directors:

- **Analysis.** In financial year 2025 and for 2026, in a context in which Iberdrola has again posted record-breaking results ("record after record") and disclosed its 2026-2028 Transformational Plan to the market, the Remuneration Committee has focused its efforts on responding to the main expectations of investors and proxy advisors, as well as developing the main future challenges of the 2026-2028 Transformational Plan in terms of variable remuneration metrics.
- **Action.** The Remuneration Committee:
  - As part of the process of **reinforcing** the focus on appreciation of the share price, has **monitored** short-term variable remuneration (annual bonus) and long-term variable share-based remuneration, including the monitoring of

the "Comparative performance of Total Shareholder Return (TSR) vs. the Euro STOXX Utilities index".

- Has worked on **strengthening the information and detail on the setting of objectives (*ex ante*)** taking into account the future corporate challenges of the 2026-2028 Transformational Plan of **generating predictable and profitable growth**, maintaining **financial strength and growing dividends**, **creating sustainable long-term value**, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and **increasing the "social dividend"**.

  The design and application of artificial intelligence tools is an essential element for the creation of value, as well as for Iberdrola's innovation and digital transformation strategy. Therefore, the Company recognises the importance of promoting their responsible use, in line with its corporate philosophy and the principles that inform its corporate culture, based on ethics and the commitment to sustainability.

  For 2026, in recognition of the strategic importance of the use of **artificial intelligence** solutions as part of the 2026-2028 Transformational Plan to achieve quantifiable impacts on processes (Artificial Intelligence Plan), it is incorporated as a new parameter in the short-term variable remuneration of all officers, whether or not they are directors, and the metrics relating to sustainability indices remains in the financial division.

  The Artificial Intelligence Plan has been developed under the principle of proportionality and harmlessness, whereby the Company will endeavour to ensure that the development and use of artificial intelligence tools are aligned with the established purpose, avoiding unnecessary excesses or risks.

  All of this is within the governance model outlined in the Policy on the Responsible Development and Use of Artificial Intelligence Tools initially approved by the Board of Directors on 10 May 2022 and last amended on 16 December 2025.

- Has worked to **provide more quantitative and qualitative information *ex post*** to more clearly explain the relationship between remuneration and performance in the creation of value, based on actively listening to the stakeholders. In particular.

  - In relation to the cybersecurity objective, a further *ex post* explanation has been included on the significance of quality of reaction and recovery to minimise impacts and durations and on the alignment between remuneration and achieved performance.

  - In relation to the occupational health and safety objective, a further *ex post* explanation has been included on the alignment between remuneration and achieved performance.

***Ex ante* information**

Transformational Plan 2026-2028

Artificial Intelligence Plan 2026 Quantifiable impacts

***Ex post* information**

Cybersecurity

Occupational health and safety

- Has taken into account sustainability priorities within variable remuneration, including by working to provide a better explanation of the alignment of **sustainability objectives with Iberdrola's strategy**, particularly emphasising **transparency and good governance, human and social capital, natural capital and sustainable value chain policies**, in a proactive manner and in consultation with the Sustainable Development Committee.
- Has continued to proactively work on **evaluating** whether the **remuneration system** encourages **excessive or inappropriate risk-taking**, in consultation with the Audit and Risk Supervision Committee.

Proportionality with risk measures

Maximum limits with cancellation and reimbursement

Introduction

Iberdrola's Remuneration Committee has prepared this Annual Report on Remuneration of Directors and Officers, which includes:

- Section A, a **summary of the proposed** Director and Officer Remuneration **Policy** to be **submitted for approval by the shareholders at the General Shareholders' Meeting** and which, if approved, will be implemented in the current financial year 2026.
- Section B, a **summary of how** the current Director and Officer Remuneration **Policy**, which **received 95.64% approval at the 2024 General Shareholders' Meeting** (exceeding the average approval of remuneration policies at other IBEX 35 companies in 2024, which is approximately 85.8%), **was applied during financial year 2025**.

In this regard, the application of the Director and Officer Remuneration Policy promotes the following **principles of conduct:**

For directors in their capacity as such

- Commitment to enforce the principle of transparency of all remuneration received.
- Ensure equal opportunities, guaranteeing equal pay for equal work at all times.
- Competitiveness for the creation of value, adequately rewarding the dedication and responsibility assumed by directors to maximise the creation of value and commitment to the Company's Purpose and Values.
- Remunerative system without variable remuneration, linking remuneration to effective dedication, responsibilities assumed and the performance of their duties as directors.

For officers, whether or not directors

- Neutrality in variable remuneration for the creation of value, without accruing solely on the basis of the general performance of the markets, the sector of activity in which the Company operates or similar circumstances, ensuring the actual creation of value.
- Commitment to the interests of the shareholders and to long-term sustainability, strengthening and incentivising the achievement of strategic objectives through the inclusion of annual variable remuneration and long-term incentives to align the interests of the officers with those of the shareholders, while reinforcing continuity in Iberdrola's competitive development, fostering a motivating and loyalty-building effect.
- Proportionality with risk measures in the remuneration systems, establishing maximum limits to any variable remuneration and appropriate mechanisms for

the Company to cancel (*malus* clause) or obtain reimbursement (clawback clause) of the variable components of the remuneration.

- Alignment with the remuneration policy for the Company's professionals, making a decisive contribution to recruiting, retaining, motivating and developing the best talent, on fair and competitive terms.

One of the remuneration practices through which the Remuneration Committee applies the above principles of conduct is the establishment of a **non-short-termist remuneration system, committed to the Company's long-term business enterprise**, promoting a long-term sustainable remuneration system that maintains a reasonable balance between the different elements that make up the remuneration, reflecting an appropriate assumption of risk, which contributes to recruiting, retaining, motivating and developing the best talent.

Commitment to long-term creation of value, payout ratio and increasing the social dividend

The commitment of the Remuneration Committee has always been to align the management carried out by officers with the **sustainability strategy** and the **creation of value for all stakeholders**. The Remuneration Committee plays an active role in ensuring that remuneration is linked to shareholder performance (pay for performance), while integrating the "social dividend" in recognition of the broader interests of the stakeholders.

What sets Iberdrola apart is the manner in which it implements the Director and Officer Remuneration Policy, highlighting over the years its **consistency and continuity**, which has made it possible to **provide clarity** to its directors and officers as to what is expected of them with respect to the **achievement of strategic goals** and the principles to which they must adhere in order to achieve them. This clarity and continuity, promoted by the Remuneration Committee, has also facilitated a **better understanding of the Policy** among stakeholders, including shareholders.

In its decision-making process, the Remuneration Committee **takes into account the opinion of independent external advisors**, together **with the experience, competences and skills** present in **other committees of the Board of Directors**, working proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee, as well as the **technical support of the officers**, to ensure the effectiveness of the Remuneration Policy through a generalised approach.

Furthermore, Iberdrola views the "social dividend" as a fundamental component of its value proposition, defined as the contribution of value that its activities represent for all stakeholders, as well as its contribution to the achievement of sustainability objectives.

In an environment in which resources, operating experience and growth opportunities are similar, the great **differentiating factor** in Iberdrola's success is

placing people at the centre of the business and understanding human capital as a principal asset. This people-centred approach, underpinned by a competitive, value-creating and results-oriented remuneration strategy, has strengthened the four major parameters of dynamic human capital management in the commitments to the business plan:

- Level of employee satisfaction with the lowest average turnover in the sector (voluntary turnover at year-end 2025 was 3.04% and full turnover 8.33%; lower than the energy and utilities sector, where turnover is typically between 12-16%).
- Professional development to achieve the Company's results by improving the efficiency of the organisation, strengthening the capabilities and skills of the professionals and preparing them to take on the future challenges of the energy transition.
- Adequate, equitable and competitive total remuneration for the creation of value, promoting physical, mental and emotional well-being, as well as a healthy, safe, pleasant and multifaceted working environment.
- Equal opportunities by providing equal pay for equal work.

For Iberdrola, leadership and its commitment to the development of internal talent is a priority. This is shown by the internal promotions that have occurred over the last decade, even for the most significant positions within the Company, as well as in the selection of directors, with the preference being for candidates with previous experience at the other companies of the group.

This vision is reinforced in the 2026-2028 Transformational Plan, which **envisages the creation of 15,000 new jobs in the next four years**, purchases of €65,000 million from thousands of suppliers that support half a million jobs, and a tax contribution of more than €40,000 million; all with an investment of €1,600 million in R&D. These commitments **reinforce the recruitment, retention, motivation and development of the best talent** and consolidate the **alignment of the Policy** with the **business strategy and long-term sustainability objectives.**

This high level of commitment is the result of the **focus and continuity** with which Iberdrola's strategy has been defined and of the **total commitment** of the Group's officers and professionals, creating value for all stakeholders, led by the executive chairman.

Active listening to stakeholders to ensure alignment and responsiveness

Year on year, **there has been increasing support from shareholders who have placed their trust in the Remuneration Committee's approach** to director remuneration and who reflect their dedication to the ongoing process of interaction and listening with stakeholders, including shareholders (retail and institutional) and proxy advisors.

The General Shareholders' Meeting is not a separate milestone only on the day of the meeting, but rather an ongoing process (permanent Meeting) in which **Iberdrola maintains two-way dialogue with its main institutional shareholders, independent financial analysis firms and proxy advisors to address various issues**, including the remuneration of directors and officers.

During 2025 Iberdrola held meetings with all shareholders who accepted its offer to meet, as well as with all shareholders who asked to meet with the Company, maintaining contact with at least 45 institutional shareholders, representing approximately 40% of the shareholdings, and the two main global proxy advisors: Institutional Shareholder Services (ISS) and Glass Lewis.

Two-way contact with

45 institutional shareholders
Approximately **40%** shareholding

2 main proxy advisors

The heads of Investor Relations, Corporate Sustainability and the Office of the General Secretary and Secretary of the Board of Directors participated in these two-way dialogues on behalf of the Company, and in some cases with the participation of the director authorised for such purpose, **showing the broad support for** Iberdrola's **remuneration practices**, considering its successful long-term track record and its link to the Pay for Performance principle, through a Director and Officer Remuneration Policy that encourages the long-term creation of value.

The topics discussed varied between shareholders and proxy advisors, although they highlighted the development of the Annual Report on Remuneration of Directors and Officers, as well as the improved clarity of information and explanatory charts. This has allowed for a **better understanding** of the remuneration system, expanding the **scope and transparency** of the aspects covered, improving the overall clarity of the Report and the disclosure of the performance measures established, both *ex ante* and *ex post*, and how Iberdrola **compares remuneration with that of other companies (benchmarking)**.

The Company has taken into account the considerations expressed by stakeholders and, accordingly, the proposals submitted reflect these considerations, such as the expansion of the permanent shareholding commitment, the clarification of the circumstances triggering the cancellation or clawback clauses, and the review of the criteria for selecting the peer group.

Iberdrola has a diverse and geographically broad shareholder base, with more than 20% of its outstanding shares held by **retail investors**. Recognising the importance of engaging all of its shareholders, not just institutional ones, Iberdrola relies on mechanisms to strengthen relations with its retail shareholders, who represent a **solid and long-term basis** for the growth and consolidation of the Company.

All the activities carried out in 2025 and those carried out on a recurring basis in previous years with regard to retail shareholders were aimed at meeting their

expectations, encouraging greater participation and involvement, increasing their knowledge of corporate life and properly responding to their interests. These initiatives include national and international face-to-face meetings, face-to-face and virtual information events, etc., with a 48% increase in the number of such face-to-face events where there is open two-way dialogue on business, sectoral and other matters of interest to shareholders.

Two-way contact with minority shareholders

48% increase in meetings

Iberdrola fosters a stronger and more engaged shareholder community through these efforts. This has facilitated a high level of participation in the General Shareholders' Meeting 2025 (quorum above 75%), in part due to the "engagement dividend", which promotes active shareholder participation.

As a result, the level of votes in favour of the **Annual Report on Remuneration of Directors and Officers 2024** by shareholders **increased to 93.61%** (exceeding the average of approximately 89.27% for annual director remuneration reports at other IBEX 35 companies in 2025).

Pay for Performance in volatile environments

Regional conflicts and geopolitical tensions expose fragilities in the current global energy system, reinforcing the need for stronger policies and greater investment to accelerate and scale up the transition to cleaner and more secure technologies.

Despite market challenges in 2025, **Iberdrola again posted record results in financial year 2025**, aligned with the main future challenges of the 2026-2028 Transformational Plan to generate predictable and profitable growth, while maintaining financial strength and growing dividends.

- Iberdrola set a new organic investment record, reaching almost €12,600 million, which represents a year-on-year increase of 5%. Together with the acquisition of PREVI's 30% shareholding in Neoenergia, this amounts to €14,381 million, or 21% more. This has allowed for a **record net profit of €6,285 million**, which represents an **increase of approximately 12%** year-on-year.

Net profit
€6,285 million
12% increase

- Furthermore, the amount of €0.64 paid in 2025 is one year ahead of the minimum target of €0.55 for shareholder remuneration set for 2025. The **dividend paid in 2025** also represents a **shareholder return of 4.8%**, which compares favourably with the 2.9% inflation rate in Spain in the same period. If we add to this 4.8% a share appreciation of 38.8% in financial year 2025, the **total shareholder return** for financial year 2025 is **43.7%.**

Total shareholder return
43.7%

- **Financial strength**, thanks to a solid generation of adjusted FFO of up to €12,811 million, which together with the share capital increase, the rotation of assets and the development of new strategic partnerships, has enabled a **reduction in net debt of €1,500 million** compared to year-end 2024, even taking into account that the financial year included the consolidation of ENW's debt and the acquisition of PREVI's shareholding in Neoenergia.

- Record investments focused on the networks business. The group's **network asset** base **increased in 2025 by 5%** to over €50,721 million thanks to organic investments. Of this total, 33% corresponds to the United Kingdom, 27% to the United States, 22% to Brazil and 18% to Spain.

Network assets
€50,721 million
5% increase

Renewables
Selective growth
2.7 GW

- **Selective growth** in the **renewables** business. With a selective focus on renewables: the group installed **2.7 GW** of renewables in 2025, exceeding the 46,162 MW installed by year-end 2025, with notable onshore wind technology repowering projects in the United States, the United Kingdom and Spain, and offshore wind technology including progress in the construction of the Vineyard Wind wind farm in the United States. 0.5 GW of batteries were also installed in Australia, Spain and the United Kingdom.

Regulation
Guaranteed returns

- In terms of **regulation**, **positive results** were obtained that contributed to ensuring **returns**: the British regulator's approval of the transmission Business Plan in the United Kingdom for GBP 12,100 million, the renewal of Neoenergia Pernambuco's concession for 30 years in Brazil, and the expected approval of renewals of the other concessions at the start of 2026, and continued commitment in the United States to taking advantage of investment growth opportunities in the states where the group is present, making progress on the commitments of the current regulatory frameworks and presenting new investment plans in New York and Maine, as well as the execution of transmission programmes such as CLCPA in New York and the construction of the NECEC line in Maine. Finally, in Spain, the distribution network remuneration rate and methodology has been approved for the forthcoming 2026-2031 regulatory period.

- Of note in terms of **sustainability** are governance matters, continued emission reductions, human capital, promotion of a sustainable and responsible supply chain, quality of service, and financing, mainly with green or sustainable instruments.

Therefore, 2025 again showed **solid operational growth** driven by new network assets, the consolidation of ENW, improved regulatory frameworks, and new installed capacity in renewables.

The **growth** achieved in **2025** enables us to face 2026, the year of our **125th anniversary**, with a record market capitalisation of over €123,000 million and fully established as Europe's leading electricity company and one of the two largest worldwide, driving the achievement of the future objectives of the 2026-2028 Transformational Plan:

- **Investments of €58,000 million** over the 2025-2028 period to drive the electrification of the economy and the new needs of electricity networks. These investments represent an increase of 30% compared to the 2021-2024 period, focusing the Company on a more regulated environment, with the United Kingdom and the United States at the centre of these plans.

  Out of the €58,000 million in investment, 85% will be allocated to countries with an "A" rating and stable, predictable and attractive regulatory frameworks. This will make it possible to drive more stable, predictable, profitable and secure growth.

  By country, 65% of the investment will be located in the United Kingdom (€20,000 million) and the United States (€16,000 million). This is followed by the Iberian Peninsula with €9,000 million, Brazil with €7,000 million, and other European Union countries and Australia, with €5,000 million.

- Analysing the main investments by business area, the Company plans to invest €37,000 million in the networks business, with €25,000 million allocated to distribution networks and €12,000 million to the transmission network, aimed at markets with closed regulatory frameworks or in advanced stages of negotiation and offering an average return on equity (ROE) of 9.5%.
- This will allow for a **regulated asset** base of €70,000 million (€50,000 million for the distribution network and €20,000 million for the transmission network), such that 75% of EBITDA will not depend on energy prices by 2028.
- It is planned to allocate €21,000 million to the renewable generation business and customers (38% to offshore wind; 24% to onshore wind; 10% to storage; and another 10% to solar), with 75% of projects already under construction.
- Future growth is also assured, with €13,204 million in purchases and the supply chain secured to support future investments.
- With this strategy, the aim is to achieve a gross operating income (EBITDA) of €18,000 million in 2028 (€3,000 million more than in 2024), with networks driving growth, as they will contribute 55% to the operating result.
- All of this has led the Company to set an adjusted net profit target of €7,600 million for 2028, representing €2,000 million more than in 2024.
- The Company's asset rotation and partnership activity has also been extraordinary. On Capital Markets Day, it was reported that 75% of the current target for the 2025-2028 period has now been completed, and up to 90% is at an advanced stage.

These objectives are included within the Remuneration Policy and seek to ensure **a positive contribution by the officers** in **meeting** Iberdrola's previously communicated **long-term objectives**, as a leader in the energy sector, by demonstrating solid financial and operational performance, with a strategic focus on improving its network infrastructure and expanding its renewable energy generation capacity, adopting an **attractive dividend policy** for investors seeking **long-term stability and growth**.

Among other things, the Policy has allowed Iberdrola to significantly increase its international presence, operating in multiple markets to become a global leader in the energy sector, reflecting continuous positive performance over time.

2026-2028 Transformational Plan

Investments

€58,000 million

Regulated assets

€70,000 million

Net profit

€7,600 million

Since year-end 2014, Iberdrola has generated value of approximately €115 billion as a result of having increased its capitalisation by close to €88 billion and distributed dividends of more than €27 billion.

Total dividend

+ €27,354

million

Increase in stock market capitalisation

+ €87,613

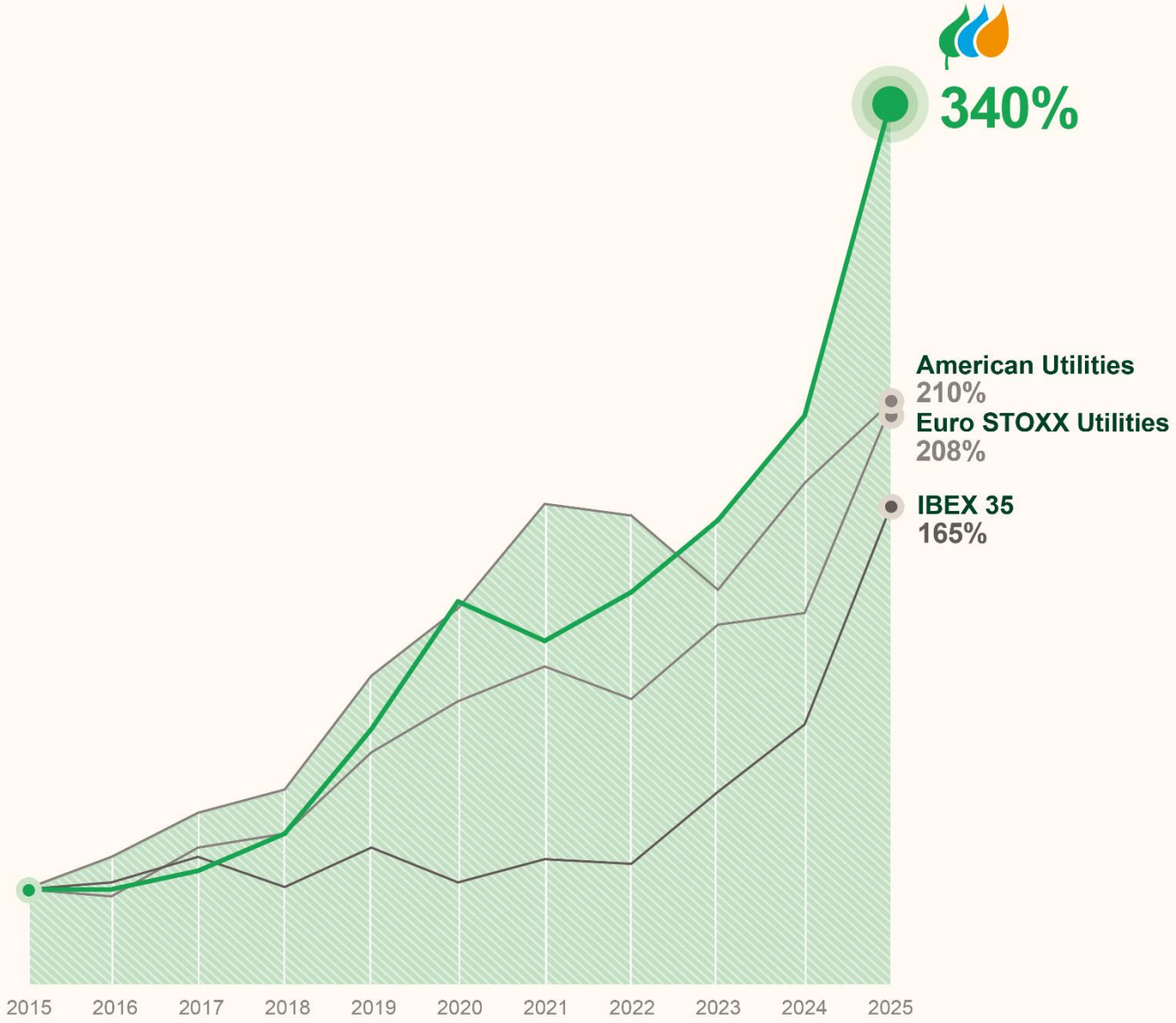
million

Creation of value 2015-2025

+114,967

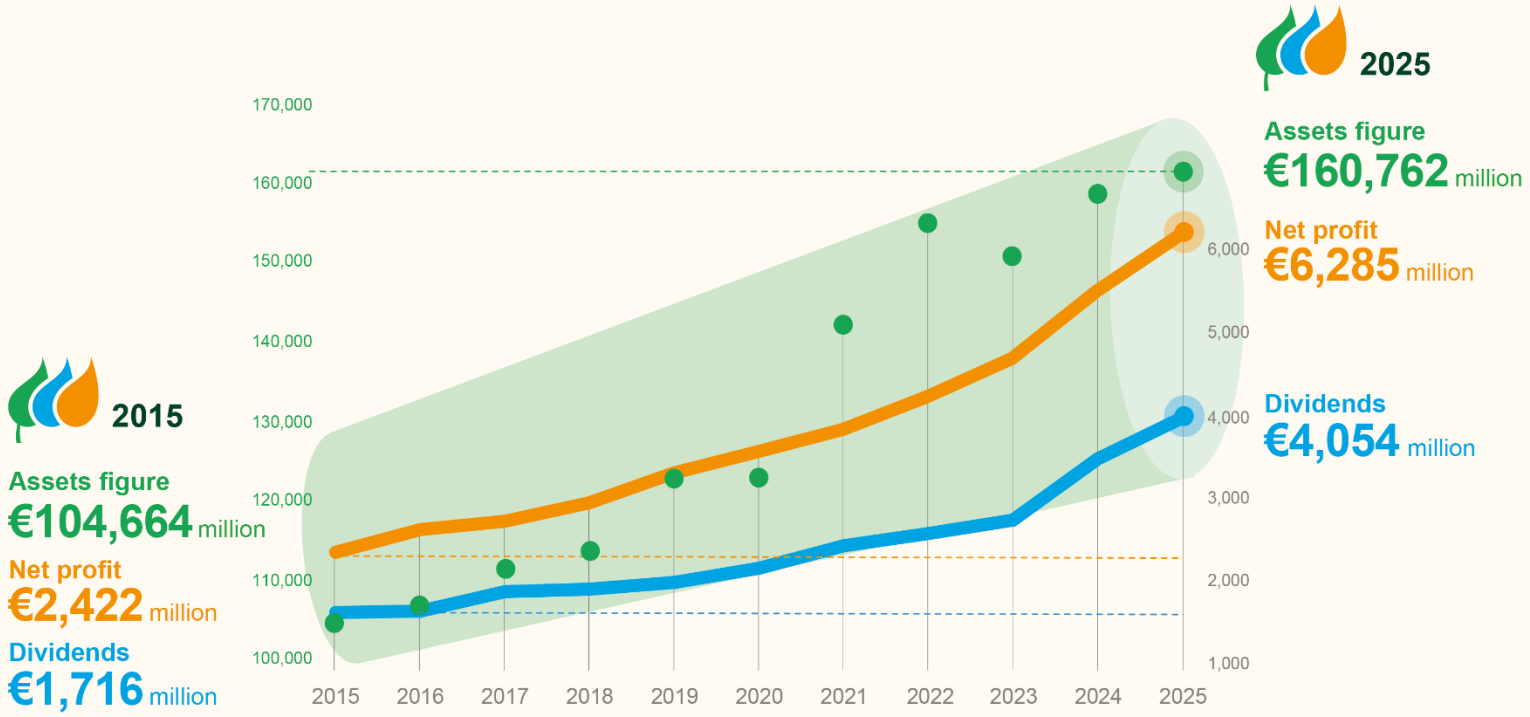
€ millions

- In the last 10 years, Iberdrola has significantly outperformed in total shareholder return (including reinvestment of dividends) compared to:
  - the average total return of the top three US utilities by market capitalisation,
  - the total return of the European industry index (**Euro STOXX Utilities**),
  - the total return of the Spanish market index (**IBEX 35**).



As in previous years, the Remuneration Committee believes that any **increase in remuneration** of officers should be the **result of the achievement of pre-established and clear strategic objectives** as well as share price appreciation as regards long-term variable remuneration.

- Since 2015 Iberdrola has achieved **consistent performance** of assets, net profit and total dividends received by shareholders in line with the Company's long-term **non-volatile - stable and sustainable - growth**.



The Remuneration Committee remains firmly committed to aligning the remuneration of directors and officers with the performance of the various businesses in which Iberdrola operates and with the expectations of its shareholders and other stakeholders to ensure that **remuneration practices link the contribution of professionals to the long-term strategic and sustainability goals of the Company.**

Iberdrola

A.

Remuneration policy of the company for the current financial year

A. Remuneration policy of the company for the current financial year

As of 31 December 2025 and as of the date of preparation of this Report, the Board of Directors of Iberdrola is made up of **14 members** who possess a **broad and appropriate variety of knowledge, skills and abilities, capabilities and experience**, not only in the areas required for the performance of their duties, but also in relation to the needs of the industry and the competitive position of Iberdrola.

During financial year 2025, Iberdrola conducted an **analysis of the skills and abilities** of the Board of Directors in order to ensure that its members have the skills and knowledge necessary to meet the current and future challenges of the energy sector, particularly for the 2026-2028 Transformational Plan.

In this process, Iberdrola has taken into account best market practices and has conducted an analysis of the professional profiles of the members of Iberdrola's Board of Directors, as well as the current skills and abilities required by the shareholders.

Following this analysis, the Board of Directors has concluded that the **nine skills** defined are aligned with best practices and recommendations from shareholders (retail and institutional) and proxy advisors, and cover the new challenges of the 2026-2028 Transformational Plan. The skills matrix positions Iberdrola as the leader in the energy sector in terms of skills covered, with 100% coverage in terms of experience in the energy sector, and **average coverage of more than 80% by the members of the Board of Directors** for the other skills.

It has also been concluded that out of the nine skills, the directors, as a whole, have high knowledge, skills and experience in the energy sector, management and strategy, audit, finance and risk management, global markets and geopolitics, capital allocation, legal and regulatory and sustainability (including climate change) and superior knowledge in digitalisation and cybersecurity and operations and supply chain.

These skills and abilities have been strengthened and expanded throughout their professional careers at Iberdrola and in the performance of professional activities in addition to their position as directors of the Company.

The Board of Directors Diversity and Director Candidate Selection Policy has made it possible to compare the skills and abilities of the directors on the basis of a comparative analysis of corporate governance that the Appointments Committee carried out during 2025, taking into account:

- Companies with strong governance, whose practices/disclosures relating to the skills of the Board of Directors are considered best practice.
- Comparable companies in terms of financial/operating size, with an internationally-focused Board of Directors and with diverse skills similar to those of Iberdrola.
- Comparable companies in terms of industry, which have a Board of Directors with skills that are relevant to Iberdrola's business model.
- Companies with sufficient retail shareholder participation in appointments and the operation of the Board of Directors with powers adapted to the overall business and not to the interests of a few shareholders.
- Companies with a Board structure that is sufficiently broad and similar to that of Iberdrola to allow for sufficiency of the data and to increase comparability with Iberdrola.

In its **position of leadership in the energy sector**, Iberdrola proactively addresses the variety of skills and abilities through selective refreshment, combining the skills needed to guide management in application of the strategy.

For this purpose, among others, it has a **training and development programme for directors** that responds to the Board of Directors' needs for refreshment of knowledge. Directors also receive **continuous training** regarding significant issues relating to the Iberdrola Group and its businesses, as well as the environment in which they operate, which are supplemented by reports, articles and other information of interest.

The training content addressed in 2025 included legal and technical aspects of the energy sector, regulatory challenges, acceleration of artificial intelligence (use cases and trends in the field), corporate governance trends, sustainable financing instruments, sustainability regulations to promote competitiveness, key cybersecurity threats and trends, applicable legal provisions and their implications for corporate governance, operational resiliency policies and implementation measures, risk supervision and management, regulation, governance and market trends and risks, and anti-corruption and anti-fraud measures and controls.

In the area of **digitalisation and cybersecurity**, the members of the Board of Directors:

- Receive **regular training** to reinforce their knowledge regarding digital evolution and transformation, their preparedness to understand threats and detect potential risks, and their ability to assess practices, measures and controls for their management at the Company, which has ISO 27001 certification for processes and services provided by the cybersecurity division, as well as ISO 22301 certification for business continuity in detection and response services.
- Are regularly informed and aware of identified operational cybersecurity and technology risks, their significance and impact on services and operations for the Company, their management, and their status and evolution based on defined mitigation plans.

In the area of **operations and supply chain,** considering the growing importance of operational risks in the energy sector, the members of the Board of Directors:

- Receive **regular training** to reinforce their knowledge regarding the definition, analysis and mitigation models for risks related to procurement by the Company, which has ISO 9001 quality certification and ISO 20400 Sustainable Procurement Strategy certification.
- Are regularly informed and aware of risks related to procurement: credit risks related to supplier creditworthiness, market risks related to, among others, commodity and currency volatility, technology and quality risks, operational risks, cybersecurity risks, governance, sustainability and reputational risks, and strategic, regulatory, tax and legal risks.

The Board of Directors has a varied composition, taking into account different factors, among which the most important are:

- The varied skills, knowledge and professional backgrounds provided by the existence of a large majority of external directors (85.71%), and particularly of independent directors (78.57%).
- The presence of directors of five nationalities (Brazil, Spain, the United States, the United Kingdom and Italy) as a global leader in the energy sector.
- The ongoing refreshment of Iberdrola's Board of Directors balances continuity and the introduction of new ideas and experiences. Approximately 30% of new directors have joined during the last five years.

Without prejudice to the non-delegable powers provided for by law and the Governance and Sustainability System, **the Board of Directors will generally entrust the duties of strategic supervision, organisation and coordination at the group level to the chairman of the Board of Directors and to the chief executive officer**

with the technical support of the officers, who shall disseminate, implement and monitor the overall strategy and the basic guidelines for the management thereof established by the Board of Directors.

In addition, the continuous improvement plan for financial year 2025, derived from the process of evaluating the operation and composition of the Board of Directors, includes, among other things, the combination of the participation on the Board of Directors and its committees of senior executives with knowledge of the talent of the officers.

A.1.1

Explain the current director remuneration policy applicable to the year in progress

As of the date of preparation of this Report, the Policy in force at Iberdrola is the one approved at the General Shareholders' Meeting held on 17 May 2024, which received shareholder approval of 95.64%, exceeding the average approval level for remuneration policies at other IBEX 35 companies in 2024, which stands at approximately 85.8%.

This shows the high level of support for the Director and Officer Remuneration Policy, highlighted by the increase in favourable votes from 91.54% in 2022 to 95.64%. This situation is corroborated by the comments received in the active listening process from stakeholders who state that they have no concerns regarding the Policy and its highly targeted application as a strategic management tool for the achievement of the long-term objectives and in application of the "social dividend".

As previously explained, the Board of Directors of Iberdrola, S.A. will submit **a new Director and Officer Remuneration Policy for approval by the shareholders at the General Shareholders' Meeting**, which, if approved, will be implemented in the current financial year 2026.

Principles of the Policy

The Board of Directors has identified that sound strategic decision-making and a clear commitment to corporate values are two of the main drivers of company performance, particularly in the energy sector. Companies may choose similar businesses, markets and technologies, yet they perform differently. Therefore, experience, skills and abilities, talent, effort, innovation, leadership and the ability to achieve the commitment to its *Purpose and Values* are the main differentiating elements.

The *Purpose and Values* of the Iberdrola group define the Company as a driver of an electric, efficient, healthy and accessible energy model that is fully aligned with financial and sustainability objectives and consistent with the highest environmental, social and corporate governance standards and requirements. All within the general framework of respect for and protection of human rights, sustainability and generally accepted ethical principles.

Therefore, the ultimate purpose of the Policy, like that of the remuneration programmes for professionals of the Iberdrola group, is to make a decisive contribution to recruiting, retaining, motivating and developing the best talent, on fair and competitive terms, which is the best way to contribute to the business strategy and to the long-term interests and sustainability of the Company and of the Iberdrola group, as well as of its stakeholders, including the shareholders.

Principles for directors in their capacity as such

- **Transparency.**

  The Remuneration Committee assumes the commitment to implement the principle of transparency of all remuneration received by all directors, providing complete, relevant and sufficient information in line with the

good governance recommendations generally recognised in international markets in the area of director remuneration.

Equal opportunities

The Remuneration Committee endeavours to ensure equal opportunity, guaranteeing equal pay for equal work at all times, and making use of multiculturalism, skills and abilities, knowledge and experience.

Competitiveness for the creation of value

Adequately reward the dedication and responsibility assumed by directors to maximise the creation of value and commitment to the Company's Purpose and Values.

Ensure that the structure and total amount of remuneration allows for maximisation of shareholder return, the "social dividend" and the achievement of the long-term sustainability of the Company.

Comply with best practices by being competitive with comparable global companies in terms of capitalisation, turnover, complexity (including risk management and internal control), sustainability goals, ownership structure and international presence within a framework of engagement with all stakeholders.

Principles for officers who are not directors

Neutrality in variable remuneration for the creation of value

The Remuneration Committee shall endeavour to ensure the effective creation of value of any variable remuneration, well beyond just the general performance of the markets, the sector of activity in which the Company operates or similar circumstances.

Commitment to shareholder interests and long-term sustainability

Strengthen and encourage the achievement of the Company's strategic objectives through the incorporation of annual variable remuneration and long-term incentives, in order to align the interests of the officers with those of the shareholders, while maintaining competitive advantage, fostering a recruitment, retention, loyalty-building and motivational effect.

Proportionality with risk measures in remuneration systems

Establish maximum limits to any variable remuneration and appropriate mechanisms for the Company to cancel (*malus* clause) or obtain reimbursement (clawback clause) of the variable components of remuneration.

The Company's Board of Directors may cancel (*malus* clause) or reclaim (clawback clause) variable components of remuneration in the event of a material restatement of the financial statements not reflecting a change in accounting standards, situations of fraud or serious breach of law declared by final court judgment, as well as misconduct, defined as inappropriate or unethical behaviour that may cause damage to the Company's reputation, declared in the following three financial years, by means of a final court judgment.

Alignment with the Company's professional remuneration policy

The Remuneration Committee regularly monitors the Company's remuneration practices, ensuring an appropriate and equitable pay structure at all levels. These efforts, among others, have fostered strong professional commitment, the lowest voluntary attrition rates in the industry and a workforce characterised by a high sense of belonging and loyalty.

Remuneration practices

In its decision-making process, the Remuneration Committee takes into account active listening to shareholders (retail and institutional) and proxy advisors, the opinion of independent external advisors, together with the experience, competences and skills present in other committees of the Board of Directors, working proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee, as well as the technical support of the officers, to ensure the effectiveness of the Remuneration Policy through a generalised approach.

To ensure the effectiveness of the Remuneration Policy through a generalised approach, the Remuneration Committee applies the principles described above through the following remuneration practices:

Active and responsive listening

The Remuneration Committee takes into consideration the information received from the shareholders (retail and institutional) and from proxy advisors, as well as the analysis of their main expectations and of the various channels.

Consider skills and abilities on other committees

In the performance of its duties, the Remuneration Committee works proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee.

Shareholding policy

A permanent shareholding policy is established for directors in their capacity as such, of at least an amount equivalent to 20% of the annual fixed remuneration per year in office, to be held for a cumulative period of four years.

In the new Director and Officer Remuneration Policy that will be submitted for approval by the shareholders at the General Shareholders' Meeting, it is proposed to expand the shareholding policy for directors in their capacity as such to an amount equivalent to 25% of the annual fixed remuneration per year in office, to be held for a cumulative period of five years

No guaranteed remuneration

There are no contracts with guaranteed remuneration (salary increases or variable remuneration).

No loans or advances

No loans or advances are provided to directors.

Remuneration practices for officers, whether or not directors

Deferred payment of long-term variable remuneration

The delivery of shares under the long-term variable remuneration system is paid on a deferred basis. In the case of the Company's performance-linked long-term incentive plan, payment is by thirds over a three-year period, with no overlapping of plans.

Shareholding policy

Ownership of the shares received may not be transferred for a period of four years unless an amount equivalent to at least twice (200%) the fixed remuneration is maintained.

In the new Director and Officer Remuneration Policy that will be submitted for approval by the shareholders at the upcoming General Shareholders' Meeting, it is proposed to expand the period during which officers

may not transfer ownership of the shares received to five years unless an amount is retained that is equivalent to at least five times (500%) fixed remuneration.

No share delivery plans with capital increases

Share delivery plans are not implemented by means of capital increases or similar instruments.

No hedging

Hedging on the Company's share-based remuneration plans are not authorised.

Hedging, pledging, short-selling or derivative contracts on securities of shares received in variable remuneration schemes is not permitted.

Competitive advantage

Maintain the Company's competitive advantage by establishing a remuneration package that guarantees recruitment, retention and loyalty-building in contexts of economic volatility and geopolitical tensions, for profiles with a high strategic impact on the creation of value for the Company, backed by repeated international recognition.

These profiles provide the Company with a differential in terms of the combination of experience, skills and abilities, talent, dedication, innovation and a devotion to leadership, and they have been backed by repeated international recognition over time.

Interaction with shareholders

The Board of Directors, continuing with Iberdrola's devotion to leadership in the energy sector, will take into consideration the information received as a result of the ongoing two-way dialogue between the Company represented by the heads of Investor Relations, Corporate Sustainability and the Office of the General Secretary and Secretary of the Board, and in some cases, with the participation of the director authorised for such purpose and its shareholders (retail and institutional) and proxy advisors. The Board of Directors also takes into consideration both the best practices identified at other listed companies and regarding the directors and officers and the general remuneration schemes of the professionals of the Iberdrola group.

The General Shareholders' Meeting is not a separate milestone only on the day of the meeting, but rather an ongoing process (permanent Meeting) in which **Iberdrola maintains two-way dialogue with its main institutional shareholders and proxy advisors to address various issues**, including the remuneration of directors and officers.

During 2025 Iberdrola held meetings with all shareholders who accepted its offer to meet, as well as with all shareholders who asked to meet with the Company, maintaining contact with at least 45 institutional shareholders, representing approximately 40% of the shareholdings, and the two main global proxy advisors: Institutional Shareholder Services (ISS) and Glass Lewis.

Iberdrola has a diverse and geographically broad shareholder base, with more than 20% of its shares in circulation held by retail investors. Recognising the importance of engaging all of its shareholders, not just those defined as institutional investors, Iberdrola relies on mechanisms to strengthen relations with its retail shareholders, who represent a solid and long-term basis for the growth and consolidation of the Company.

All the activities carried out in 2025 and those carried out on a recurring basis in previous years with regard to retail shareholders were aimed at meeting their expectations, encouraging greater participation and involvement, increasing their knowledge of corporate life and properly responding to their interests. These initiatives include national and international face-to-face meetings, face-to-face and virtual information events, etc., with a 48% increase in the number of such face-to-face events where there is open two-way dialogue on business, sectoral and other matters of interest to shareholders.

Events are structured around dialogue, and as a result of this ongoing relationship and shareholder engagement, Iberdrola tailors its communications both virtually and on its corporate website (www.iberdrola.com), as well as in direct mailings, to each target audience, fostering greater support for Iberdrola's proposals by refining language and improving all communication channels.

Iberdrola fosters a stronger and more engaged shareholder community through these efforts. This has facilitated a high level of participation in the General Shareholders' Meeting 2025 (quorum above 75%), in part due to the "engagement dividend", which promotes active shareholder participation.

The Remuneration Committee continuously monitors the results of the General Shareholders' Meeting on the matters within the purview of the Committee. Following the General Shareholders' Meeting of 30 May 2025, it analysed the information available on the voting behaviour of certain institutional shareholders of Iberdrola (approximately 70 institutional shareholders representing more than 50% of its shareholdings), and of the retail shareholders, as well as the expectations received from the proxy advisors.

With a view to the 2026 General Shareholders' Meeting, Iberdrola has increased the number of roadshows, face-to-face meetings and communications in order to encourage greater shareholder participation and to ensure that the information shared is clear, accurate and accessible.

In 2025, a full day of themed sessions and talks took place at the locations with the largest number of shareholders, with the attendance of more than 1,600 shareholders and the presence of more than 10 officers of Iberdrola responding to various shareholder queries. These initiatives are outlined in the shareholder engagement policy, approved by the Board of Directors ten years ago and reflected in the By-Laws, with a special focus placed on retail shareholders by extending the Shareholders' Meeting to 365 days a year.

In addition, there is a strong information and participation campaign during the two months prior to the legal act of the General Meeting, with a massive media campaign and more than four personalised mailings to shareholders.

Added to this are all of the direct communication channels open 365 days a year to enable shareholders to effectively express their views and expectations.

With these measures, Iberdrola manages not only to increase transparency in its processes, but also to build a relationship of trust and ongoing collaboration with shareholders (retail and institutional) as well as with proxy advisors.

Annual review of the Director and Officer Remuneration Policy

The Remuneration Committee carries out **exhaustive reviews of the Remuneration Policy** to ensure that the principles, content and information disclosed are in line with the expectations of its shareholders (retail and institutional) and of its proxy advisors, and of analyses using tools based on artificial intelligence and algorithms, as well as with best market and corporate governance practices, proposing, where appropriate, the amendment and update thereof to the Board of Directors and informing the latter of any issues that may arise in connection with the interpretation or application of such Policy and standards.

The review process carried out by the Remuneration Committee in financial year 2025 took into consideration the following issues arising from the continuous improvement action plan developed by the Remuneration Committee:

- Information gathered annually through the Company's ongoing and transparent dialogue with its **shareholders (retail and institutional) and proxy advisors** on expectations regarding and possible modifications of the Policy.
- Proactive **evaluation** regarding whether the **remuneration system** encourages excessive or inappropriate **risk-taking**, in consultation with the Audit and Risk Supervision Committee.

- Results of the analysis of **best remuneration practices** at comparable and global companies carried out annually with the advice of an independent expert.
- Results of **best corporate governance practices**, as well as acknowledgement of new developments in the area of transparency of the remuneration included in the annual director remuneration reports and follow-up on the General Shareholders' Meeting for the adoption of measures for improvement.
- **Employee remuneration** and how remuneration is **aligned** with **Iberdrola's Purpose and Values**.

Based on this review, the Remuneration Committee concluded:

- That the Policy **continues to promote sound remuneration principles and practices** to contribute to the achievement of the Company's long-term strategic objectives.
- That the Policy complies with **best market** and **corporate governance practices** and is aligned with the **expectations of shareholders (retail and institutional)** and **proxy advisors.**
- That the Policy is **transparent** and provides information that is complete, relevant, sufficient and in line with generally recognised good governance recommendations in international markets regarding the remuneration of directors.
- That the Remuneration Policy is a **strategic tool for the creation of value** for all stakeholders and its application has made it possible to align remuneration with shareholder performance (pay for performance), at the same time as **increasing dividends for shareholders** (dividend floor of €0.64 per share).

The Remuneration Committee also took into account certain significant milestones achieved in 2025, including:

- **Changes** in the **composition** and **positions of the Board of Directors** and its committees, following the replacement of the chief executive officer.
- The **results** after the end of the **2023-2025 Strategic Bonus** evaluation period.

  Although ambitious, the objectives disclosed to the markets in the 2023-2025 Strategic Plan were comfortably outperformed by results that again broke records ("record after record").
- The new challenges of the 2026-2028 Transformational Plan.

  It updates the Company's commitments and reinforces the investment strategy, transforming Iberdrola's profile towards a more regulated company, with electricity networks as a major, predictable and profitable growth vector, maintaining financial strength and growing dividends.
- Flexibility in the ability to **attract, retain and motivate** the most qualified professionals so that the Company can meet its strategic objectives within an increasingly competitive and globalised framework.

Thanks to a cohesive management team, **led by the executive chairman**, Iberdrola will reach its **125th anniversary** with a **leadership position** achieved in the **last 25 years,** especially following the arrival of Mr José Ignacio Sánchez Galán at the Company, **creating long-term sustainable value, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and increasing the "social dividend".**

In view of the above, the Board of Directors, upon a proposal of the Remuneration Committee, will propose to submit to the shareholders at the upcoming General Shareholders' Meeting a new Director and Officer Remuneration Policy and a new long-term incentive plan **aligned with the pace required in this new context** and which reinforce the **Company's competitive advantage**. All of this is aligned with the long-term creation of value for stakeholders.

2026-2028 Transformational Plan

Iberdrola again posted record results, aligned with the main future challenges of the 2026-2028 Transformational Plan to generate predictable and profitable growth, while maintaining financial strength and growing dividends.

Creating sustainable long-term value, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and increasing the social dividend.

Profit 2025 **record after record**

Double-digit growth

Networks

More investments and better remuneration

Generation / **Customers**

More capacity and additional portfolio

Maintaining financial strength

Commitment to
BBB+ / Baa1

Dividend in line with **profit performance**

Dividend floor
€0.64

Payout ratio
65% to 75%

Source: Capital Markets Day, September 2025

A.1.1 A

Procedure and bodies involved in determining, approving and applying the remuneration policy and the terms and conditions thereof

The decision-making process for the determination, review and implementation of the Policy is described below.

General Shareholders' Meeting

- **Approves the Director and Officer Remuneration Policy**, which constitutes the Company's highest-level set of regulations on director remuneration after the By-Laws.
- Approves the remuneration of the directors consisting of the **delivery of shares of the Company** or of any options thereon or which is indexed to the price of the Company's shares.

Board of Directors

- **Proposes** to the shareholders at the General Shareholders' Meeting the **Director and Officer Remuneration Policy** upon a proposal of the Remuneration Committee.
- **Approves the remuneration** of the directors and officers upon a proposal of the Remuneration Committee.
- **Proposes variable share-based remuneration plans** for approval by the shareholders at the General Shareholders' Meeting upon a proposal of the Remuneration Committee.
- **Approves the performance of the officers** in terms of short-term variable remuneration and the performance of the Company in terms of long-term variable remuneration upon a proposal of the Remuneration Committee.
- **Approves the performance of the Company** in the long-term variable remuneration upon a proposal of the Remuneration Committee.
- In order to retain and recruit the talent that a leading company like Iberdrola requires, the Board of Directors, upon a proposal of the Remuneration Committee, which will receive reports from independent third parties, may **adapt the implementation of the** Director and Officer Remuneration **Policy** to the specific needs that may arise within market parameters, reporting and explaining the financial impacts on the terms established by law at the General Shareholders' Meeting.

Remuneration Committee

- **Submits the proposed Director and Officer Remuneration Policy** to the Board of Directors for approval and subsequent submission to the shareholders at the General Shareholders' Meeting, issuing the corresponding specific explanatory report required by Section 529 *novodecies* of the Companies Act.
- **Regularly reviews the Director and Officer Remuneration Policy**, proposing to the Board of Directors any amendment and update thereof and reporting thereto on any issues that may arise in connection with the interpretation and application of said Policy and standards. In the process of reviewing the Policy, the Remuneration Committee considers employee remuneration and how **remuneration is aligned with the *Purpose and Values* of Iberdrola**.
- Proposes to the Board of Directors the **system and amount of the annual remuneration of the directors, as well as the individual remuneration of the officers** and the other terms and conditions of their contracts, including fixed remuneration, annual or multi-year variable remuneration, incentive plans and strategic bonuses in shares and any potential compensation or severance payment that may

be established in the event of removal, in all cases in accordance with the provisions of the Governance and Sustainability System and the Director and Officer Remuneration Policy.

- **Endeavours to** ensure that the Board of Directors is in **a position to approve in advance the application**, objectives, standards and metrics of the various items of remuneration established for the current financial year in accordance with the Policy approved by the shareholders at the General Shareholders' Meeting.
- **Ensures** that the Board of Directors is in a **position to assess** the achievement of the objectives, standards and metrics established in the previous year that determine the variable remuneration earned by officers in that year sufficiently in advance. And, if applicable, for short- and long-term variable remuneration, proposes to the Board the cancellation or reimbursement of remuneration that has been paid to the respective beneficiaries.
- In **consultation with other committees**, particularly the **Audit and Risk Supervision Committee**, the Remuneration Committee evaluates whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola's risks in the design of variable remuneration plans.
- In **consultation with other committees**, particularly the **Sustainable Development Committee**, the Remuneration Committee evaluates the appropriate transposition of the Company's sustainable development strategy. This evaluation takes into account Iberdrola's commitment to sustainable development in the design of variable remuneration plans.
- **Annually verifies**, on the basis of information provided to the Remuneration Committee, that the remuneration **policies** for directors and officers **are properly applied**, whether circumstances have arisen that justify the application of "*malus*" (cancellation) or "clawback" (reimbursement) clauses, and propose, if appropriate, suitable measures to recover any amounts that may be due or any change to existing plans.
- **Oversees** compliance with the Company's **remuneration schemes** and reports on the documents to be approved by the Board of Directors on remuneration, including the Annual Report on Remuneration of Directors and Officers and the corresponding sections of the Company's Annual Corporate Governance Report.
- Regularly reviews the general remuneration programmes for the group's professionals, assessing the suitability and results thereof, considering that they promote physical, mental and emotional well-being, as well as a healthy, safe, pleasant and multifaceted working environment.

External advisors of the Remuneration Committee

- Performs an appropriate assessment of **the independence of the external advisor** if the participation thereof is required for the preparation of the Director and Officer Remuneration Policy.
- **Seeks the help or advice of external professionals**, who must address their reports directly to the chair of the Remuneration Committee, endeavouring to ensure that any possible conflicts of interest do not prejudice the independence of the external advice received.

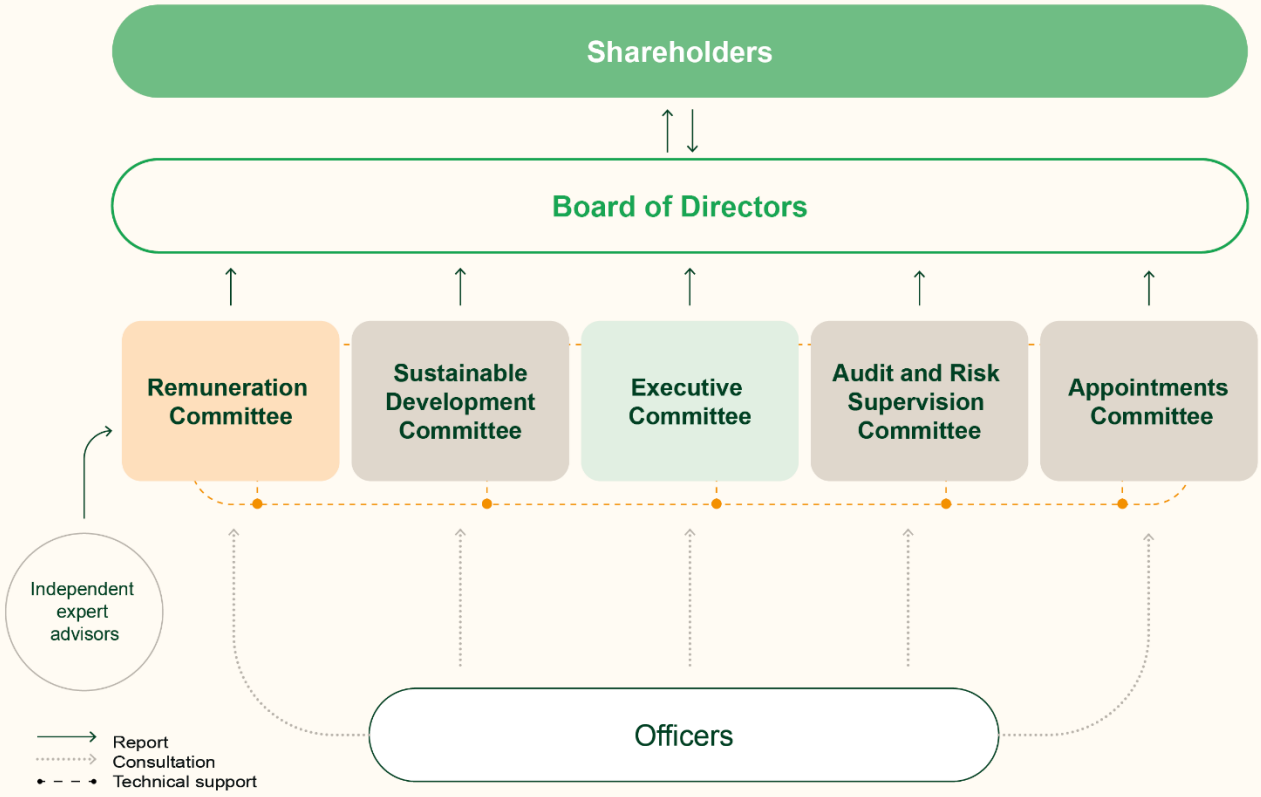
Interaction of the Remuneration Committee

In its decision-making process, the Remuneration Committee takes into account the opinion of independent external advisors, together with the experience and skills and abilities present in other committees of the Board of Directors, working proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee, as well as

the technical support of the officers, to ensure the effectiveness of the Remuneration Policy through a generalised approach.

In consultation with other committees, particularly the Audit and Risk Supervision Committee, the Remuneration Committee evaluates whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola's risks in the design of variable remuneration plans.

In consultation with other committees, particularly the Sustainable Development Committee, the Remuneration Committee evaluates the appropriate transposition of the Company's sustainable development strategy. This evaluation takes into account Iberdrola's commitment to sustainable development in the design of variable remuneration plans:



A.1.1 B

Consideration of comparable companies to establish the Company's remuneration policy

The ultimate purpose of the Director and Officer Remuneration Policy, like that of the remuneration programmes for professionals of the Iberdrola group, is to make a decisive contribution to recruiting, retaining, motivating and developing the best talent, on fair and competitive terms, which is the best way to contribute to the business strategy and to the long-term interests and sustainability of the Company and of the Iberdrola group, as well as of its stakeholders, including the shareholders.

The Remuneration Committee regularly reviews the general remuneration programmes for the group's professionals, assessing the **suitability and results thereof, considering that they promote physical, mental and emotional well-being, as well as a healthy, safe, pleasant, diverse and multifaceted working environment.**

As part of the continuous improvement plan, the Remuneration Committee performs **benchmark analyses of total remuneration**. During financial year 2025 and for 2026, the Remuneration Committee, with the advice of an independent external party, has carried out benchmark analyses of the total remuneration of the directors in their capacity as such, of the executive chairman, and of the chief executive officer.

The Remuneration Committee evaluates:

- Competitiveness to ensure that the dedication and responsibility undertaken to maximise the long-term creation of value and the commitment to the Company's Purpose and Values is adequately rewarded.
- Alignment of remuneration with the complexity of duties, the scope and demands of their leadership responsibilities and the skills and abilities required of directors to perform their duties effectively.
- Transparency, providing investors with a clearer understanding of the commitment and effectiveness of the Board of Directors.

Iberdrola's leadership

The Board of Directors has identified that sound strategic decision-making and a clear commitment to corporate values are two of the main drivers of company performance, particularly in the energy sector. Companies may choose similar businesses, markets and technologies, yet they perform differently. Iberdrola's experience, talent, effort, innovation, leadership and ability to embody its commitment to its *Purpose and Values* are therefore the main differentiating elements of Iberdrola's leadership in the global energy sector, with it being a benchmark for companies listed on the STOXX Europe 600 Utilities and S&P 500 Utilities indices, in order to maximise the "social dividend" and shareholder return, as well as to contribute to the achievement of the Company's strategic objectives.

It should be noted that as of 31 December 2025, the Company is the **leading European utility in terms of market capitalisation,** and has the goal to continue strengthening its position among the world's leading utilities, having achieved new all-time market capitalisation highs in excess of **€123,000 million**.

Over the past 25 years, Iberdrola's business model has demonstrated its **ability to anticipate technology trends and strategically decide when to invest in order to advance electrification and the energy transition**. With the 2026-2028 Transformational Plan, the Company reaffirms its strategy focused on the electrification of the economy, contemplating €58,000 million of investment, of which around two thirds is concentrated in the network business, mainly in the United States and the United Kingdom, with regulated and stable revenues. This approach is supplemented by selective investments in renewable generation focused on completing construction projects. The **role of the executive chairman** is key to driving this transformation, aimed at ensuring growth, predictability, profitability and security.

Iberdrola's peer group

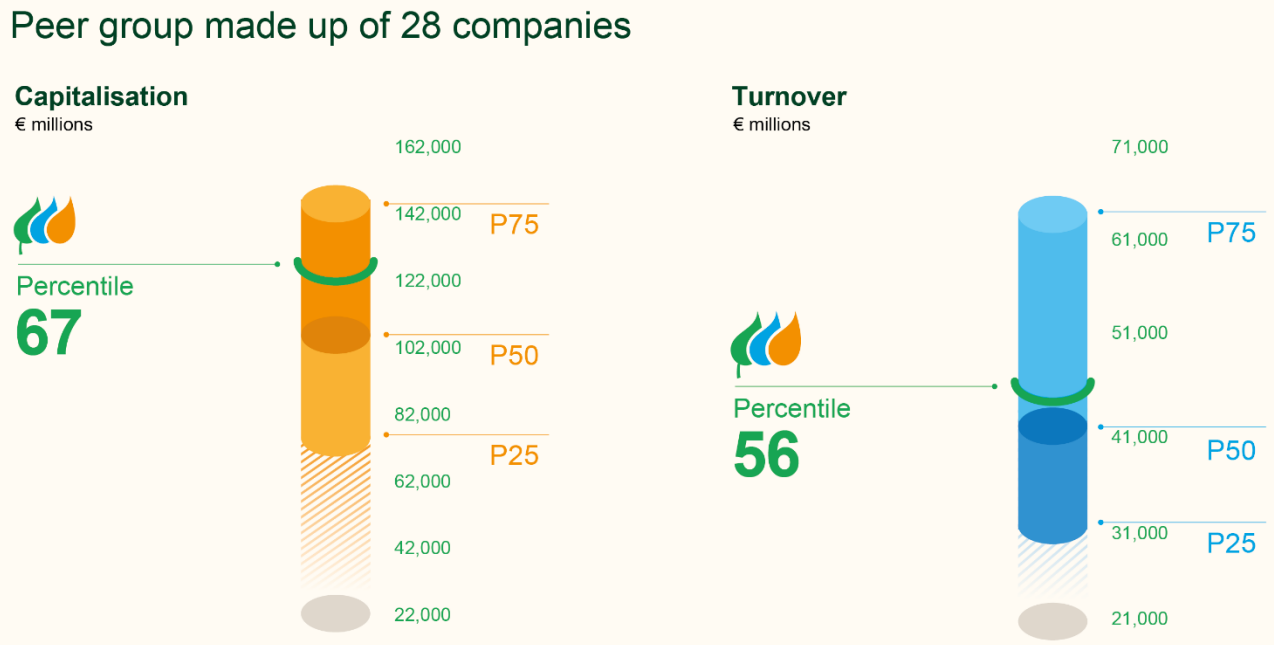
As is customary practice, at the beginning of each financial year, the Remuneration Committee engages an independent external adviser (EY Abogados has been maintained for 2026) to perform a comparative analysis of the total remuneration of the directors, as well as of the practices and information adopted by other global companies similar in size to Iberdrola in terms of **capitalisation**, **turnover**, **complexity** (including risk management and internal control), **sustainability goals**, **ownership structure** (e.g. fewer than half of the leading companies of the Euro STOXX Utilities in terms of capitalisation are companies with a full free float), and **international presence**. In the case of energy and utilities, the value of regulated network assets and their geographical distribution are also considered as a dimension.

In order to ensure maximum **consistency and homogeneity** with previous years and considering the 2026-2028 Transformational Plan, the current market context and the recommendations of shareholders (retail and institutional) and proxy advisors, the Remuneration Committee has reviewed the selection **criteria** for the peer group with a particular focus on: (i) **prioritising**, **within the US companies**, the inclusion of companies from the **energy and industrial sectors**, and (ii) **simplifying the selection criteria** by incorporating energy companies into the global leaders criteria, provided they meet the established criteria.

As a result of the review, the criteria to identify the selection of a group of global companies to determine the peer group would be: (i) utilities (global), (ii) leaders (global) and (iii) IBEX 35 (Spain). As a result, the number of comparable companies has been reduced to 28, with a distribution of more than 60% between the United Kingdom and the United States and less than 40% for the rest of Europe, which reinforces the alignment with the 2026-2028 Transformational Plan, as well as with best market practices and recommendations from shareholders and proxy advisors. This approach is considered the most appropriate given Iberdrola's leadership position and taking into account that companies in a specific sector or index are not directly comparable to each other.

In application of the above criteria, a remuneration benchmark group has been defined for the remuneration of directors and best practices. This group is made up of the following **28 companies** which, according to the results of the comparative analysis, position Iberdrola **between the median and the 75th percentile in terms of capitalisation** and position Iberdrola **in the decile above the median in terms of turnover**.

The main and specific peer group selection criteria are described below:



Source: Benchmark analysis of total director remuneration of Iberdrola, S.A. performed by EY Abogados.

Utilities (Global)

- Companies listed on the STOXX Europe 600 and S&P 500 Utilities indices.
- Companies belonging to the European Round Table of Industrialists and Business Round Table.
- Companies with at least 50% of Iberdrola's turnover in the last financial year, provided that the market capitalisation exceeds €10,000 million. This minimum turnover standard is not applied to companies with a market capitalisation higher than that of Iberdrola.
- Excluding state owned companies.

7 companies: NextEra Energy, Duke Energy, The Southern Company, E.ON, Constellation Energy, Exelon Corporation and Veolia Environment.

In the case of energy and utilities, the value of regulated network assets and their geographical distribution are also considered as a dimension.

Leaders (global)

- Companies listed on the FTSE Eurotop 100 and S&P 500 indices (prioritising the inclusion of companies from the industrial and energy sector).
- Companies belonging to the European Round Table of Industrialists and Business Round Table.
- Turnover in the last financial year and market capitalisation between approximately 50% and 200% of Iberdrola's size. Only the capitalisation criterion will apply in the case of oil & gas companies.

- Leaders in reputational excellence and highly rated for operational excellence with leadership in products/services or customer experience.
- International presence and geographic diversity comparable to that of Iberdrola.
- Financial services and insurance companies excluded.
- Excluding state owned companies.

18 companies: 3M, ABB, Astrazeneca, BP, Caterpillar, ConocoPhillips, Cummins, Deere&Company, General Dynamics, Northrop Grumman, GSK, Honeywell, Novo Nordisk, Rio Tinto, Shell, Siemens, Schneider Electric and TotalEnergies.

Insofar as they now meet the outlined criteria, the following companies are part of the peer comparison group: Astrazeneca, Northrop Grumman, Novo Nordisk and Schneider Electric.

Additionally, insofar as they have ceased to meet the outlined criteria, the following companies are no longer part of the peer comparison group: Air Liquide, The Boeing Company, Carrier Global, Eaton Corporation, FedEx, Heineken, Intel Corporation, Johnson Controls, Medtronic, Nike, Pfizer, Qualcomm, Repsol, Starbucks, Uber Technologies and Unilever.

IBEX 35 (Spain)

- Top companies by market capitalisation in the Spanish market.

3 companies: INDITEX, Santander and BBVA.

According to the results of the comparative analysis of total officer remuneration:

- Positioning in terms of capitalisation and turnover: Iberdrola is positioned **between the median and the 75th percentile** in terms of **capitalisation**. In terms of **turnover**, Iberdrola is positioned approximately in the **decile above the median**.
- Positioning in **total remuneration**: the executive chairman's total remuneration is positioned in the **decile above the median** and the chief executive officer's total remuneration is approximately in the **third decile.**
- Positioning in **long-term variable remuneration**: the executive chairman is positioned around the **median** and the chief executive officer is in the **second decile**.

  To the extent that Iberdrola has established its position as a global leader in the sector, it has significantly increased the complexity, scope and demands of its leadership responsibilities.

  The Remuneration Committee considers it appropriate to position the Company in the upper range of the sample as regards long-term variable remuneration, taking into account the greater weight in the remuneration mix of long-term variable remuneration in shares. The number of shares granted has remained unchanged over the last 10 years, so the increase in remuneration is due to the increase in share value, aligning the interests of shareholders with those of the officers.

A.1.1 C

Information regarding external advisors

Taking into consideration the recommendations and the main demands of investors, both retail and institutional, as well as the best practices identified at other listed companies, the Remuneration Committee has relied on the collaboration and advice of independent external professionals for some aspects of the preparation of the Policy, which professionals have addressed their reports directly to the chair of the Remuneration Committee.

Throughout financial year 2025 and up to the date of preparation of this Report, the Remuneration Committee has received independent advice from the following specialised firms:

- Deloitte Abogados y Asesores Tributarios, S.L.U. ("Deloitte Abogados") in relation to:
  - The evaluation of compliance with the parameters linked to the annual variable remuneration of the executive chairman and the chief executive officer.
  - The evaluation of compliance with the parameters linked to the 2023-2025 Strategic Bonus of Iberdrola, S.A.
- Ernst & Young Abogados, S.L.P. ("EY Abogados") in relation to the comparative benchmark analyses of the total remuneration of the directors in their capacity as such, the executive chairman and the chief executive officer with respect to comparable companies. The total remuneration of the executive chairman and chief executive officer takes into account the variations that may occur as a result of the changes in the share price.

Furthermore, in preparing the Director and Officer Remuneration Policy, the Remuneration Committee was advised by EY Abogados on certain aspects thereof.

A.1.1 D

Procedures set forth in the current remuneration policy for officers in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy

In accordance with the provisions of Section 529 novodecies.6 of the Companies Act, the Board of Directors, after a favourable report from the Remuneration Committee, which will rely on reports from independent third parties, may apply temporary adjustments to the variable components of the remuneration (both short- and long-term) of officers.

These upward and downward adjustments will be explained in this Report.

As indicated in Section **B.1.3**, no use was made of the temporary exception during the reporting period.

A.1.2

Relative importance of variable remuneration items with respect to fixed remuneration items (remuneration mix). Standards and objectives for the determination thereof and for ensuring an appropriate balance between fixed and variable components

The remuneration mix for Iberdrola's officers is made up of fixed and variable elements, both short- and long-term, and is designed to recruit, retain and motivate the best talent and align their conduct with the interests of the Iberdrola group and the achievement of its business strategy, promoting its long-term sustainability, in accordance with best practices at the domestic and international level.

In considering the Company's competitive advantage, the remuneration mix incentivises the creation of value and the achievement, at the required pace, of corporate objectives, to ensure maximum alignment with stakeholders, in accordance with best practices at the domestic and international level.

Under the **principle of neutrality**, the Board of Directors shall endeavour to ensure that any variable remuneration does not accrue solely on the basis of the general performance of the markets, the sector of activity in which the Company operates or similar circumstances, ensuring the actual creation of value.

In determining the proportion of each element of total remuneration (remuneration mix), the Remuneration Committee continuously monitors market practices and trends.

	Elements of the Remuneration Policy		
Principles	**Fixed remuneration**	**Short-term variable remuneration (annual bonus)**	**Long-term variable remuneration**
Transparency	●	●	●
Equal opportunities	●	●	●
Alignment with the Company's professional remuneration policy	●	●	●
Competitiveness for the creation of value	●	●	●
Neutrality in variable remuneration for the creation of value		●	●
Commitment to shareholder interests and long-term sustainability		●	●
Proportionality with risk measures in remuneration systems		●	●

The components of the remuneration mix of the officers are as follows:

- **Fixed remuneration**

  The remuneration of the officers may vary according to the specific responsibilities and characteristics of the duties performed and is reviewed annually by the Board of Directors, upon a proposal of the Remuneration

Committee, considering, in particular and without limitation, the following factors: the financial situation of the Company, market standards, merit and worth, retention risks, and general salary updates within the Iberdrola group. To this end, the Remuneration Committee may engage external advisors to perform the market studies and analyses it deems appropriate.

- **Short-term variable remuneration (annual bonus)**

Intended to encourage the achievement of the Company's annual objectives and those specific to the position, aligning the dedication and efforts of the officers with the business strategy. These objectives are established through metrics whose level of achievement determines the performance of the officers and are evaluated by an independent external third party.

The maximum limit of the short-term variable remuneration applicable to the executive chairman and the chief executive officer for financial year 2026 is reflected in Section A.1.6.

Annual variable remuneration is linked to the achievement of predetermined, specific, measurable, challenging and clear quantitative and qualitative strategic objectives, aligned with the *Purpose and Values*, the achievement of the business strategy and the long-term interests and sustainability of the Company, including financial, operational and sustainability objectives.

The pool of targets to which short-term variable remuneration is linked is related to parameters that allow for growth, predictability, profitability and security, such as:

Financial:

- Net profit, gross operating income (EBITDA), etc.
- Investments with a focus on countries with an "A" rating.
- Shareholder remuneration.
- Financial strength.
- Capital allocation with rotation of assets and partnerships.
- Efficiency level of the group.

Operational

- Selection and implementation of investments.
- Installed capacity.
- Network assets.
- Regulatory aspects.

Sustainability

- Governance, ethics and transparency.
- Electrification.
- Sustainable finance.
- Equal opportunities and occupational health and safety.
- Customers (quality of supply, access to network points).

The Remuneration Committee takes a strategic approach to the selection of metrics to ensure a balanced assessment of performance by differentiating between short- and long-term remuneration. This means avoiding any significant overlap between the criteria used to assess the performance of the annual variable remuneration targets and those of the long-term variable remuneration.

Notwithstanding the foregoing, the net profit metric has a level of importance for the Company that requires annual evaluations, as well as measuring its compliance over 3-year periods, in accordance with the group's strategy, which allows meeting the payout ratio relative to increasing shareholder remuneration to a floor of €0.64 per share.

Each metric has a related achievement scale where a minimum threshold and an upper limit are set. If the minimum compliance level is not reached, no short-term variable remuneration will accrue and if a compliance level above the maximum limit is reached, no annual variable remuneration will accrue with an achievement percentage above 100%, without generating additional payments for over-compliance levels. For each of the metrics, any intermediate results will be calculated by linear interpolation.

The weights and parameters to which the annual variable remuneration of the executive chairman and the chief executive officer for financial year 2026 is linked are described in Section **A.1.6.**

The Remuneration Committee, in consultation with the Audit and Risk Supervision Committee and the Sustainable Development Committee, shall evaluate the performance of the officers, for which purposes it may rely on the advice of an independent expert (Deloitte Abogados provided advice for the evaluation of 2025 targets), and shall submit a reasoned proposal to the Board of Directors for approval thereof.

The Board of Directors, on the basis of the proposal made by the Remuneration Committee, taking into account, among other factors, exceptional circumstances (including significant corporate transactions) occurring during the year, shall have a margin of discretion in assessing compliance with the indicators that may give rise to both upward and downward adjustments. Any use of this discretion must be justified and explained in the Report.

The payment of the annual variable remuneration of the executive chairman and chief executive officer is made entirely in cash after the annual financial statements have been formulated by the Board of Directors and subsequently audited.

If there is a restatement of accounts during the financial year following the payment, the Board of Directors, in accordance with the proposal, if any, made by the Remuneration Committee, may approve the cancellation of outstanding payments (*malus* clauses) and the reimbursement of amounts paid during the previous financial year (clawback clauses).

- **Long-term variable remuneration: share delivery plan**

Long-term variable remuneration encourages commitment to the Iberdrola group's long-term business enterprise, linking part of the remuneration to the creation of value for stakeholders, as well as to the achievement of the Company's strategic objectives and the maximisation of its "social dividend" and shareholder return.

Long-term variable remuneration supports the Iberdrola group's business enterprise to generate predictable and profitable long-term growth, maintaining financial strength and growing dividends, and with a focus on creating long-term value, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and increasing the "social dividend".

It is implemented through share delivery plans linked to the achievement of long-term objectives, which are submitted *ex ante* for the approval of the shareholders at the General Shareholders' Meeting, who establish

the maximum number of shares to be delivered to the officers who are directors (which has remained unchanged for the last 10 years) and also set the objective and quantifiable parameters that determine the accrual thereof, as well as their weighting.

These long-term plans typically have a duration of six years (three for performance evaluation and three for payment). **Long-term variable remuneration plans are awarded every three years rather than annually, which ensures that there is no overlap.**

Therefore, the delivery of shares under the multi-annual variable remuneration system is deferred for three years.

Long-term variable remuneration is linked to the achievement of predetermined, specific, measurable, challenging and clear quantitative and qualitative strategic objectives - each parameter is assigned a specific weight, as well as a minimum level above which it is considered to be met and another level above which it is considered to be fully met.

These metrics represent the achievement of the business strategy and the long-term interests and sustainability of the Company.

The Board of Directors, upon a proposal of the Remuneration Committee, which may be assisted by an independent expert, must evaluate the Company's performance and determine the level of achievement thereof.

Circumstances occurring after the approval of each of the plans that have a material positive or negative impact on the Company's key economic variables (including significant corporate transactions) may be taken into account for the proper overall assessment of performance. The level of achievement will be reported in this Report. After the end of the evaluation period of each plan, the plan will vest annually and equally in the following three financial years after the end of the evaluation period. Each annual accrual and its corresponding payment must be approved by the Board of Directors, following a report from the Remuneration Committee. In this regard, during each of the three years of the accrual and payment period and on the occasion of each delivery of shares, an evaluation is made as to whether the corresponding payment should be confirmed or cancelled, in whole or in part, and also, if applicable, whether the shares already delivered (or the amount thereof in cash) should be reclaimed, in whole or in part.

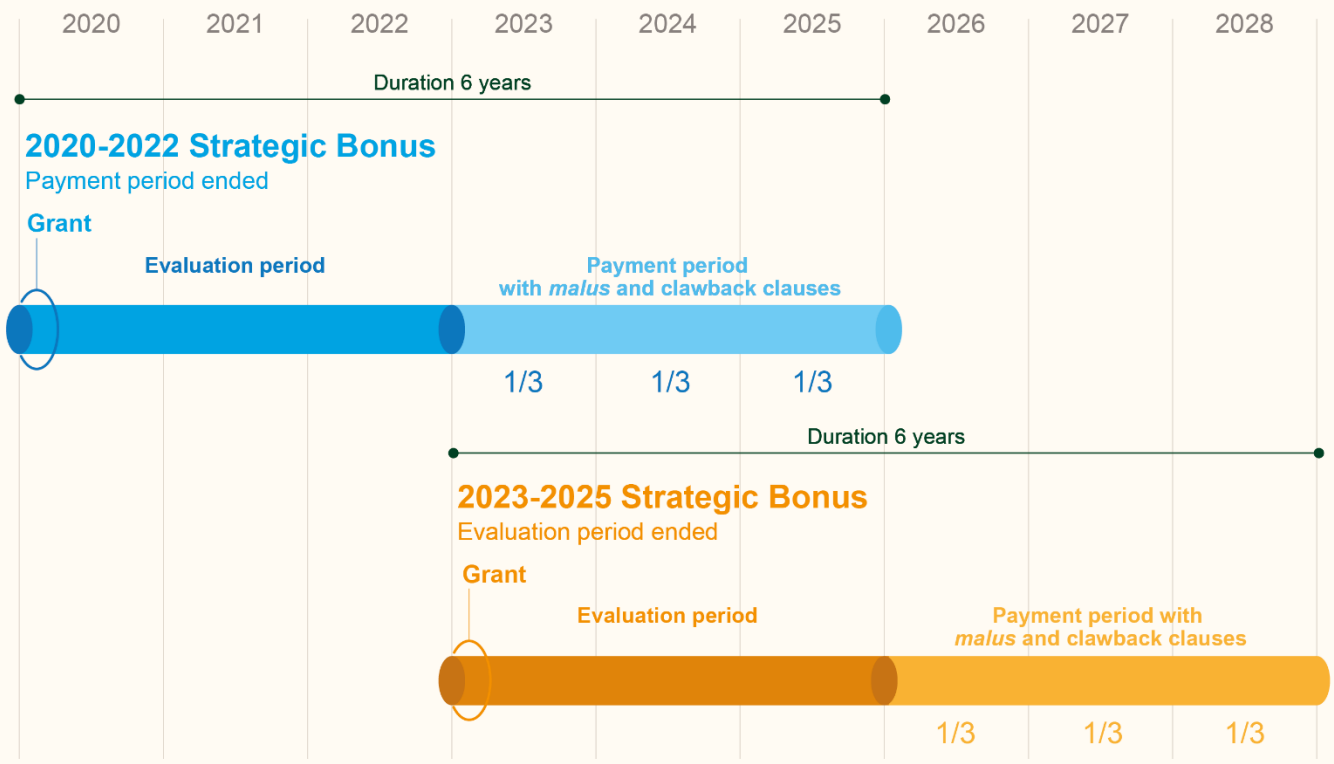
At the date of preparation of this report, the payment period for the 2020-2022 Strategic Bonus has ended (the three scheduled deliveries now having been made, the last of which was made during 2025), and the 2023-2025 Strategic Bonus, which was approved by 92% of the votes at the General Shareholders' Meeting held on 28 April 2023, has a maximum number of 14,000,000 shares and objectives disclosed to the markets in the Strategic Plan 2023-2025.

Following the end of the period for evaluating the level of performance on31 December 2025, the first delivery of shares scheduled to take place between 2026 and 2028 will occur in 2026.

Although ambitious, the objectives were comfortably outperformed by results that again broke records ("record after record") thanks to a cohesive management team, led by the Company's executive chairman.

It is due to the foregoing that the Board of Directors, subject to the maximum number of 14,000,000 shares authorised by the shareholders at the General Shareholders' Meeting held on 28 April 2023 and in order to retain profiles with a high strategic impact on the creation of value, backed by repeated international recognition, is making upward adjustments for a limited number of beneficiaries who are officers, whether directors or otherwise.

The information relating to the evaluation of the level of the Company's performance against the objectives of the 2023-2025 Strategic Bonus, carried out by the Board of Directors at the proposal of the Remuneration Committee, is described in Section **B.7.**



Moreover, a new share delivery plan linked to achievement of the Company's strategic objectives, specifically to the Outlook 2026-2028 presented on Capital Markets Day on 24 September 2025 ("Transformational LTIP 2026-2028") **aligned with the pace required in this new context** and which reinforces the **Company's competitive advantage**, is planned to be submitted for approval by the shareholders at upcoming General Shareholders' Meeting.

This new share delivery plan will also have a duration of six years, with the period between financial years 2026 and 2028 being the period for evaluation of the performance level and the period between financial years 2029 and 2031 being the payment period during which there will be a deferred delivery of shares over those three years.

The details of the long-term incentive plan will be included in the proposed resolution that will be submitted for a vote at the General Shareholders' Meeting.

- **Benefits**

The officers, whether or not directors, may be insured under a long-term savings scheme, implemented through an insurance policy that provides coverage for the supplementary social security contributions regime.

This is a defined contribution plan applicable for retirement, death and disability, meaning that the officers will have the financial rights acquired at the normal retirement age, and the grounds for any early termination of the contractual relationship will determine the rights thereof.

Since 2011, for new contracts signed with officers, retirement pay has been up to two times annual remuneration.

Currently, the executive chairman is not a participant in any long-term savings system, and the chief executive officer is insured under the group life insurance policy, with a commitment made in 2010 when he was Chief Development Officer of Iberdrola, S.A., which has not been modified by his appointment as chief executive officer.

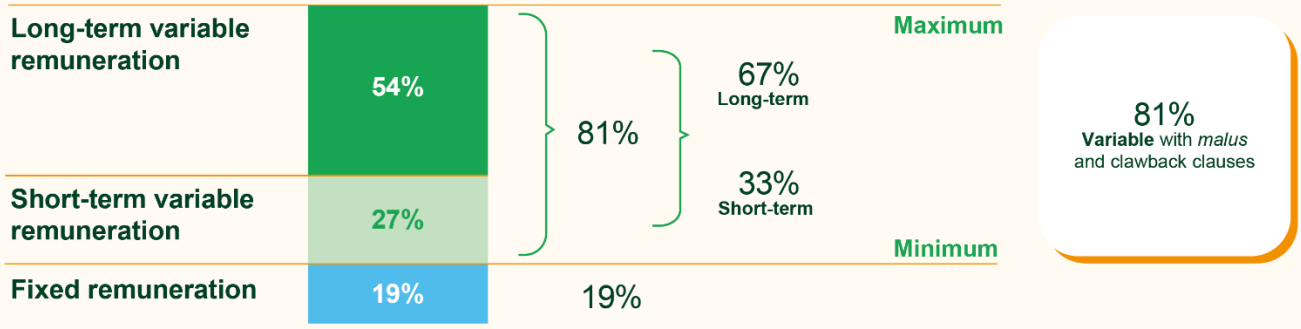
The remuneration system for the officers, like that for the professionals of Iberdrola, has health, life and accident insurance, limited electricity allowances through rate concessions and other benefits in line with market practice followed by comparable global companies.

Remuneration mix that seeks the creation of value considering all stakeholders and linked to the Company's performance, with establishment of challenging and clear objectives

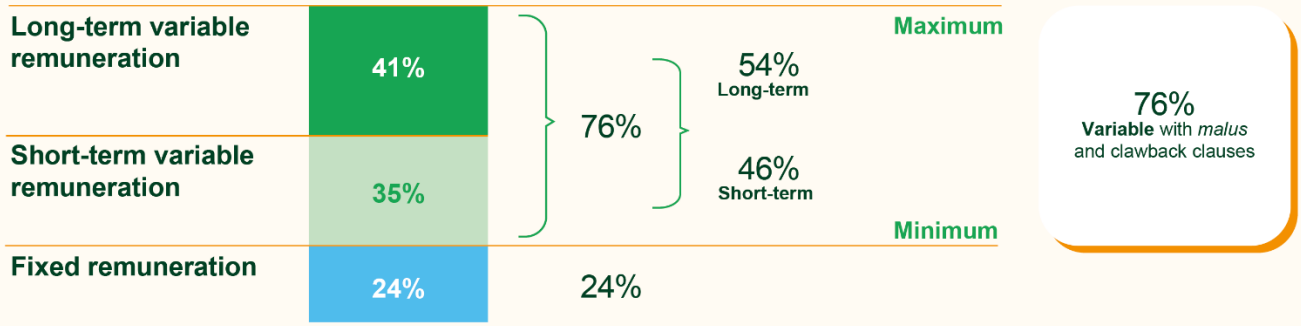
The objectives to which the variable remuneration of the executive chairman and the chief executive officer are linked, described in Section **A.1.6** of this Report, project an ambitious and challenging scenario for the Company, which is not satisfied with simply continuing its profitable growth, being financially sound and being committed to the sustainable development goals, but rather seeks to continue strengthening its global leadership in the energy transition and in decarbonisation, as recognised by the stakeholders.

The specific weightings of each element of the officers' remuneration mix are as follows:

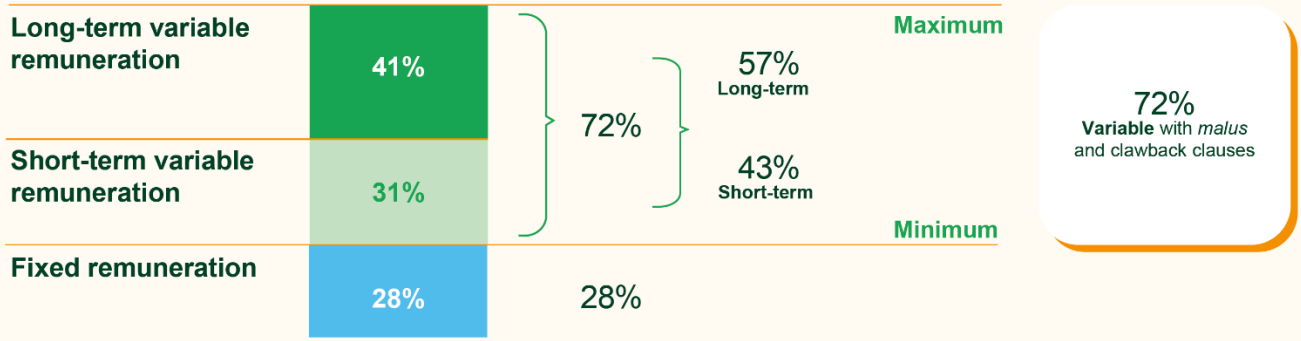
Executive chairman



Chief executive officer



Other officers



(*) Long-term variable remuneration takes into account the share price at the award date.

In order for officers to be entitled to receive the long-term incentive, in addition to meeting the objectives, officers must have achieved their personal objectives and, therefore, have received annual variable remuneration in each of the financial years of the evaluation period and of the payment period. Without prejudice to the foregoing, if the level of performance of the beneficiary during the evaluation period or the payment period is considered insufficient, the beneficiary shall not be entitled to receive the long-term incentive.

With respect to "Other officers", it should be noted that senior management and other professionals of the Iberdrola group assigned to divisions or areas that functionally report to the Audit and Risk Supervision Committee or to the Sustainable Development Committee do not participate in annual variable remuneration systems, nor are they beneficiaries of long-term variable remuneration plans, including those of Internal Audit and Risk and Compliance, in order to ensure the necessary autonomy and independence of these functions, which are part of the second and third lines of defence, and to strengthen the effectiveness of the internal control system of the Iberdrola group.

Actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company, and measures in place to avoid conflicts of interest

Actions taken by the Company to reduce exposure to excessive risk and to strengthen alignment with the long-term objectives, values and interests of the Company

The following measures reduce exposure to excessive risks and strengthen alignment with the long-term objectives, values and interests of the Company:

- Iberdrola's Remuneration Committee is currently composed of three members, 67% of whom are independent directors (two members) and 33% are external directors (one member).
- The Remuneration Committee is responsible for proposing, reviewing, analysing and implementing the Director and Officer Remuneration Policy.
- The Remuneration Committee performs an appropriate assessment of the independence of the external advisor if the participation thereof is required for the preparation of the Director and Officer Remuneration Policy.
- The Remuneration Committee proposes to the Board of Directors the system and amount of the annual remuneration of the directors, as well as the individual remuneration of the officers and the other basic terms and conditions of their contracts, including any potential compensation or severance payment that may be established in the event of removal.
- For short- and long-term variable remuneration, the Remuneration Committee proposes to the Board the cancellation or reimbursement of remuneration that has been paid to the respective beneficiaries.
- The Company's Audit and Risk Supervision Committee is involved in the process of assessing whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola's risks in the design of variable remuneration plans.

- The Sustainable Development Committee participates in the process of assessing the appropriate translation of the Company's sustainable development strategy into the remuneration system. This evaluation takes into account Iberdrola's commitment to sustainable development in the design of variable remuneration plans.
- There is no guaranteed variable remuneration with risk measures whereby no variable remuneration is paid if the minimum threshold of achievement is not reached. A maximum payment limit that cannot be exceeded is also established.

Measures taken in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the Company and which have been adopted to avoid conflicts of interest:

- As regards short-term variable remuneration, the senior management assigned to divisions or areas that report hierarchically to the chairman of the Board of Directors of Iberdrola, S.A. and functionally to the Audit and Risk Supervision Committee or divisions or areas linked to the Sustainable Development Committee, including the Internal Audit and Risk and Compliance Committees, in order to ensure the necessary autonomy and independence of this function, which is part of the second and third lines of defence and reinforces the effectiveness of the Company's internal control system, do not participate in annual variable remuneration systems.
- As regards long-term variable remuneration, the senior management and other professionals assigned to divisions or areas that report hierarchically to the chairman of the Board of Directors of Iberdrola, S.A. and functionally to the Audit and Risk Supervision Committee or divisions or areas linked to the Sustainable Development Committee, including the Internal Audit and Risk and Compliance Committees, may not participate as beneficiaries, in order to ensure the necessary autonomy and independence of these functions, which are part of the second and third lines of defence and reinforce the effectiveness of the Company's internal control system.

Long-term results

The broad lines of the Remuneration Policy are consistent in two key respects:

1. Fully aligned with the creation of shareholder value

- **Shareholding policy:**

  For directors in their capacity as such, it is established that at least an amount equivalent to 20% of the annual fixed remuneration per year of their term of office shall be maintained for a cumulative period of four years.

  For officers, the period during which they may not transfer ownership of the shares received is set at four years unless an amount equivalent to at least twice (200%) their fixed remuneration is maintained.

  In the new Director and Officer Remuneration Policy that will be submitted for approval by the shareholders at the upcoming General Shareholders' Meeting, it is proposed to expand the shareholding policy for directors in their capacity as such to an amount equivalent to 25% of the annual fixed remuneration per year in office, to be held for a cumulative period of five years, and it is proposed to extend the period during which officers may not transfer ownership of the shares received to five years unless an amount is retained that is equivalent to at least five times (500%) their fixed remuneration.

- **Pay for performance:** a portion of total officer remuneration is variable and subject to the achievement of objectives linked to the business strategy and the long-term interests and sustainability of the Company.
- **Delivery of shares:** long-term variable remuneration is implemented through deferred share delivery plans linked to the achievement of long-term objectives, which are submitted *ex ante* to the approval of the shareholders at the General Shareholders' Meeting.

These plans have a duration of six years (three for performance evaluation and three for payment) and are granted every three years rather than annually, which ensures that there is no overlap.

2. Not short-termist, long-term commitment to the Company's business enterprise

The Policy promotes a long-term sustainable remuneration system and maintains a reasonable balance between the different elements that make up remuneration, reflecting an appropriate assumption of risk that contributes to recruiting, retaining, motivating and developing the best talent.

For officers, the specific features of the Policy that ensure consistency with long-term strategy, interests and sustainability focused on the achievement of long-term results are as follows:

- Total remuneration of the officers, whether or not directors, is mainly comprised of: (i) fixed remuneration (ii) short-term variable remuneration (annual bonus) and (iii) long-term variable remuneration.
- In considering the Company's competitive advantage, the remuneration mix and total remuneration are designed in such a way as to recruit and retain the best talent and align their conduct with the interests of the Iberdrola group and the achievement of its business strategy, promoting long-term sustainability, in accordance with best practices.
- An appropriate balance is struck between fixed and variable components of remuneration: the officers have a variable remuneration system with risk measures to ensure that no variable remuneration is paid if they do not meet the minimum threshold of achievement. A maximum payment limit that cannot be exceeded is also established.
- The weight of variable remuneration, both short and long term, for the 2026 annual payment, in a scenario of maximum target achievement, is 81% for the executive chairman and 76% for the chief executive officer. The above pay-for-performance percentages are remuneration connected to the achievement of objectives.
- The share delivery plans linked to achieving strategic objectives are designed as a multi-year plan with deferred delivery of shares that seeks to encourage commitment to the long-term strategic objectives, aligning part of the remuneration with the creation of value and shareholder return and the maximisation of its "social dividend".
- The officers may not transfer ownership of shares received (shareholding policy) for a period of four years unless they hold an equivalent amount of at least twice (200%) their annual fixed remuneration. The new Director and Officer Remuneration Policy that will be submitted for approval by the shareholders at the upcoming General Shareholders' Meeting expands the period during which officers may not transfer ownership of the shares received to five years unless an amount is retained that is equivalent to at least five times (500%) their fixed remuneration.
- Both short- and long-term variable remuneration is subject to the application of clauses for the cancellation (*malus* clauses) or reimbursement (clawback clauses) of variable remuneration.

Measures to avoid potential conflicts of interest

With respect to the measures established to avoid conflicts of interest, Article 44 of the Regulations of the Board of Directors provides that the Iberdrola's directors must adopt the measures required to avoid conflicts of interest as provided by law.

Articles 43, 45, 46 and 47 of the Regulations of the Board of Directors govern the duty not to compete, the use of corporate assets, the use of non-public information for private purposes and the exploitation of business

opportunities by the Company. Conversely, Article 49 sets out the specific aspects on which the Board must report to the Company.

In addition, senior management and other professionals assigned to divisions or areas that report hierarchically to the chairman of the Board of Directors of Iberdrola, S.A. and functionally to the Audit and Risk Supervision Committee or divisions or areas linked to the Sustainable Development Committee, including the Internal Audit and Risk and Compliance Committees, may not participate in annual remuneration systems or be beneficiaries of long-term variable remuneration, in order to ensure the necessary autonomy and independence of these functions, which are part of the second and third lines of defence and reinforce the effectiveness of the Company's internal control system.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate

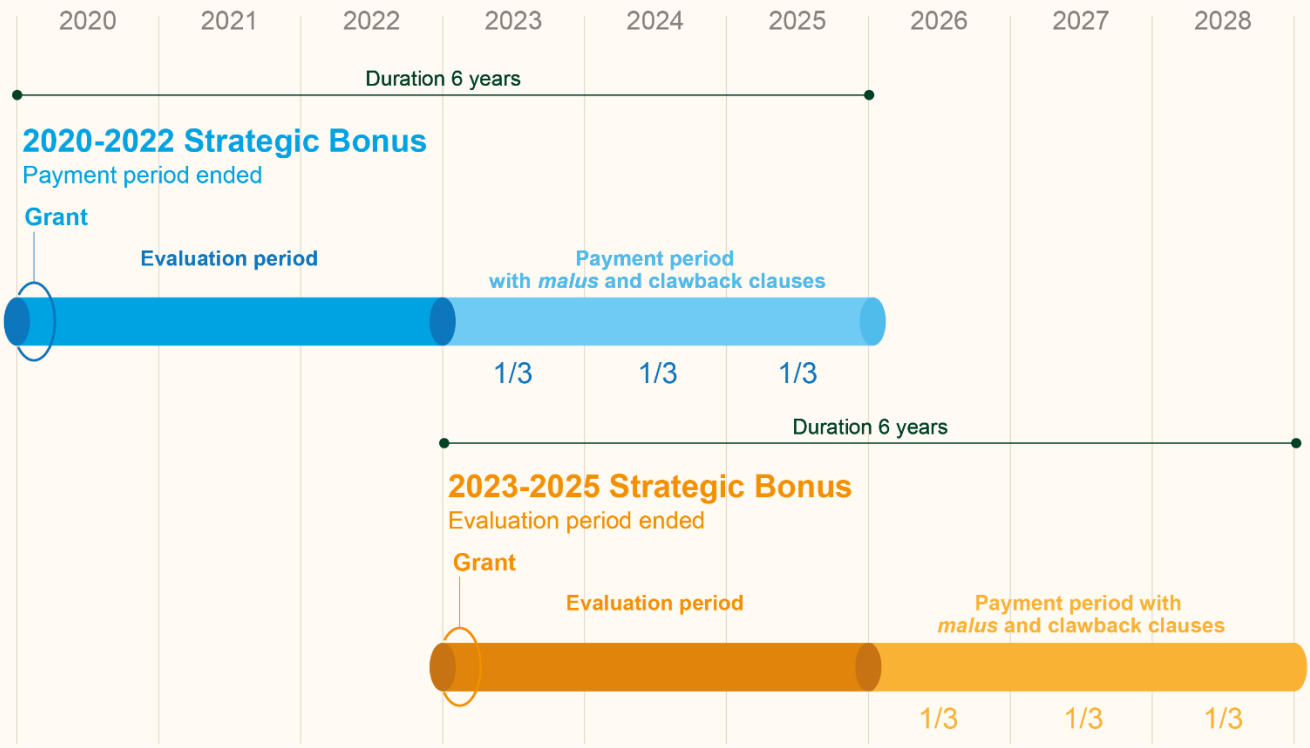
The Director and Officer Remuneration Policy includes among its basic principles proportionality with risk measures in the remuneration systems, which establishes maximum limits to any variable remuneration and **appropriate mechanisms for the Company to cancel (*malus* clause) or obtain the reimbursement (clawback clause) of the variable components of remuneration (both short and long term).** The Board of Directors may cancel or reclaim variable components of remuneration in the event of a material restatement of the financial statements not reflecting a change in accounting standards, situations of fraud or serious breach of law declared by final court judgment, as well as misconduct, defined as inappropriate or unethical behaviour that may cause damage to the Company's reputation, declared in the following three financial years, by means of a final court judgment.

In this regard, with regard to **short-term variable remuneration,** the Board of Directors, following a report from the Remuneration Committee, shall evaluate whether it is appropriate to confirm or cancel all or part of the corresponding payment and, furthermore, if applicable, to claim reimbursement, in whole or in part, of the paid financial amounts of the aforementioned remuneration in such cases.

If appropriate, the Company shall decide on the amount of money to be returned **within a period of thirty (30) days**.

For its part, Iberdrola's **long-term variable remuneration** system has a **duration** of **six years,** of which the initial period of three years constitutes the period for evaluation of the level of achievement in relation to the parameters to which the plan is linked and the following three financial years its payment period, which occurs through the delivery of shares.

Therefore, the delivery of shares under the multi-annual variable remuneration system is deferred for three years.



In this regard, on occasion of each delivery of shares, the Board of Directors, following a report from the Remuneration Committee, shall assess **whether it is appropriate to confirm or cancel, in whole or in part,** the payment corresponding to each financial year and, in addition, if applicable, to **claim reimbursement, in whole or in part, of the** shares already delivered (or the amount thereof in cash) in the event of a material restatement of the financial statements on which the Board of Directors based its assessment of the level of achievement**,** provided that such restatement is confirmed by the external auditors and is not due to a change in accounting regulations, and provided that such restatement results in the delivery of fewer shares than initially made or no delivery at all, situations of fraud or serious violation of law declared by a final court ruling, as well as misconduct, defined as inappropriate or unethical behaviour that may cause damage to the Company's reputation, declared in the following three financial years, by means of a final court judgment.

In the case above the Company shall decide on the number of Iberdrola shares, if any, to be returned within a **period of thirty (30) days**, calculated for each beneficiary as the difference between the following amounts:

- Number of shares delivered during the financial year in which the triggering event has occurred.
- Number of shares to be delivered, resulting from the new calculation as a result of the occurrence of the triggering event.

For each delivery of shares, prior to accrual and payment, deferred variable remuneration requires a report from the Remuneration Committee confirming that the rationale **supporting such deferred variable remuneration** still applies. If there is a circumstance that subsequently requires a correction of the parameters taken into consideration during the initial evaluation, the Board of Directors will decide whether to cancel payment of the deferred variable remuneration in whole or in part ("*malus*" clauses), and even to demand the total or partial return of amounts already paid ("clawback").

In order for officers to be entitled to receive the long-term incentive linked to the performance of the Company, in addition to meeting the objectives, the beneficiary must have achieved their personal objectives and, therefore, have received annual variable remuneration in each of the financial years of the evaluation period and of the

payment period. Without prejudice to the foregoing, if the level of performance of the beneficiary during the evaluation period and during the payment period is considered insufficient, the beneficiary shall not be entitled to receive the incentive.

A.1.3

Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such

The remuneration to which directors are entitled in their capacity as such is structured in accordance with the following criteria within the framework of law and the By-Laws:

1. The **maximum aggregate amount** of annual remuneration to be paid to all directors in their capacity as such is **€9,000 thousand** during each financial year that this Policy is in force, which includes:
   - Fixed remuneration and attendance fees.
   - Employee benefits.
   - Commitment not to compete.

   The maximum aggregate amount **has remained unchanged** since 2008.
2. In their capacity as such, the directors receive a **fixed annual amount,** appropriate to the dedication and responsibility assumed, depending on the positions they hold on the Board of Directors and the committees to which they belong.
3. A **permanent shareholding policy** is established for directors in their capacity as such, of at least **an amount equivalent to 20% of the annual fixed remuneration** per year in office, to be **held** for a **cumulative period of four years**.

   In the new Director and Officer Remuneration Policy that will be submitted for approval by the shareholders at the upcoming General Shareholders' Meeting, it is proposed to expand the shareholding policy for directors in their capacity as such to an amount equivalent to 25% of the annual fixed remuneration per year in office, to be held for a cumulative period of five years

Over the last 10 years, Iberdrola has generated value of €115 billion as a result of having increased its capitalisation by close to €88 billion and distributed dividends of more than €27 billion. Total shareholder return (TSR) has been significantly higher than the top three American utilities by capitalisation, the Euro STOXX 50, the Euro STOXX Utilities and the IBEX 35.

The level of dedication and responsibility assumed by the members of the Board of Directors has increased considerably in recent years, mainly due to increased regulatory requirements and the complexity of the topics discussed at meetings of the Board and its committees, which has required more preparation time for each meeting.

In order to ensure its adjustment to the increase in responsibilities and workload, as well as to the size, internationalisation and complexity of the Company and to be competitive for the creation of value, recruitment and retention of qualified members with significant international experience, the Remuneration Committee, with the advice of an independent external party, has performed a comparative analysis (benchmark) of the total remuneration of the directors for membership on the Board of Directors and the committees thereof, according to the position held in each case, concluding that for **2026 the amounts remain unchanged** as follows:

Fixed remuneration of directors for membership on the Board of Directors and its committees	
	(€ thousands per year)
Chairman of the Board of Directors	600
Vice-Chair of the Board of Directors	480
Committee chair	440
Member of the Board of Directors (1)	200
Per member of each committee	100

(1) Non-cumulative with previous positions.

Attendance fees for attending meetings of the Board of Directors and of the committees thereof (2)	
	(€ thousands per meeting)
Chairman of the Board of Directors	6
Vice-Chair of the Board of Directors	4
Chair of a committee	6
Members of the Board of Directors and of the committees thereof	4

(2)The Regulations of the Board of Directors provide that the Board of Directors must meet at least 8 times per year and the Executive Committee meets on average 12 times per year. The regulations of each of the committees provide for a maximum of 7 meetings per year, except for the Audit and Risk Supervision Committee.

Shareholding policy

The Director and Officer Remuneration Policy in force as of the date of preparation of this Report, which is the one approved at the General Shareholders' Meeting held on 17 May 2024 with a level of votes in favour by shareholders of 95.64%, provides for a commitment to permanently hold shares (shareholding policy) for directors in their capacity as such, of at least an amount equivalent to 20% of the annual fixed remuneration per year in office, to be held for a cumulative period of four years.

At year-end 2025, all directors meet and exceed the minimum amount required. This commitment reflects the directors' confidence in the business strategy and aligns the interests of the directors with those of the shareholders, demonstrating their long-term commitment and encouraging the creation of value in the Company.

Details regarding the number of Iberdrola shares at 31 December 2025 are provided in Section **B.5** of this Report.

The proposed new Director and Officer Remuneration Policy that will be submitted for approval by the shareholders at the upcoming General Shareholders' Meeting includes expanding the shareholding policy to an amount equivalent to 25% of the annual fixed remuneration per year in office, to be held for a cumulative period of five years.

A.1.4

Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors

The executive chairman and the chief executive officer shall be entitled to receive fixed remuneration for the dedication and responsibility involved in the performance of their duties.

The executive chairman Mr José Ignacio Sánchez Galán and the chief executive officer Mr Pedro Azagra Blázquez are the two directors who receive fixed remuneration for senior management functions.

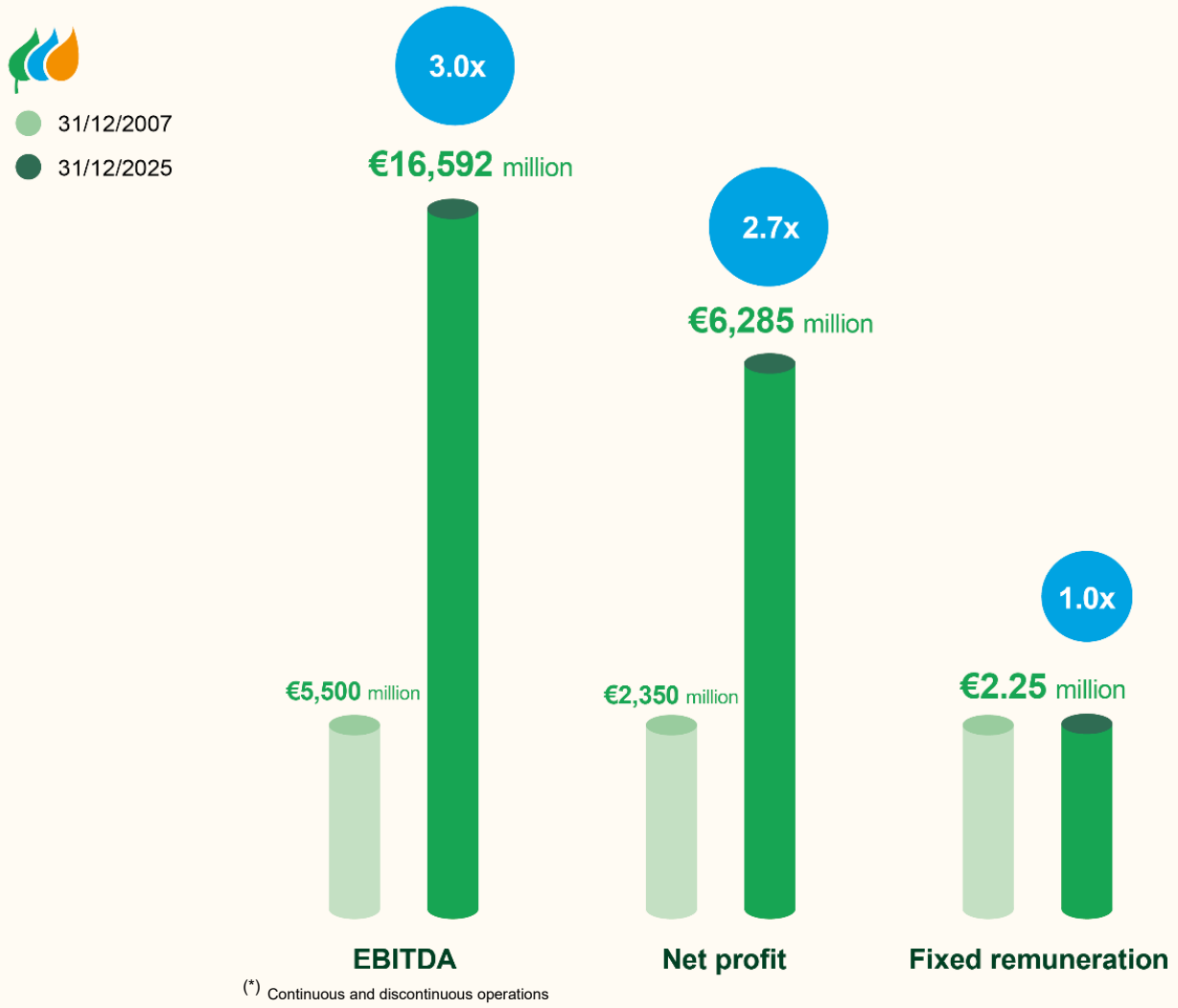
- **2026 Amount**

The Board of Directors, upon a proposal of the Remuneration Committee, approved maintaining unchanged the fixed remuneration of the executive chairman and of the chief executive officer for 2026, in the following amounts:

Executive chairman EUR 2,250 thousand and chief executive officer EUR 1,000 thousand.

- **Trends**

Between 2008 and 2025, Iberdrola has significantly increased its international presence, operating in multiple markets to become a global player in the energy sector. During this period, the Company managed to increase its EBITDA by €11 billion and its net profit by approximately €4 billion.



Despite this continued positive evolution of Iberdrola's results, it should be noted that the fixed remuneration **of the executive chairman has remained unchanged since 2008** and the fixed remuneration of the chief executive officer has remained unchanged since the separation of the position on 25 October 2022.

A.1.5

Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director

The Company pays the premiums under insurance policies that it has taken with certain insurance companies for the coverage of the death or disability of directors caused by accidents, and the Company itself assumes coverage of benefits for the death or disability of directors due to natural causes.

Other remuneration in kind includes the subsidised electricity rate, health insurance and accident insurance. The estimated cost of all remuneration in kind will be similar to the cost reflected in Section **B.14** of this Report.

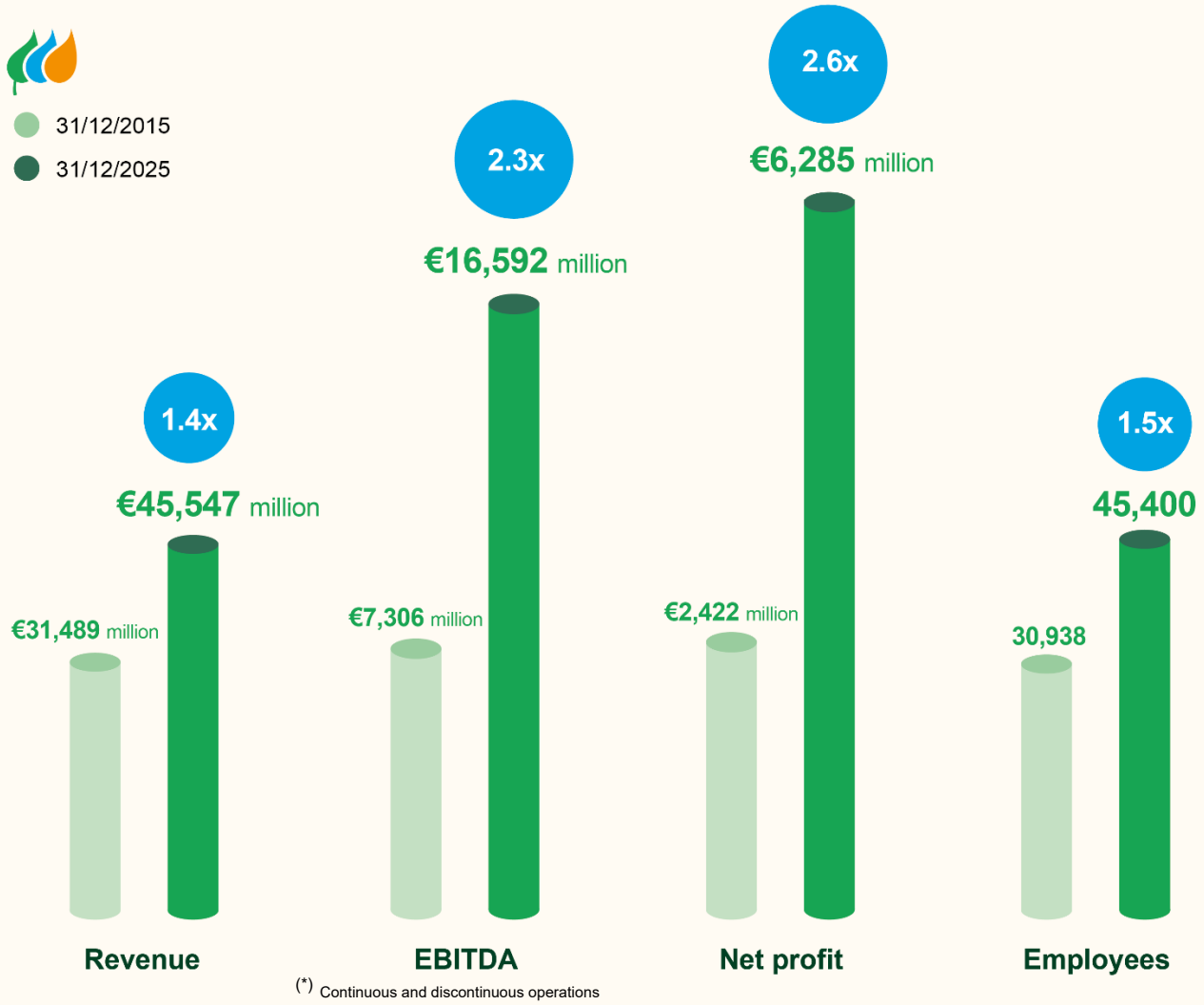
A.1.6

Amount and nature of variable components, differentiating between those established in the short and long terms Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms

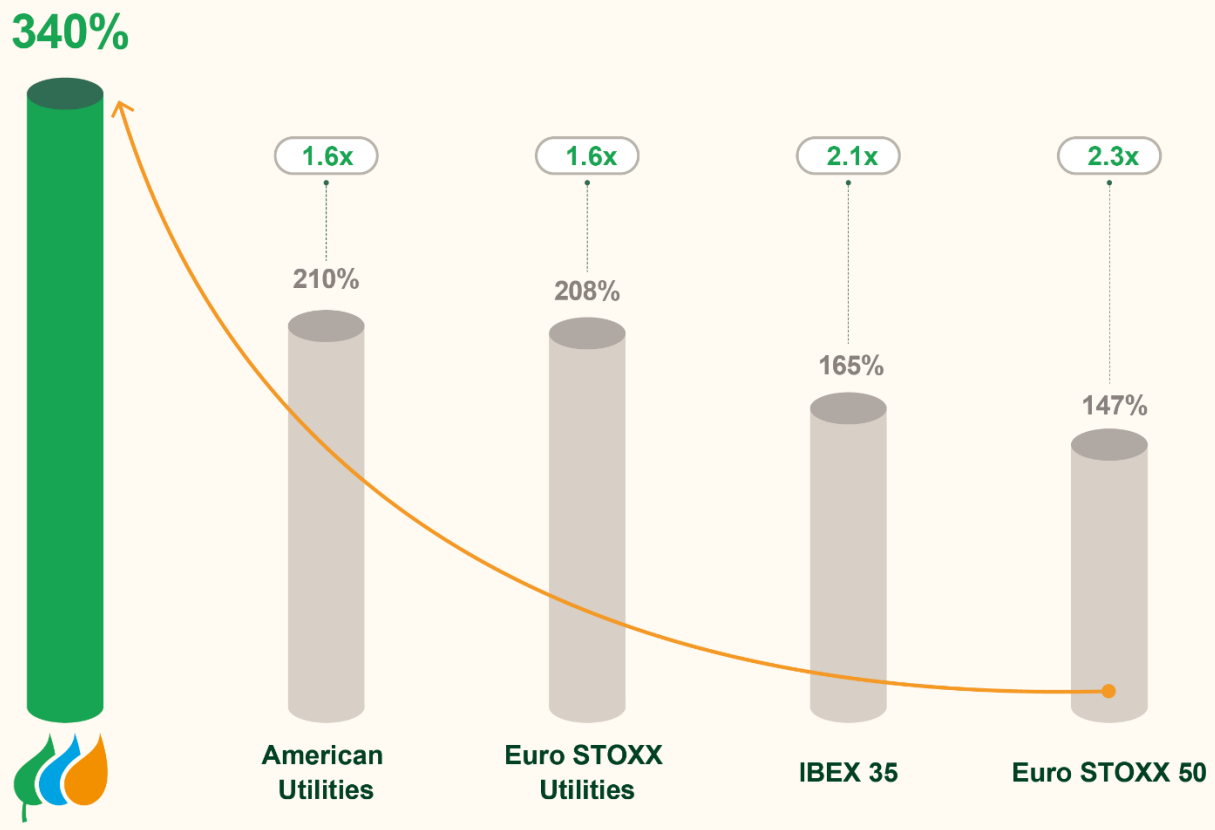
The only directors that receive variable remuneration are the executive chairman and the chief executive officer.

During 2025 the Remuneration Committee continued to analyse the dedication and responsibilities assumed by the directors, as well as the size, internationalisation and complexity of the Company over the **past 10 years.**



Since 2015, revenues have increased more than €14 billion, EBITDA by more than €9 billion and net profit by approximately €4 billion. The number of employees has increased by more than 14 thousand**.**

In the last 10 years, Iberdrola has **significantly outperformed in total shareholder return** compared to the average total return of the **top three American utilities** by capitalisation, the total return of the European index **(EURO STOXX 50)**, the total return of the European industry index **(Euro STOXX Utilities),** and the average total return of the Spanish market index **(IBEX 35)**.



Variable short-term remuneration

(annual bonus)

Purpose

Short-term variable remuneration is intended to incentivise the achievement of the group's annual objectives and those specific to the position, **aligning dedication and efforts with the business strategy**. These objectives are established through metrics whose level of achievement determines the performance of the officers and are evaluated by an independent external third party.

The maximum limit for annual variable remuneration has remained unchanged for the last ten years.

2026 Metrics

Short-term variable remuneration is subject to the achievement of predetermined, specific, measurable, challenging and clear quantitative and qualitative strategic objectives that are disclosed *ex post* due to the strategic sensitivity of the objectives set.

Financial objectives

On 24 September 2025 at the Capital Markets Day, Iberdrola presented the 2026-2028 Transformational Plan, which updates the Company's commitments and reinforces the investment strategy, transforming Iberdrola's profile towards a more regulated company, with electricity networks as a major growth vector. This Plan defines the Company's roadmap to boost electrification during the 2025-2028 period.

The short-term objectives include Iberdrola's strategic pillars, which are based on:

- Priority to regulated networks businesses / selective investments in generation with long-term contracts.
- Focus on countries with high credit ratings.

All of this is based on the commitment to generating predictable and profitable growth, maintaining financial strength and growing dividends, creating sustainable long-term value, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and increasing the "social dividend".

Sustainability objectives

The business model that Iberdrola has developed in the **last 25 years** since the chairman's arrival at the Company integrates sustainability as a vector for the creation of shared value. This integration covers both the operational aspects of the group and the strategic definition established by the 2026-2028 Transformational Plan that will contribute to the growth of the group and to accelerating the electrification of the economy and the energy transition.

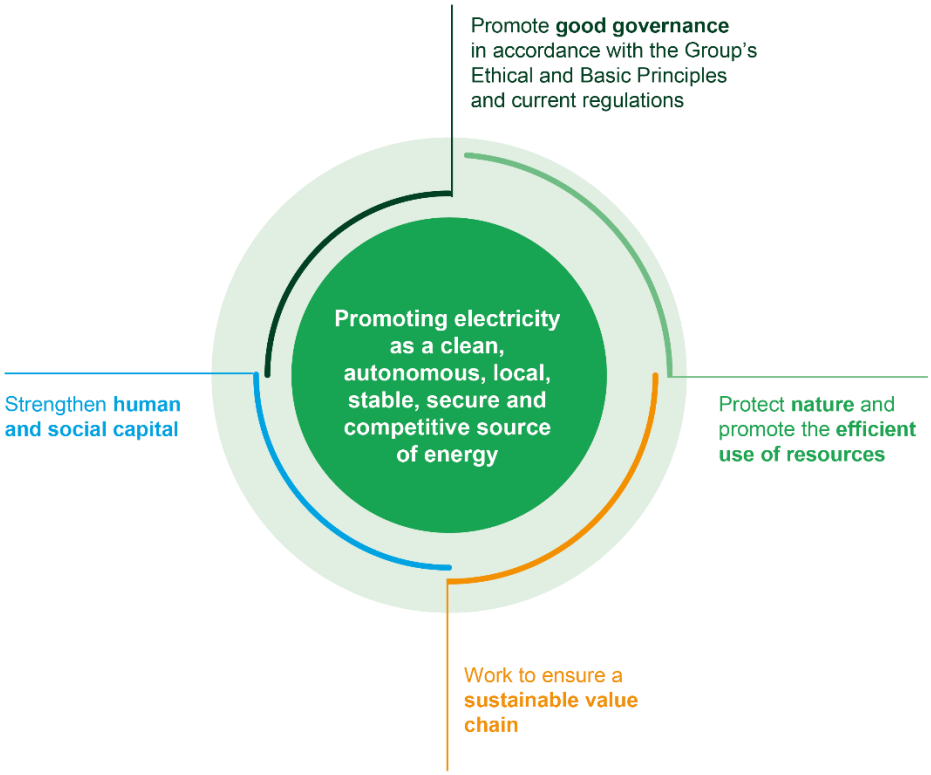
The Company has defined a set of long-term sustainability goals that reflect the Group's priorities in the context of a process of electrification of the economy. These goals are structured around five pillars.

The first pillar, which is in the centre, is the core of the business and an expression of its corporate purpose: driving the electrification of the economy through investment in smart grids, renewable generation and efficient storage. This area of action takes the form of targets relating to the intensity of emissions in electricity generation and investment in smart grids with a focus on innovation and digitalisation. The Company's leadership in sustainable financing will decisively contribute to the implementation of the investment plans.

To achieve its purpose, the Company relies on four other pillars that define important goals that contribute to the successful implementation of its operations:

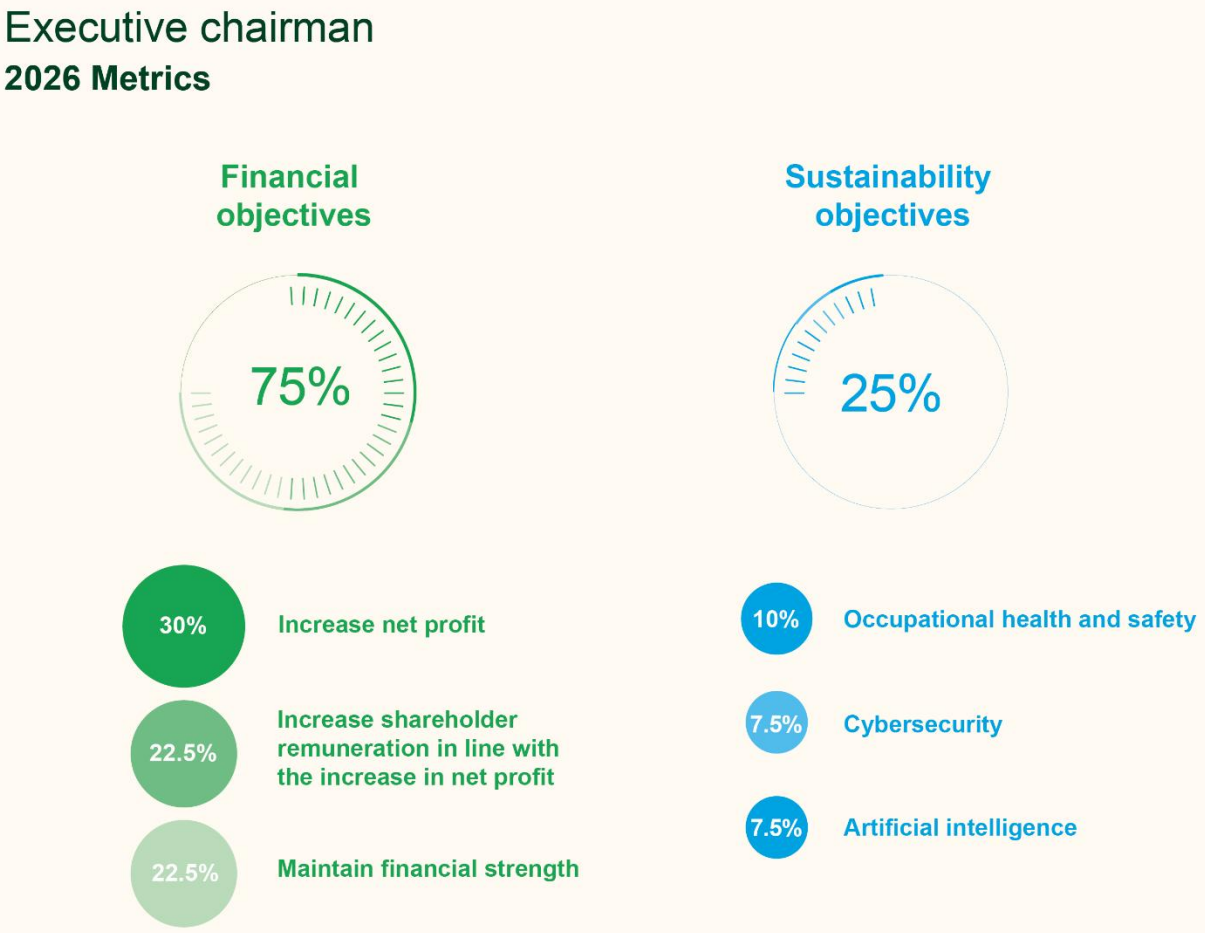
- Strengthening human and social capital: creating quality employment, ensuring equal opportunities for all, prioritising safety and health, and generating a positive impact in the communities where it operates.
- Deploying a governance and sustainability system that is the cornerstone of Iberdrola's organisation and action, and of its commitment to sustainable development and human rights. It is built on the basis of regulatory compliance and best practices in corporate governance and due diligence.
- Promoting the protection of nature and the sustainable and efficient use of resources, integrating them into all activities and processes, with a special focus on the environment surrounding facilities.

- Developing products and services for customers that enable them to adopt more electrified and sustainable energy models, offering safety, efficiency, energy savings and decarbonisation. This sustainability approach also applies to both energy and social aspects of the supply chain.



Achievement scale

Each metric has a related achievement scale where a minimum threshold and an upper limit are set. If the minimum compliance level is not reached, no annual variable remuneration will accrue and if a compliance level above the maximum limit is reached, no annual variable remuneration will accrue with an achievement percentage above 100%, without generating additional payments for over-compliance levels. For each of the metrics, any intermediate results will be calculated by linear interpolation.



Financial objectives - specific weight of 75%:

- **Increasing net profit** (weight of 30%).

The net profit metric has a level of importance for the Company that requires annual evaluations, as well as measuring its compliance over 3-year periods, in accordance with the group's strategy, which allows meeting the payout ratio relative to increasing shareholder remuneration to a floor of €0.64 per share.

The annual evaluation makes it possible to check the recurrence of the result.

This is a key metric for determining shareholder remuneration, given Iberdrola's commitment to increase shareholder remuneration in line with the growth in net profit.

- **Increase shareholder remuneration in line with the increase in net profit** (weight of 22.5%)

As established in the Shareholder Remuneration Policy, ”*The remuneration of the Company's shareholders (pay-out), whatever the methods of payment thereof, must be sustainable, compatible with the maintenance of the Company's financial strength and in line with that of companies having a similar business profile”.* Specifically, it states that *"it shall be between 65% and 75% of the net profit attributed to the Company, as controlling company, in its consolidated annual accounts*".

In application of the Shareholder Remuneration Policy and in line with what has happened in the last 5 years, the payout ratio distributed by the Company will consistently be in the highest range contemplated in the aforementioned Policy.

- **Maintenance of financial strength** (weight of 22.5%)

Once again this year, the target solvency ratio will enable the Company to meet the requirements of the rating agencies for the BBB+/Baa1 credit rating level, ensuring the maintenance of financial strength.

Sustainability targets - specific weight of 25%:

- **Occupational health and safety** (weight of 10%)

The Company’s Board of Directors, aware of the fundamental importance of aspects relating to the health and safety of professionals, undertakes to develop the necessary actions with continuous monitoring systems to provide safe and healthy conditions for the prevention of injuries and the promotion of work-related physical, social, mental and emotional health "0 Accidents Policy", appropriate to the purpose, size and context of each organisation and to the specific nature of the risks both at the Company and at the other companies within the group, as well as in their spheres of influence.

This promotes the constant reinforcement of a healthy and safe working environment through the continuous strengthening of the preventive culture and of leadership in safety, promoting the proactive identification of risks and effective communication and driving, to the extent possible, the highest standards of occupational health and safety for all professionals, including those participating in the value chain, particularly those of suppliers, raising awareness and establishing the necessary controls to mitigate the risks inherent to the work done, requiring contractors to respect the established safety standards, and encouraging them to require their subcontractors who will operate at the Company’s facilities to do so in turn, and making them participants in the implemented preventive culture, adopting the best international practices in the area.

This framework facilitates the identification of actions and opportunities to address the impacts and risks associated with occupational health and safety in the direct activities of the organisation, as well as promoting their detection throughout the value chain, taking into account its global configuration and the fact that not all its links have sufficient traceability mechanisms.

- **Cybersecurity** (weight of 7.5%)

On the one hand, this corresponds to the absence of cybersecurity incidents with a significant impact, which takes into account the dimensions of the impact (financial, regulatory/legal, operational, safety and well-being of people, environmental, reputational, information privacy and Group purpose and values (other impacts) and the impact levels.

On the other hand, it corresponds to the fulfilment of cybersecurity action plans, driving a progressive and structured improvement of the Group’s capabilities in prevention, detection, response and recovery.

Cybersecurity is based on a corporate strategic framework that integrates Iberdrola’s comprehensive security vision with a specific cybersecurity programme aimed at defining objectives and a roadmap consistent with the business strategy and sector trends. This framework is built on the basis of a continuous analysis of the

external context - including technological development, threat outlook, geopolitical factors and energy sector dynamics - and the internal context, considering operational reality, critical assets and level of exposure. It also incorporates the assessment of current capacities of the businesses and areas, identified risks, and regulatory and compliance obligations, making it possible to define priority strategic lines and guide the evolution of the model in a homogeneous and sustainable manner.

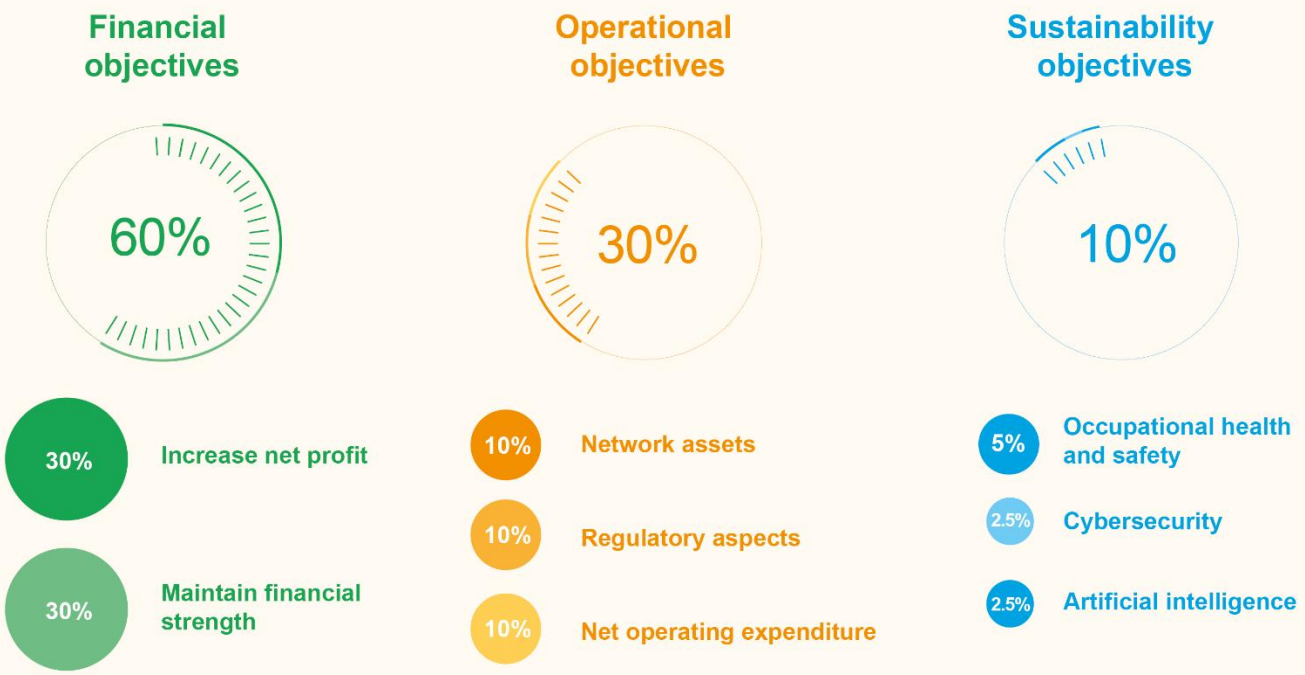
- **Artificial intelligence** (weight of 7.5%)

The design and application of artificial intelligence tools is an essential element for the creation of value, as well as for Iberdrola's innovation and digital transformation strategy. Therefore, the Company recognises the importance of promoting their responsible use, in line with its corporate philosophy and the principles that inform its corporate culture, based on ethics and the commitment to sustainability.

Recognising the strategic importance of using artificial intelligence solutions to achieve quantifiable impacts on processes, the Artificial Intelligence Plan has been developed under the principle of proportionality and harmlessness, whereby the Company will endeavour to ensure that the development and use of artificial intelligence tools are aligned with the established purpose, avoiding unnecessary excesses or risks.

All of this is within the AI governance model outlined in the Policy on the Responsible Development and Use of Artificial Intelligence Tools initially approved by the Board of Directors on 10 May 2022 and last amended on 16 December 2025.

Chief executive officer
2026 Metrics



Financial objectives - specific weight of 60%:

- **Increasing net profit** (weight of 30%).

The net profit metric has a level of importance for the Company that requires annual evaluations, as well as measuring its compliance over 3-year periods, in accordance with the group's strategy, which allows meeting the payout ratio relative to increasing shareholder remuneration to a floor of €0.64 per share.

The annual evaluation makes it possible to check the recurrence of the result.

This is a key metric for determining shareholder remuneration, given Iberdrola's commitment to increase shareholder remuneration in line with the growth in net profit.

- **Maintenance of financial strength** (weight of 30%)

Once again this year, the target solvency ratio will enable the Company to meet the requirements of the rating agencies for the BBB+/Baa1 credit rating level, ensuring the maintenance of financial strength.

Operational objectives - specific weight of 30%:

- **Network assets** (weight of 10%)

In line with the strategic pillar of priority investments in regulated networks, growth in network assets is established as an annual increase for the investments authorised and approved by the regulator as well as contemplating financial remuneration.

This will allow Iberdrola to reach its goal of €70,000 million by 2028, with 40% growth corresponding to €50,000 million in distribution networks and €20,000 million in transmission networks, the United Kingdom and the United States being the markets that will most increase their contribution to network assets.

- **Regulatory aspects** (weight of 10%)

Regulation is a key aspect of ensuring the long-term stability of adequate returns on investment. In addition, Iberdrola's commitment to the network business, together with the investments planned as part of the 2026-2028 Transformational Plan, mean that regulatory issues are becoming more significant. In this regard, regulatory actions are defined regarding key aspects in accordance with the timetable of the regulators in the various geographical areas to secure these returns and the results of the plan.

- **Net operating expenditure** (weight of 10%)

Iberdrola is characterised by the efficiency of its operations. In the desire to increase efficiency, the control of net operating expenditure is defined as an objective.

Maintaining sufficient efficiency levels is a key aspect of achieving optimal levels of operational excellence and cash generation, which make it possible to achieve the targets of net profit and maintenance of a strong financial position. Efficiency in net operating expenditure is a key lever already provided for within the 2026-2028 Transformational Plan, which contributes to solid and sustainable growth, and which is linked in turn to the commitment to shareholder remuneration.

Sustainability targets - specific weight of 10%:

- **Occupational health and safety** (weight of 5%)

The Company's Board of Directors, aware of the fundamental importance of aspects relating to the health and safety of professionals, undertakes to develop the necessary actions with continuous monitoring systems to provide safe and healthy conditions for the prevention of injuries and the promotion of work-related

physical, social, mental and emotional health "0 Accidents Policy", appropriate to the purpose, size and context of each organisation and to the specific nature of the risks both at the Company and at the other companies within the group, as well as in their spheres of influence.

This promotes the constant reinforcement of a healthy and safe working environment through the continuous strengthening of the preventive culture and of leadership in safety, promoting the proactive identification of risks and effective communication and driving, to the extent possible, the highest standards of occupational health and safety for all professionals, including those participating in the value chain, particularly those of suppliers, raising awareness and establishing the necessary controls to mitigate the risks inherent to the work done, requiring contractors to respect the established safety standards, and encouraging them to require their subcontractors who will operate at the Company's facilities to do so in turn, and making them participants in the implemented preventive culture, adopting the best international practices in the area.

This framework facilitates the identification of actions and opportunities to address the impacts and risks associated with occupational health and safety in the direct activities of the organisation, as well as promoting their detection throughout the value chain, taking into account its global configuration and the fact that not all its links have sufficient traceability mechanisms.

- **Cybersecurity** (weight of 2.5%)

On the one hand, this corresponds to the absence of cybersecurity incidents with a significant impact, which takes into account the dimensions of the impact (financial, regulatory/legal, operational, safety and well-being of people, environmental, reputational, information privacy and Group purpose and values (other impacts) and the impact levels.

On the other hand, it corresponds to the fulfilment of cybersecurity action plans, driving a progressive and structured improvement of the Group's capabilities in prevention, detection, response and recovery.

Cybersecurity is based on a corporate strategic framework that integrates Iberdrola's comprehensive security vision with a specific cybersecurity programme aimed at defining objectives and a roadmap consistent with the business strategy and sector trends. This framework is built on the basis of a continuous analysis of the external context - including technological development, threat outlook, geopolitical factors and energy sector dynamics - and the internal context, considering operational reality, critical assets and level of exposure. It also incorporates the assessment of current capacities of the businesses and areas, identified risks, and regulatory and compliance obligations, making it possible to define priority strategic lines and guide the evolution of the model in a homogeneous and sustainable manner.

- **Artificial intelligence** (weight of 2.5%)

The design and application of artificial intelligence tools is an essential element for the creation of value, as well as for Iberdrola's innovation and digital transformation strategy. Therefore, the Company recognises the importance of promoting their responsible use, in line with its corporate philosophy and the principles that inform its corporate culture, based on ethics and the commitment to sustainability.

Recognising the strategic importance of using artificial intelligence solutions to achieve quantifiable impacts on processes, the Artificial Intelligence Plan has been developed under the principle of proportionality and harmlessness, whereby the Company will endeavour to ensure that the development and use of artificial intelligence tools are aligned with the established purpose, avoiding unnecessary excesses or risks.

These objectives for both the executive chairman and the chief executive officer were approved by the Board of Directors, upon a proposal of the Remuneration Committee, at its meeting on 24 February 2026.

2026 Maximum amount

Executive chairman

The Board of Directors has resolved to **maintain the maximum amount** for 2026 at the same ceiling as in 2025. The maximum limit of annual variable remuneration is **144% of the annual fixed remuneration**, which is lower than the maximum limit established in the current Policy, which is 150% of the executive chairman's fixed remuneration for that financial year. This amount has remained unchanged since 2008.

Chief Executive Officer

The Board of Directors has resolved to **maintain the maximum amount** for 2026 at the same ceiling as in 2025. The maximum limit of the annual variable remuneration is **150% of the annual fixed remuneration**.

Operation

The Remuneration Committee evaluates the performance of the executive chairman and the chief executive officer, for which purposes it may rely on the advice of an independent expert, and submits a reasoned proposal to the Board of Directors for approval thereof.

The annual variable remuneration is paid entirely in cash once the annual financial statements have been prepared by the Board of Directors and subsequently audited.

Malus and clawback clauses

Possible cancellation of pending payments and reimbursement of the amounts delivered ("malus" and "clawback" clauses).

The cases that trigger *malus* and clawback clauses, as well as the internal application procedures, are described in Section **A.1.2** of this report.

Long-term variable remuneration: share delivery plans

Purpose

Long-term variable remuneration encourages **commitment to the Iberdrola group's long-term business enterprise**, linking part of the remuneration to the creation of value for shareholders, as well as to the achievement of the Company's strategic objectives and the maximisation of its "social dividend" and shareholder return.

Variable remuneration supports the Iberdrola group's business enterprise to generate predictable and profitable long-term growth, maintaining financial strength and growing dividends, and with a focus on the long-term creation of value, reaffirming the policy of shareholder remuneration in line with results (payout ratio) and increasing the "social dividend".

These plans are implemented through share delivery plans and have a typical duration of six years (three for performance evaluation and three for payment).

Plans in effect: 2023-2025 Strategic Bonus (in payment period)

At the General Shareholders' Meeting held on 28 April 2023 the shareholders approved the 2023-2025 Strategic Bonus as a long-term incentive linked to the Company's performance in relation to certain parameters, any payment of which will occur during 2026-2028. **The 2023-2025 Strategic Bonus was approved at the General Shareholders' Meeting with a 92% level of votes in favour.**

Senior management and other Iberdrola professionals who are deemed to make a decisive contribution to the creation of value due to their position or responsibility within the Company may participate as beneficiaries in the 2023-2025 Strategic Bonus.

The officers and other professionals of the Iberdrola group attached to divisions or areas that report functionally to the Audit and Risk Supervision Committee or the Sustainable Development Committee, including Internal Audit and Risk and Compliance, may not participate as beneficiaries of the 2023-2025 Strategic Bonus, in order to ensure the necessary autonomy and independence of these functions that form part of the second and third lines of defence and to reinforce the effectiveness of the internal control system of the Iberdrola group.

The number of beneficiaries of the 2023-2025 Strategic Bonus will not exceed a maximum of 300 people.

The maximum number of shares to be delivered to all the beneficiaries of the 2023-2025 Strategic Bonus shall be 14,000,000 shares, equal to 0.22% of the share capital, of which approximately 2,500,000 shares, equivalent to 0.04% of the share capital, will correspond to the executive chairman and the chief executive officer.

As reflected in note 23 share-based long-term compensation plans in the consolidated financial statements of Iberdrola, S.A. at 31 December 2025, the number of shares to be delivered to all beneficiaries is lower than the maximum number authorised by the shareholders at the General Shareholders' Meeting.

These bonuses are not implemented by means of capital increases or similar instruments.

Metrics

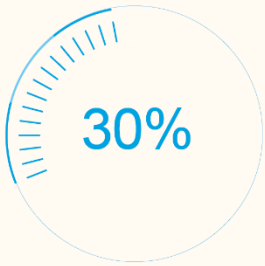
As described in Section **B.7.** of this Report, the Company's performance at 31 December 2025 has been assessed on the basis of the following financial, operational and sustainability parameters, which project an ambitious and challenging scenario for a company that is not content to continue its profitable growth, financially sound and committed to sustainability, but seeks to further strengthen its leadership in the global electricity sector in the energy transition and decarbonisation. The metrics established for the 2023-2025 Strategic Bonus were aligned with the strategy announced by Iberdrola at its November 2022 meeting with investors, which was positively received by the market, and are as follows:

2023-2025 Strategic Bonus

Financial objectives

Weighting	Min. 0%	Max. 100%	
30%	< €5,000 million	≥ €5,400 million	**Increase net profit** Consolidated at year-end 2025
20%	Index – 5 p.p.	Index ≥ 5 p.p.	**Total Shareholder Return (TSR)** Comparative performance against Euro STOXX Utilities
15%	No	Yes	**Maintain financial strength** Maintenance of the Company's financial strength as measured by the long-term credit ratings at year-end 2025
5%	< 80%	≥ 80%	**Sustainable finance** Measured as the percentage issued between 2023 and 2025 represents of the total new financing issued during such period

Sustainability objectives



Weighting	Min. 0%	Max. 100%	
10%	>88 g CO_2/kWh	≤ 70 g CO_2/kWh	**Intensity of specific CO_2 emissions** By year-end 2025
10%	< 80%	≥ 85%	**Number of suppliers** Subject to sustainable development policies and standards by year-end 2025
10%	No	Yes	**Equal opportunities**

1. Exceed the current outlook. A target of consolidated net profit of €5,400 million is established for the Iberdrola Group in 2025, representing an increase of approximately 25% over the Iberdrola Group's record consolidated net profit achieved in 2022. This parameter will be deemed not to have been met if the consolidated net profit for financial year 2025 does not reach the previous record of €5,000 million, despite the difficult macroeconomic context and geopolitical instability.

   The specific weight in the overall performance evaluation in the 2023-2025 period will be 30% for the Iberdrola Group's consolidated net profit parameter.

2. Increase total shareholder return of the Company during the 2023-2025 period compared to total shareholder return for the Euro STOXX Utilities Index. The objective is to once again outperform the Euro STOXX Utilities Index by at least 5 percentage points over the 2023-2025 period, an ambitious target considering the geographic diversification of the businesses of the Iberdrola Group's companies. As not all participants in this index are exposed to the same volatility in share prices, given the limited exposure of companies like Iberdrola to different economic regions, the Remuneration Committee has deemed it necessary to take this volatility into account when defining this metric.

   It shall be deemed that this parameter is not met if the Company's total shareholder return is at least 5 percentage points less than the return for the Euro STOXX Utilities Index.

   The specific weight in the overall performance evaluation in the 2023-2025 period will be 20% for the Company's total shareholder return parameter. As part of the ongoing process of interaction and active listening to stakeholders and as part of the continuous improvement action plan, the Remuneration Committee periodically reviews the situation of the total shareholder return (TSR) metric and, specifically, whether Iberdrola's performance could be lower than the performance of the Euro STOXX Utilities index, and if so, the level of compliance with the minimum threshold.

3. Parameters relating to financial targets.

   a) Maintain financial strength as measured by the Company's long-term credit rating. The objective is to maintain the following long-term credit ratings for the Company by the end of financial year 2025 according to at least two of the three rating agencies: BBB+ according to Standard & Poor's, Baa1 according to Moody's and BBB+ according to Fitch Ratings. This parameter shall be deemed to have not been met if the Company's long-term credit rating according to at least two of the three rating agencies is below BBB+ according to Standard & Poor's, Baa1 according to Moody's or BBB+ according to Fitch Ratings.

   b) Increase sustainable financing, understood as all financial instruments (loans, credit facilities, bonds, notes, etc.) issued in accordance with the green financing frameworks of the Company or its subsidiaries or linked to sustainability goals. The target is established for new sustainable financing issued by the Iberdrola Group between 2023 and 2025 to represent at least 80% of the total new financing issued by the Iberdrola Group during this period. This parameter will be deemed not to have been met if the new sustainable financing issued by the Iberdrola Group between 2023 and 2025 represents less than 80% of the total new financing issued by the Iberdrola Group during this period.

   The specific weight in the overall performance assessment is 20% for parameters related to financial targets. The first indicator (maintaining financial strength) will be weighted 15 percentage points, while the second indicator (sustainable financing) will be weighted 5 percentage points.

4. Parameters relating to sustainability goals:

In establishing the sustainability objectives for the 2023-2025 Strategic Bonus, Iberdrola has taken into account the environmental, social, governance and financial dimensions contained in its materiality matrix.

The most relevant and significant issues for stakeholders and for the Company itself, helping to focus efforts on areas that are critical to sustainability and long-term success, ensuring that the most important issues for stakeholders and for the Company itself are addressed, are climate change, biodiversity, circular economy, safety and health, human capital, communities, cybersecurity, supply quality, responsible supply chain, ethics and good governance.

a) Reduction of the Iberdrola group's specific CO_2 emissions intensity, as a benchmark linked to affordable, clean energy and climate action. This parameter will be deemed to have been met if, considering a normal rainfall period, a level of 70 grCO2/kWh or less is achieved in the intensity of own CO2 emissions in 2025. This goal represents a demanding 27% reduction compared to the Iberdrola Group's 2021 specific CO2 emissions intensity and an even greater reduction compared to the 200 grCO2/kWh of the average 2021 specific CO2 emissions intensity of all the electricity companies on the Euro STOXX Utilities Index. This parameter will be deemed not to have been met if the specific CO2 emissions intensity in 2025 exceeds 88 grCO2/kWh.

b) Increase the number of suppliers subject to sustainable development policies and standards, such as having: (i) a human rights strategy; (ii) a code of conduct for suppliers; (iii) health and safety standards; and (iv) a comprehensive environmental sustainability strategy, including water, energy and biodiversity strategies. The goal is to ensure that by 2025, at least 85% of the Iberdrola Group's main suppliers (those billing the Iberdrola Group more than one million euros) are subject to these policies, which represents an increase of 6.25% compared to year-end 2022.

This parameter will be deemed not to have been met at year-end 2025 if the percentage is less than 80% (corresponding to the percentage of sustainable main suppliers of the Iberdrola Group at year-end 2022). The goal of promoting good sustainability practices in the supply chain is closely aligned with Iberdrola's strategy. As a global leader, Iberdrola should work with suppliers of equipment, works and services that share these values and sustainable practices. Iberdrola's strategy is based on a demanding investment plan that requires a supply chain that not only guarantees the availability of equipment and the means required for the development thereof, but also complies with demanding levels of sustainability consistent with those of the Company.

Iberdrola must have a secure supply chain that can cope with disruptions caused by environmental or health catastrophes or geopolitical conflicts. The objective of sustainability traction for suppliers aims to enable many of them to upgrade their business practices, putting them in a better position to work with the most demanding customers and to qualify for differentiating features such as green financing. Monitoring suppliers on sustainability will enable Iberdrola to reduce risks and exposure to potential reputational impacts arising from the supply chain.

c) Equal opportunity at Iberdrola in accordance with the reduction of inequalities, prioritising the strengthening of human and social capital as a central pillar of Iberdrola's organisational culture.

This objective is aligned with the best market practices, responding to stakeholder expectations and complying with the legislative requirements established in the area of equality. Iberdrola strengthens its commitment to sustainability and social responsibility, ensuring that its leadership reflects the communities it serves. This initiative contributes significantly to recruiting and retaining the best talent in the energy sector, thus cementing Iberdrola's position as a leader in sustainability and social responsibility.

The specific weight will be 30% for parameters relating to sustainability. Each of the three indicators will contribute 10 percentage points.

The intermediate values of each of the parameters will be calculated by linear interpolation.

Maximum amount

Maximum number of shares to be delivered for the entire 2023-2025 Strategic Bonus:

- Executive chairman - Up to a maximum of 1,900,000 shares.
- Chief executive officer - Up to a maximum of 500,000 shares.

As set out in Section C.1.a)(ii),

(i) Mr Pedro Azagra Blázquez, up to a maximum of 83,500 shares, which were allocated to him upon his appointment as chief executive officer on 24 June 2025.

(ii) As a result of his resignation from his positions on 24 June 2025, Mr Armando Martínez Martínez loses the status of beneficiary and, therefore, any right to receive shares linked to the 2023-2025 Strategic Bonus.

These shares will be delivered through shares purchased in the market, and not through the issue of new shares.

Operation

Duration: six years, with an evaluation period from 2023 to 2025 and a payment period from 2026 to 2028, in equal parts each year.

The Board of Directors, upon a proposal of the Remuneration Committee, which may be assisted by an independent expert, must evaluate the Company's performance regarding the goals described above and determine the level of achievement thereof.

For each share delivery during 2027 and 2028, the Remuneration Committee will confirm the continued validity of the grounds on which the shares are delivered. Each annual accrual and the corresponding payment thereof will be approved by the Iberdrola's Board of Directors, following a report from the Remuneration Committee.

In order for officers to be entitled to receive the 2023-2025 Strategic Bonus, in addition to meeting the objectives, the beneficiary must have achieved their personal objectives and, therefore, have received annual variable remuneration in the three financial years of the evaluation period. Without prejudice to the foregoing, if the level of performance of the beneficiary during the evaluation period is considered insufficient, the beneficiary shall not be entitled to receive the 2023-2025 Strategic Bonus.

The officers and other professionals of the Iberdrola group attached to divisions or areas that report functionally to the Audit and Risk Supervision Committee or the Sustainable Development Committee, including Internal Audit and Risk and Compliance, may not participate as beneficiaries of the 2023-2025 Strategic Bonus, in order to ensure the necessary autonomy and independence of these functions that form part of the second and third lines of defence and to reinforce the effectiveness of the internal control system of the Iberdrola group.

A.1.7

Long-term savings schemes for officers

The officers, whether or not directors, may be insured under a long-term savings scheme, implemented through an insurance policy that provides coverage for the supplementary social security contributions regime.

This is a defined contribution plan applicable for retirement, death and disability, meaning that the officers will have the financial rights acquired at the normal retirement age, and the grounds for any early termination of the contractual relationship will determine the rights thereof.

Since 2011, for new contracts signed with officers, retirement pay has been up to two times annual remuneration.

Currently, the executive chairman is not a participant in any long-term savings system, and the chief executive officer is insured under the group life insurance policy, with a commitment made in 2010 when he was Chief Development Officer of Iberdrola, S.A., which has not been modified by his appointment as chief executive officer. Details of the amount accrued in financial year 2025 by the chief executive officer in respect of the commitment acquired in terms of long-term savings schemes are set out in Section C.1.a) of this Report.

The remuneration system for the officers, like that for the professionals of Iberdrola, has health, life and accident insurance, limited electricity allowances through rate concessions and other benefits in line with market practice followed by comparable global companies.

The Company has no commitment to any long-term defined-contribution, defined-benefit retirement or savings system for the group of directors.

A.1.8

Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, on the terms provided, between the company and the director, whether at the company's or the director’s initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration

No non-executive director shall receive any compensation for termination or early cessation of office or due to termination of the contractual relationship. However, non-executive directors, with the exception of proprietary directors, must abide by the commitment not to compete, which consists of the following:

- A director who ends the term of office to which the director was appointed or who, for any other reason, ceases to act as such, may not be a director or officer of, or provide services to, any entity whose object is similar, in whole or in part, to that of the Company or which is a competitor of the Company, for a term of two years. The Board of Directors may, if it deems it appropriate, relieve the outgoing director from this obligation or shorten the period thereof.
- In the event of the cessation in office of a non-executive director who is not a proprietary director (not due to a breach of the director’s duties attributable to the director) prior to the end of the term for which the director was appointed, the Board of Directors may, if necessary, compensate him pursuant to a non-competition agreement.

With effect from 24 June 2025, Mr Armando Martínez Martínez resigned from his positions as director of the Company, with the classification of executive director, as well as chief executive officer. His resignation was accepted by the Board of Directors:

- No non-compete payment has been made in terms of his classification as a director in his capacity as such.
- In terms of his status as an officer, the items payable on termination of service have been paid, including severance pay equivalent to two times his annual remuneration (which in turn includes one year of non-competition), for a total amount of €4.4 million.

The foregoing is in application of the Director and Officer Remuneration Policy.

Furthermore, the Board of Directors applied the provisions of the Director and Officer Remuneration Policy in relation to long-term incentive plans for the delivery of shares:

- 2020-2022 Strategic Bonus: shares received prior to resignation from the positions of executive director and chief executive officer remain subject to reimbursement mechanisms (clawback clauses) in accordance with the provisions of the Director and Officer Remuneration Policy.
- 2023-2025 Strategic Bonus: as a result of his resignation from the positions of executive director and chief executive officer on 24 June 2025, Mr Armando Martínez Martínez loses the status of beneficiary and, therefore, any right to receive shares linked to such plan.

A.1.9

Contract terms

The basic terms and conditions of contracts for the officers, whether or not directors, are as follows:

Duration:

The contracts of the Company's officers are of indefinite duration.

Applicable legal provisions:

The contracts with the officers of the Company are governed by the legal provisions applicable to senior officer special employment relationship agreements or by such special terms and conditions of the common employment system (*régimen laboral común*) as are determined by the Company or as legally apply from time to time.

The legal provisions applicable to the contracts of the executive chairman and chief executive officer are those provided for by the legal system in each case, based on commercial law.

Compliance with the Governance and Sustainability System:

All of the officers of the Company have the duty to strictly observe the rules and provisions contained in the Company's Governance and Sustainability System to the extent applicable thereto.

Non-compete clause:

The contracts with the officers in all cases establish a duty not to compete with respect to companies and activities that are similar in nature to those of the Company and of the other companies of the Group, during the term of their relationship with the Company and for a period of not less than one year following termination thereof, and also provide for payment, for each year of duration of such agreement not to compete, of an amount equal to 50% of the fixed remuneration received during the last full financial year.

The contractual relationship with the executive chairman establishes a duty not to compete with respect to companies and activities that are similar in nature to those of the Company during the term of his relationship with the Company and for a period of three years after the termination of the contract. In compensation for this commitment, he is entitled to severance pay equal to two times his annual remuneration.

In the case of the chief executive officer, during the term of the contract and for one year after the termination thereof. In compensation for this post-contractual commitment not to compete, he is entitled to compensation equal to one times his annual fixed remuneration, which is in any case included in the severance payment for termination of contract, if one exists.

Confidentiality and return of documents

A rigorous duty of confidentiality is established, which must be assumed by the professional and complied with both during the term of the contract and once the relationship has terminated, with the Company reserving the right to bring such legal actions as may be appropriate to defend its interests. In addition, the officer must return to the Company any documents and items relating to the professional's activity that are in the possession thereof upon termination of the relationship with the Company, in accordance with such terms and conditions as are set forth by the Company.

Severance pay

The contracts of the officers contemplate financial compensation in the event of termination of the contractual relationship with the Company, provided that such termination does not occur exclusively due to the professional's decision to withdraw or as a result of a breach of the duties thereof. The amount of the severance payment is established in accordance with length of service and the reasons for the professional's withdrawal from office, up to a maximum of five times annual salary.

Since 2011, for new contracts signed with officers, the limit on the amount of severance pay is two years' salary, and as at 31 December 2025 there are a total of 2 contracts with a severance pay limit higher than two years' salary, which means that from 2001 to 31 December 2025, the number of officers with a severance pay limit higher than two years' salary has been reduced by more than 100.

When the current executive chairman joined the Company in 2001, the Company included clauses in the contracts with its key officers providing for severance pay of up to five times annual salary in order to achieve an effective and sufficient level of loyalty. Although the treatment in effect for such officers was applied to him at that time, he would currently be entitled to two times annual remuneration as severance pay for instances in which a severance payment was required for termination of contract.

The chief executive officer is entitled to receive severance pay equivalent to two times annual remuneration in the event of termination of his relationship with the Company, provided that said termination is not due to a breach attributable to the beneficiary or solely due to a voluntary decision thereof. This severance payment for termination of contract includes compensation for the commitment not to compete.

From 2001 to 31 December 2025, the number of officers with a severance pay limit exceeding two annual salary amounts has been reduced by to almost zero.

Application of "*malus*" and "clawback" clauses

Provided for in contracts with the Company's officers, both for short-term variable remuneration and long-term variable remuneration.

A.1.10

The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position

There is no supplementary remuneration.

A.1.11

Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration

The Director and Officer Remuneration Policy does not contemplate the granting of advances, loans or guarantees by the Company.

A.1.12

The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company

It is estimated that during 2026 the executive chairman of Iberdrola will receive an amount equivalent to the amount set forth in Section **C.1.b)** of this Report for his positions as chairman of the boards of directors of Neoenergia, S.A. and AVANGRID, Inc.

Both companies of the Iberdrola Group commission an independent external adviser to conduct a comparative analysis of the total remuneration of the directors, with a comparison group that includes a group of comparable companies in terms of size, ensuring alignment with the market.

A.2.

Explain the current director remuneration policy applicable to the year in progress

A.2.a)

A new policy or an amendment to a policy already approved by the General Meeting

A.2.b)

Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year

A.2.c)

Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year

The Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024 has been in force since the financial year of its approval and during financial years 2025, 2026 and 2027.

The Board of Directors, within the framework of Iberdrola's devotion to leadership in the energy sector, will take into consideration the information received as a result of the ongoing two-way dialogue between the Company represented by the heads of Investor Relations, Sustainability and the Office of the General Secretary and Secretary of the Board, and in some cases, with the participation of the director authorised for these purposes and its shareholders (retail and institutional) and proxy advisors. The Board of Directors also takes into consideration both the best practices identified at other listed companies and regarding the directors and officers and the general remuneration schemes of the professionals of the Iberdrola group.

In 2025, the Remuneration Committee reviewed the Policy to ensure that the principles, content and disclosures are aligned with the expectations of its shareholders (retail and institutional), of its proxy advisors and of analyses using tools based on artificial intelligence and algorithms, as well as those arising from its action plan, concluding:

- That the Policy **continues to promote sound remuneration principles and practices** to contribute to the achievement of the Company's long-term strategic objectives.
- That the Policy complies with **best market and corporate governance practices** and is aligned with the **expectations of shareholders and proxy advisors.**
- That the Policy is **transparent** and provides information that is complete, relevant, sufficient and in line with generally recognised good governance recommendations in international markets regarding the remuneration of directors.
- That the Remuneration Policy is a **strategic tool for the creation of value** for all stakeholders and its application has made it possible to align remuneration with shareholder performance (pay for performance), at the same time as **increasing dividends for shareholders** (dividend floor of €0.64 per share).

The Remuneration Committee also took into account certain significant milestones achieved in 2025, including:

- **Changes** in the **composition** and **positions of the Board of Directors** and its committees, following the replacement of the chief executive officer.
- The **results** after the end of the **2023-2025 Strategic Bonus** evaluation period.

  Although ambitious, the objectives disclosed to the markets in the 2023-2025 Strategic Plan were **comfortably outperformed** by results that again broke records ("record after record").
- The **new challenges of the 2026-2028 Transformational Plan.**

  It updates the Company's commitments and reinforces the investment strategy, transforming Iberdrola's profile towards a more regulated company, with electricity networks as a major, predictable and profitable growth vector, maintaining financial strength and growing dividends.

In view of the above, the Remuneration Committee will propose to submit to the shareholders at the upcoming General Shareholders' Meeting a new Director and Officer Remuneration Policy and a new long-term incentive plan **aligned with the pace required in this new context** and which reinforce the **Company's competitive advantage**. All of this is aligned with the long-term creation of value for stakeholders.

A.3.

Direct link to the document containing the company's current remuneration policy, which must be available on the company's website

The Policy is available at the following link, in compliance with the **accessibility policy**: Access the Director and Officer Remuneration Policy

A.4.

Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis

The consultative vote on the Annual Report on Remuneration of Directors and Officers for 2024 received **93.61% of votes in favour at the 2024 General Shareholders' Meeting** (exceeding the average of approximately 89.27% for annual director remuneration reports at other IBEX 35 companies in 2025).

Year on year, **there has been increasing support from shareholders who have placed their trust in the Remuneration Committee's approach** to director remuneration and who reflect their dedication to the ongoing process of interaction and listening with stakeholders, including institutional investors and proxy advisors.

The General Shareholders' Meeting is not a separate milestone only on the day of the meeting, but rather an ongoing process (permanent Meeting) in which **Iberdrola maintains two-way dialogue with its main institutional shareholders and proxy advisors to address various issues**, including the remuneration of directors and officers.

During 2025 Iberdrola held meetings with all shareholders who accepted its offer to meet, as well as with all shareholders who asked to meet with the Company, maintaining contact with at least 45 institutional shareholders, representing approximately 40% of the shareholdings, and the two main global proxy advisors: Institutional Shareholder Services (ISS) and Glass Lewis.

In relation to the Annual Report on Remuneration of Directors and Officers for financial year 2024, the shareholders (retail and institutional) and proxy advisors highlighted the development of the Report, as well as the improved clarity of information and explanatory charts. This has allowed for a better understanding of the remuneration system, with greater scope and transparency of aspects covered, improving the overall clarity of the Report and the disclosure of the performance measures, both *ex ante* and *ex post*, and how Iberdrola compares remuneration with that of other companies (benchmarking).

The Remuneration Committee continuously monitors the results of the General Shareholders' Meeting on matters within the purview of the Committee. Following the General Shareholders' Meeting of 30 May 2025, it analysed the information available on the voting behaviour of certain institutional shareholders of Iberdrola (approximately 70 institutional shareholders representing more than 50% of its shareholdings), as well as the expectations received from the proxy advisors.

Following the vote of the shareholders at the General Shareholders' Meeting held on 30 May 2025, the Remuneration Committee has devoted special attention to the action plan and continuous improvement of the Annual Director and Officer Remuneration Report, highlighting the following measures:

- Analysis of available information on the voting behaviour of the shareholders.
- Analysis of the main expectations of shareholders (retail and institutional) and of proxy advisors, and of analyses using artificial intelligence-based tools and algorithms.

- Analysis of the voting policies of the main investors.
- Analysis of best remuneration practices observed at comparable undertakings and leading global companies.
- Design of an action plan with specific activities, commitments and future requirements in terms of disclosure of information.
- Implementation of improvements in the disclosure of information in the Annual Director and Officer Remuneration Report for financial year 2024

With a view to the 2026 General Shareholders' Meeting, Iberdrola has increased the number of roadshows, face-to-face meetings and communications in order to encourage greater shareholder participation and to ensure that the information shared is clear, accurate and accessible.

In 2025, a full day of themed sessions and talks took place at the locations with the largest number of shareholders, with the attendance of more than 1,600 shareholders and the presence of more than 10 officers of Iberdrola responding to various shareholder queries. These initiatives are outlined in the shareholder engagement policy, approved by the Board of Directors ten years ago and reflected in the By-Laws, with a special focus placed on small investors by extending the Shareholders' Meeting to 365 days a year.

In addition, there is a strong information and participation campaign during the two months prior to the legal act of the General Meeting, with a massive media campaign and more than four personalised mailings to shareholders.

Added to this are all of the direct communication channels open 365 days a year to enable shareholders to effectively express their views and expectations.

With these measures, Iberdrola manages not only to increase transparency in its processes, but also to build a relationship of trust and ongoing collaboration with shareholders (retail and institutional) as well as with proxy advisors.

B.

Summary of the application of the Director and Officer Remuneration Policy in 2025

B. Summary of the application of the Director and Officer Remuneration Policy in 2025

The Director Remuneration Policy applied in financial year 2025 was the Policy approved at the General Shareholders' Meeting held on 17 May 2024.

Pursuant to the provisions of law and the Director and Officer Remuneration Policy, the Board of Directors, upon a proposal of the Remuneration Committee, approves the remuneration of directors and officers, except the remuneration of directors consisting of the delivery of shares of the Company, which must be approved at a General Shareholders' Meeting.

At 31 December 2025 and as of the date of preparation of this Report, Iberdrola's Remuneration Committee is made up of three members, 67% of whom are independent directors (two members) and 33% of whom are other external directors (one member).

Remuneration Committee	
Name	**Position, type of director**
Mr Juan Manuel González Serna	Chairman, independent
Mr Íñigo Víctor de Oriol Ibarra	Member, other external
Mr Manuel Moreu Munaiz	Member, independent
Mr Íñigo Sagardoy de Simón	Secretary (non-director)

The curriculum vitae/professional biography, as well as the skills and abilities of the members of the Remuneration Committee are available through the following *link:* Access curriculum vitae / professional biography.

These are profiles with strong knowledge and experience in the energy sector, management and strategy, capital allocation, sustainability (including climate change), and operations and supply chain, as well as advanced skills in audit, finance and risk management, global markets and geopolitics, legal and regulatory, and digitalisation and cybersecurity. The members of the Remuneration Committee cover more than 90% of the skills and abilities of the Board of Directors.

The directors have extensive experience in the management and supervision of companies with an international presence and a large number of professionals in different geographical areas, providing a global strategic vision and proven management skills in complex corporate environments. Their accumulated experience in governance bodies of multinational companies allows them to make a decisive contribution to decision-making, as well as to the strategic implementation of objectives aligned with stakeholders and the creation of value.

In turn, they include entrepreneurs of recognised standing, being pioneers and founders of consumer and engineering companies, as well as a direct descendant of the Company's founders, and who have been linked as shareholders since then.

B.1.1

Process followed to implement the remuneration policy and determine individual remuneration and the role played by the Remuneration Committee, the Board of Directors and any activities of external advisors

The Remuneration Committee met 7 times during 2025, and it devoted special attention to the priorities set out in the Activities Report of the Board of Directors and of the Committees thereof, specifically:

Director and Officer Remuneration Policy

- After the General Shareholders' Meeting, on an annual basis, to thoroughly review the Remuneration Policy to ensure that the principles, content and disclosures are in line with the expectations of its shareholders (retail and institutional) and of proxy advisors, and of analyses using tools based on artificial intelligence and algorithms, as well as with best market and corporate governance practices.
- To analyse the opinion of shareholders (retail and institutional) and proxy advisors in relation to the director and officer remuneration policy.

Annual director and officer reports

- To report on the documents on remuneration, for subsequent approval by the Board of Directors, including the Annual Director and Officer Remuneration Report and the corresponding sections of the Company's Annual Corporate Governance Report.
- To continuously improve the Annual Director and Officer Remuneration Report.

Remuneration and contractual terms and conditions of the chief executive officer

- To submit a proposal for subsequent approval by the Board of Directors on the remuneration of the chief executive officer following his appointment on 24 June 2025, applying the Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024 and after analysing best market and corporate governance practices.

Long-term variable remuneration schemes

- To submit a proposal for subsequent approval by the Board of Directors on the foundational period of the 2020-2022 Strategic Bonus and the individual payment of the third delivery of shares.
- To submit a proposal for subsequent approval by the Board of Directors on the evaluation of the Company's performance with respect to the objectives of Iberdrola S.A.'s 2023-2025 Strategic Bonus and the determination of the level of achievement thereof.

Short-term variable remuneration schemes (annual bonus)

- To submit a proposal for subsequent approval by the Board of Directors on the evaluation of the parameters linked to the annual variable remuneration 2025 of the executive chairman, the chief executive officer and the officers.
- To submit a proposal for subsequent approval by the Board of Directors to determine the parameters linked to the annual variable remuneration 2026 of the executive chairman, the chief executive officer and the executives.

Fixed remuneration

- To submit proposals for the individual remuneration of the directors in their capacity as such, of the executive chairman, of the chief executive officer and of the officers, determined in accordance with the Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024.

Remuneration programmes

- To endeavour to ensure compliance with the Company's remuneration programmes.
- To review the general remuneration programmes for the workforce, assessing the suitability and results thereof.

Approach on share price appreciation

- To analyse, in a context of sustained appreciation of Iberdrola's shares, the impact of such performance on the theoretical value of the long-term variable remuneration plans awarded to the officers, in order to ensure the consistency of the remuneration model with the creation of value for shareholders (pay for performance).
- To review the structure of Iberdrola's long-term incentive plan, consistency with the remuneration principles and practices defined at Iberdrola, the historical results of the long-term incentive plans, and the positioning of the Company in relation to market benchmarks at comparable global companies.

Benchmarking and best market practices

- To review best practices on director and officer remuneration, taking into account the main recommendations of shareholders (retail and institutional) as well as best practices identified at comparable companies. Specifically, in the area of remuneration reporting and information in the annual director remuneration reports.
- To review the trends in remuneration parameters used at comparable companies and global companies, such as the inclusion of indicators aligned with the objectives of the sustainability strategy and review of their alignment with Iberdrola's strategic objectives.
- To review the results of the analyses of the external competitiveness of the directors in their capacity as such, of the executive chairman, and of the chief executive officer, submitted by independent external advisers on remuneration matters in order to determine Iberdrola's remuneration practices. These analyses have particularly considered Iberdrola's global leadership position in the sector in a context of geopolitical tensions and high volatility, and how this has led to a significant increase in the complexity, scope, and demands of leadership responsibilities, with a particular focus on the alignment between such responsibilities and the level of long-term incentives.

In compliance with the good practices and recommendations established in "Technical Guide 1/2019 on Nomination and Remuneration Committees", the Remuneration Committee has received support from independent external advisers. In this regard, the Remuneration Committee has benefited from the information and advice of the internal services of the Company and of external consultants with expertise in this field, taking into account the best recommendations and market practices in the field of remuneration.

In particular, it has benefited from the independent advice of the following specialised firms:

- Deloitte Abogados in relation to the evaluation of the parameters linked to the 2025 annual variable remuneration of the executive chairman and the chief executive officer, and in relation to the evaluation of the parameters linked to Iberdrola S.A.'s 2023-2025 Strategic Bonus.
- EY Abogados in relation to the comparative benchmark analysis of the total remuneration of the directors in their capacity as such, the executive chairman and the chief executive officer with respect to comparable companies. The above analysis was carried out in accordance with the procedure described in Section **A.1.1** of this Report.

Taking into account **Iberdrola's commitment to shareholders** (retail and institutional) and proxy advisors, the Remuneration Committee has continued to work on the action plan in the following areas:

- Analysis of the main concerns expressed by the main shareholders (retail and institutional) and proxy advisors and by analyses using tools based on artificial intelligence and algorithms in connection with the Annual Report on Remuneration of Directors and Officers and, if applicable, the Director and Officer Remuneration Policy of Iberdrola.
- Analysis of voting policies in remuneration matters among Iberdrola's main retail and institutional investors.
- Analysis of remuneration and transparency practices (remuneration policies and reports) of comparable international and domestic companies to identify changing trends in these areas.
- Analysis of the alignment of the Director and Officer Remuneration Policy with the remuneration policy for the Company's professionals and with Iberdrola's Purpose and Values.

B.1.2

Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year

There were no deviations from the established procedure during financial year 2025.

B.1.3

Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year

No temporary exception was applied in financial year 2025.

B.2

Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest

As explained in Section **A.1.2** of this Report, one of the remuneration practices through which the Remuneration Committee applies the principles of the Remuneration Policy is the establishment of a **non-short-termist remuneration system** that maintains a reasonable balance between the different elements that make up the remuneration, reflecting an appropriate assumption of risks that contribute to recruiting, retaining, motivating and developing the best talent.

The measures implemented during financial year 2025 to reduce exposure to excessive risks and to strengthen alignment with the long-term objectives, values and interests of the Company were:

- Iberdrola's Remuneration Committee is composed of three members, 67% of whom are independent directors (two members) and 33% are external directors (one member).
- The Remuneration Committee has been responsible for proposing, reviewing, analysing and implementing the Director and Officer Remuneration Policy.
- The Remuneration Committee has been responsible for proposing to the Board of Directors the system and amount of the remuneration of the directors, as well as the individual remuneration of the officers and the other basic terms and conditions of their contracts, including any potential compensation or severance payment that may be established.
- In relation to short- and long-term variable remuneration, the Policy establishes appropriate mechanisms for the Remuneration Committee to propose to the Board the cancellation (*malus* clause) or reimbursement (clawback clause) of remuneration, in the event of a material restatement of the financial statements that is not due to a change in accounting regulations, situations of fraud or serious non-compliance with the law declared by final court judgment, as well as misconduct, defined as inappropriate or unethical behaviour that may cause damage to the Company's reputation, declared in the following three financial years, by means of a final court judgment.
- In its decision-making process, the Remuneration Committee has taken into account the opinion of independent external advisors, together with the experience and skills present in other committees of the Board of Directors, working proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee, as well as the technical support of the officers, to ensure the effectiveness of the Remuneration Policy through a generalised approach.
- In particular, in consultation with the Audit and Risk Supervision Committee, it has participated in the process of assessing whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola's risks in the design of variable remuneration plans.

- In consultation with the Sustainable Development Committee, it has also participated in the evaluation process on the adequate translation of the Company's sustainability strategy. This evaluation has taken into account Iberdrola's commitment to sustainability in the design of variable remuneration plans.
- During 2025, there has been no guaranteed variable remuneration, and no variable remuneration was received below the minimum achievement threshold, nor was it overpaid above the maximum limit.
- The measures adopted with respect to those categories of personnel whose professional activities have a material impact on the risk profile of the Company (including management personnel and other professionals of the Iberdrola group assigned to divisions or areas that report functionally to the Audit and Risk Supervision Committee or the Sustainable Development Committee, including Internal Audit and Risk and Compliance) and that have been adopted to avoid conflicts of interest:
  - As regards short-term variable remuneration, the senior management of the Iberdrola group assigned to divisions or areas that report hierarchically to the chairman of the Board of Directors of Iberdrola, S.A. and functionally to the Audit and Risk Supervision Committee or divisions or areas linked to the Sustainable Development Committee, including the Internal Audit and Risk and Compliance Committees, in order to ensure the necessary autonomy and independence of these functions, which are part of the second and third lines of defence and reinforce the effectiveness of the Iberdrola group's internal control system, do not participate in annual variable remuneration systems.
  - As regards long-term variable remuneration, the senior management and other professionals of the Iberdrola group assigned to divisions or areas that report hierarchically to the chairman of the Board of Directors of Iberdrola, S.A. and functionally to the Audit and Risk Supervision Committee or divisions or areas linked to the Sustainable Development Committee, including the Internal Audit and Risk and Compliance Committees, may not participate as beneficiaries of the 2023-2025 Strategic Bonus, in order to ensure the necessary autonomy and independence of these functions, which are part of the second and third lines of defence and reinforce the effectiveness of the Iberdrola group's internal control system.

During financial year 2025, for the officers, the specific measures of the Policy that ensure consistency with the long-term strategy, interests and sustainability in achieving the long-term results have been as follows:

- Total officer remuneration has been mainly composed of: (i) fixed remuneration (ii) short-term variable remuneration (annual bonus) and (iii) long-term variable remuneration.
- An appropriate balance is struck between fixed and variable components of remuneration has been established: the officers have a variable remuneration system with risk measures to ensure that no variable remuneration is paid if they do not meet the minimum threshold of achievement.
- In general, for the officers, annual variable remuneration is linked to the achievement of predetermined, specific, quantitative and qualitative strategic objectives that are specific, quantifiable, challenging and clear, aligned with the Purpose and Values, the achievement of the business strategy and the long-term interests and sustainability of the Company, of a financial, operational and sustainability-related nature.
- The pool of objectives to which variable remuneration is linked presented in Section **A.1.2.** has the following characteristics to ensure consistency and traceability of the objectives process:
  - Centralised, coordinated and dynamic management, with homogeneous metrics.
  - Formalisation and unique documentation in the definition, monitoring and evaluation of objectives.
  - Definition of objectives by management levers (financial, operational and sustainability).
  - Follow-up and monitoring of results.

- All these metrics are associated with a scale of achievement that sets a minimum threshold (0%) and a maximum limit (100%) which, if the minimum level of achievement is not reached, means that no variable remuneration will be earned, i.e. in no case is variable remuneration guaranteed. A maximum payment limit that cannot be exceeded is also established. During 2025, there has been no guaranteed variable remuneration, and no variable remuneration was received below the minimum achievement threshold, nor was it overpaid above the maximum limit.
- Long-term incentives are designed as a multi-year plan with deferred delivery of shares linked to the achievement of long-term goals that are submitted *ex ante* to the shareholders for approval at the General Shareholders' Meeting and are intended to encourage commitment to the long-term strategic goals of the Iberdrola group, aligning part of the remuneration with the creation of value and profitability for the shareholder, as well as with the achievement of the Company's strategic goals and the maximisation of its "social dividend".
- These plans have a duration of six years (three for performance evaluation and three for payment) and are granted every three years rather than annually, which ensures that there is no overlap.
- The officers have undertaken not to transfer ownership of shares received (shareholding policy) from any element of variable remuneration for a period of four years unless they hold an equivalent amount of at least twice (200%) their annual fixed remuneration.
- Both short- and long-term variable remuneration is subject to the application of clauses for the cancellation (*malus* clauses) or reimbursement (clawback clauses) of variable remuneration.

B.3

Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company

The remuneration accrued in financial year 2025 fully conforms to the current Director and Officer Remuneration Policy. In this regard:

- **It has been formulated and approved by the competent bodies following the prescribed procedure**; in this respect, the Remuneration Committee, in accordance with the provisions of Article 3 of its Regulations, is responsible for proposing to the Board of Directors the remuneration policies for directors and officers and for regularly reviewing them, proposing, any modification and update thereof to the Board of Directors. The Remuneration Committee submits the proposed Director and Officer Remuneration Policy to the Board of Directors for approval and subsequent submission to the shareholders at the General Shareholders' Meeting, issuing the corresponding specific explanatory report required by Section 529 *novodecies* of the Companies Act.
- **It abides by the principles and structure of remuneration provided for in the Director and Officer Remuneration Policy**, which have been described in Sections **A.1.1** and **A.1.2** of this report.

- **The annual fixed remuneration to be paid to the directors does not exceed the limits established in said Policy.**

The remuneration packages of the executive chairman and of the chief executive officer have the following characteristics, which ensure their consistency with the long-term strategy, interests and sustainability of the Company:

- Total remuneration, as described in Section **A.1.2.** of this Report, is mainly composed of the following elements:
  - Fixed remuneration.
  - Short-term variable remuneration (annual bonus).
  - Long-term variable remuneration via the delivery of shares.
- **The short-term variable remuneration** (annual bonus) of the executive chairman and of the chief executive officer is linked to the group's annual objectives and those specific to the position, aligning dedication and efforts with the business strategy.

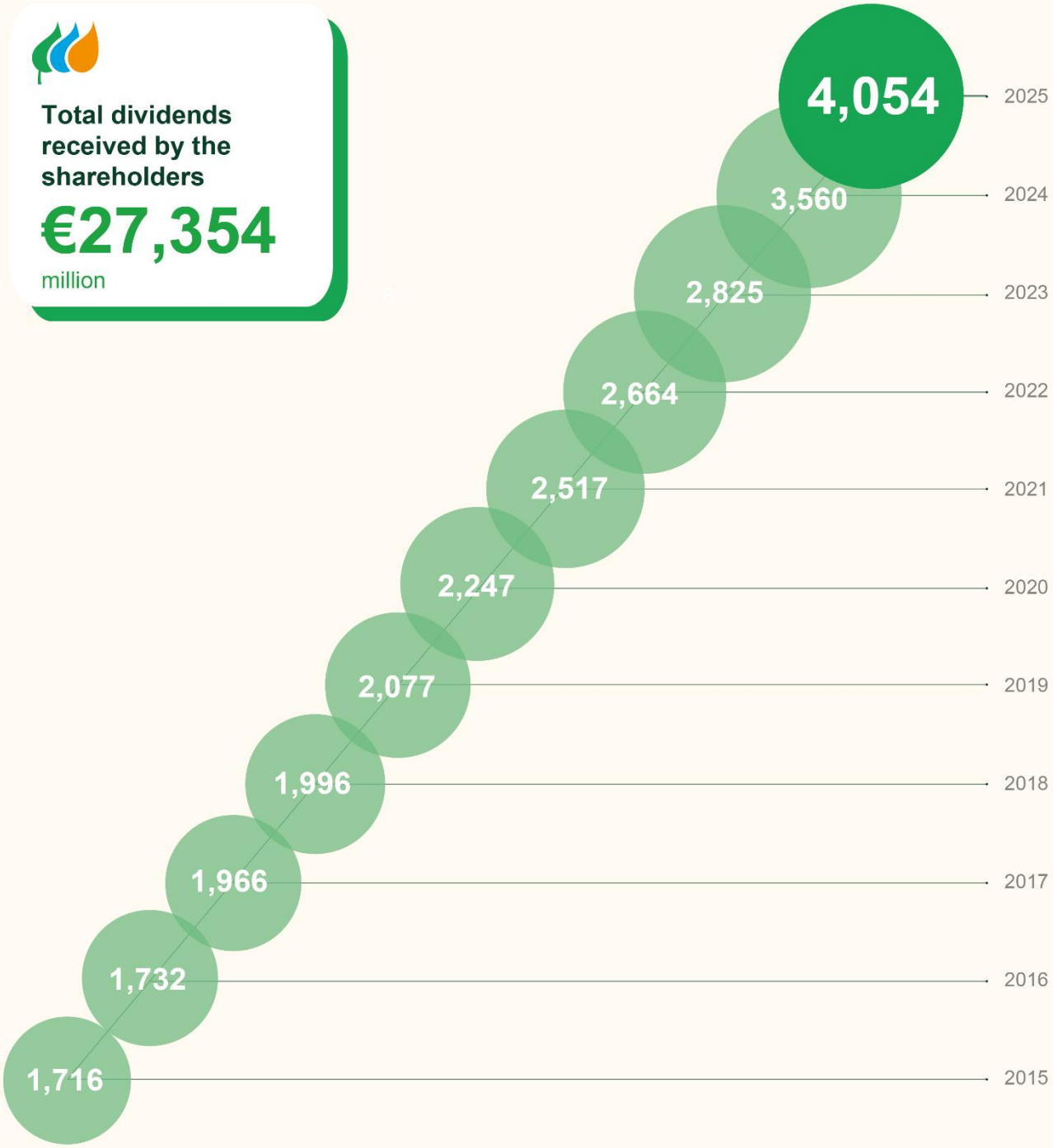
  The 2025 targets of the executive chairman include 3 financial metrics with a weighting of 75% and 3 sustainability metrics with a weighting of 25%. The 2025 targets of the chief executive officer include 2 financial metrics with a weighting of 60%, 4 operational metrics with a weighting of 30% and 2 sustainability metrics with a weighting of 10%. These metrics are predetermined, quantifiable and auditable and are in turn related to Iberdrola's Outlook. A description of the metrics to which variable remuneration is linked can be found in Section **B.7** of this Report.
- **The long-term variable remuneration** of the executive chairman and chief executive officer is intended to foster commitment to the Iberdrola group's business enterprise, aimed at generating predictable and profitable growth, maintaining financial strength and growing dividends, and with a focus on creating long-term value, reaffirming the shareholder remuneration policy in line with results (payout ratio) and increasing the "social dividend".

  Specifically, the parameters to which the multi-year variable remuneration is linked include financial parameters (with a weighting of 70%) and others related to sustainability (with a weighting of 30%), as described in Sections **A.1.6** and **B.7** of this Report.
  - The executive chairman and chief executive officer have undertaken not to transfer ownership of the shares received for a **period of four years** unless an equivalent amount of at least twice (200%) the fixed remuneration is maintained.
  - The executive chairman and chief executive officer have a variable remuneration system that includes a **minimum threshold below which no incentive is paid** and a maximum payout limit that cannot be exceeded.
  - The variable remuneration plans (both short and long term) include risk assessment and sustainability criteria as central pillars of the Company's strategy.

Since year-end 2014, Iberdrola's strategy, which aims to deliver long-term results to all stakeholders, including shareholders, has created value **of approximately €115 billion** as a result of:

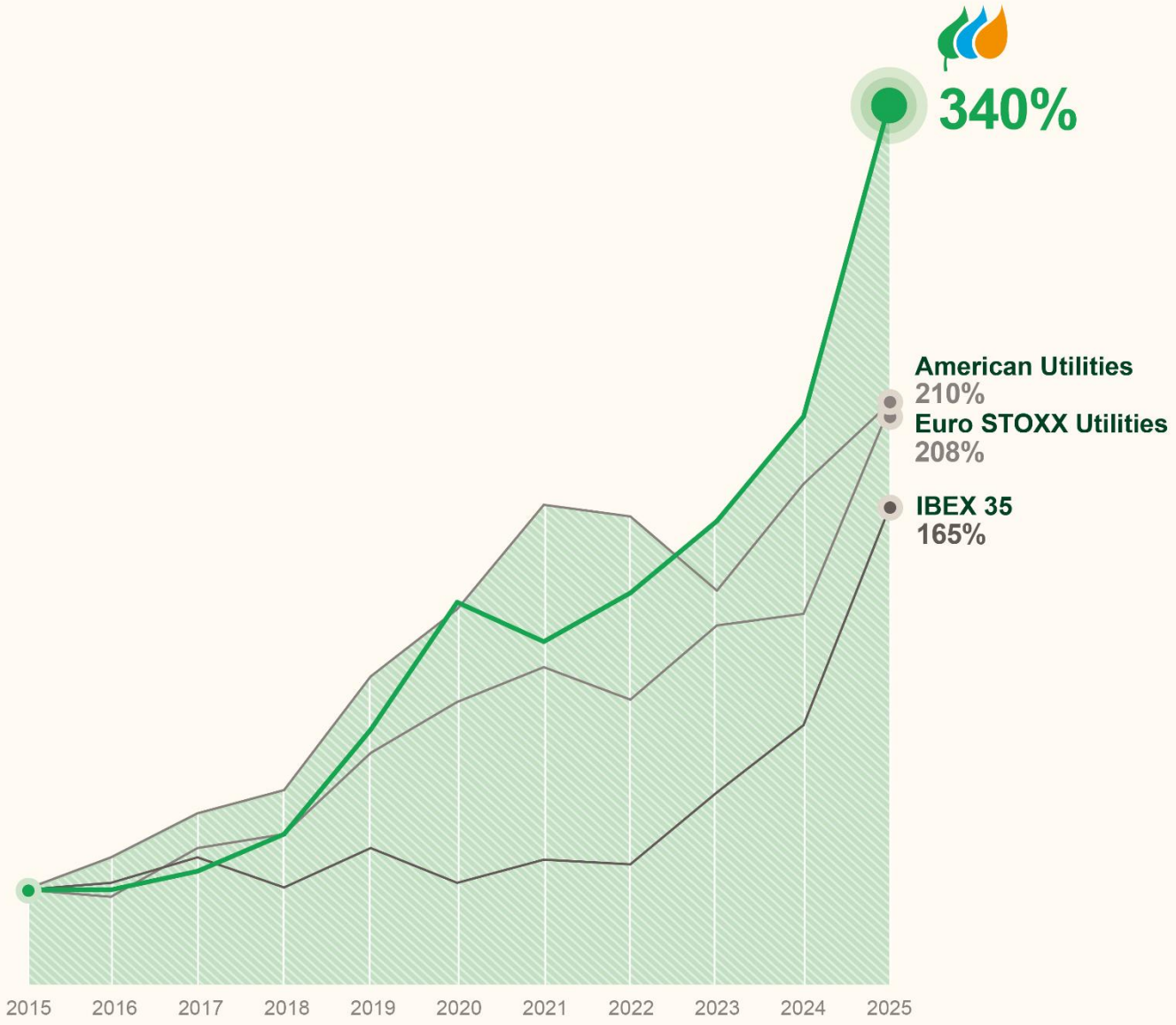
- Iberdrola's capitalisation has increased from **€35,756 million** at year-end 2014 to **€123,369 million** at year-end 2025, which represents an **€87,613 million** increase in the absolute value of the capitalisation.
- Total dividends (including payment in kind) received by shareholders in the period amounted to **€27,354 million:**

The total dividends (including payments in kind) received by shareholders amounted to €27.354 million.

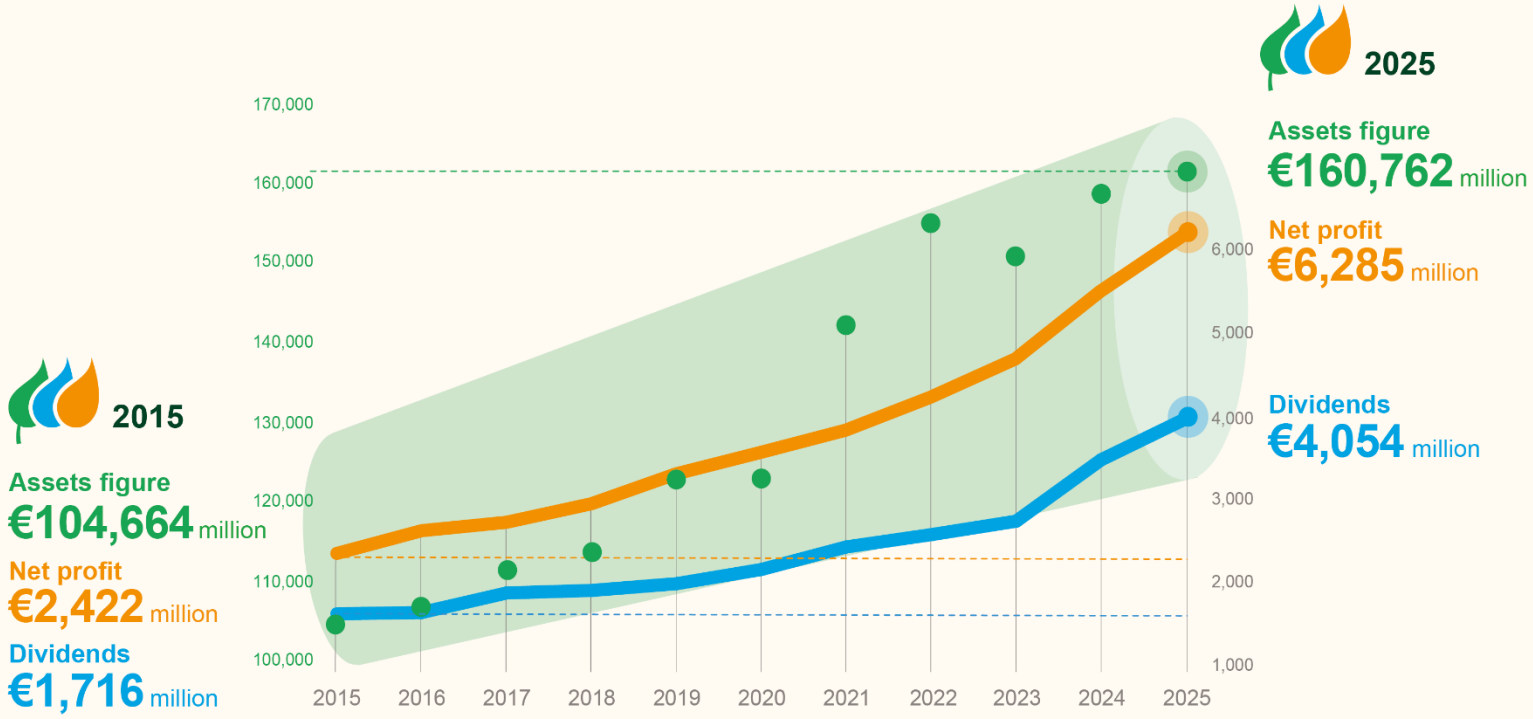


Over the last ten years (2015 to 2025), Iberdrola's total shareholder return has **significantly outperformed the total shareholder return** compared to the average total return of:

- the **top three American utilities** by capitalisation,
- the European sector index **(Euro STOXX Utilities)**,
- the Spanish market index **(IBEX 35).**



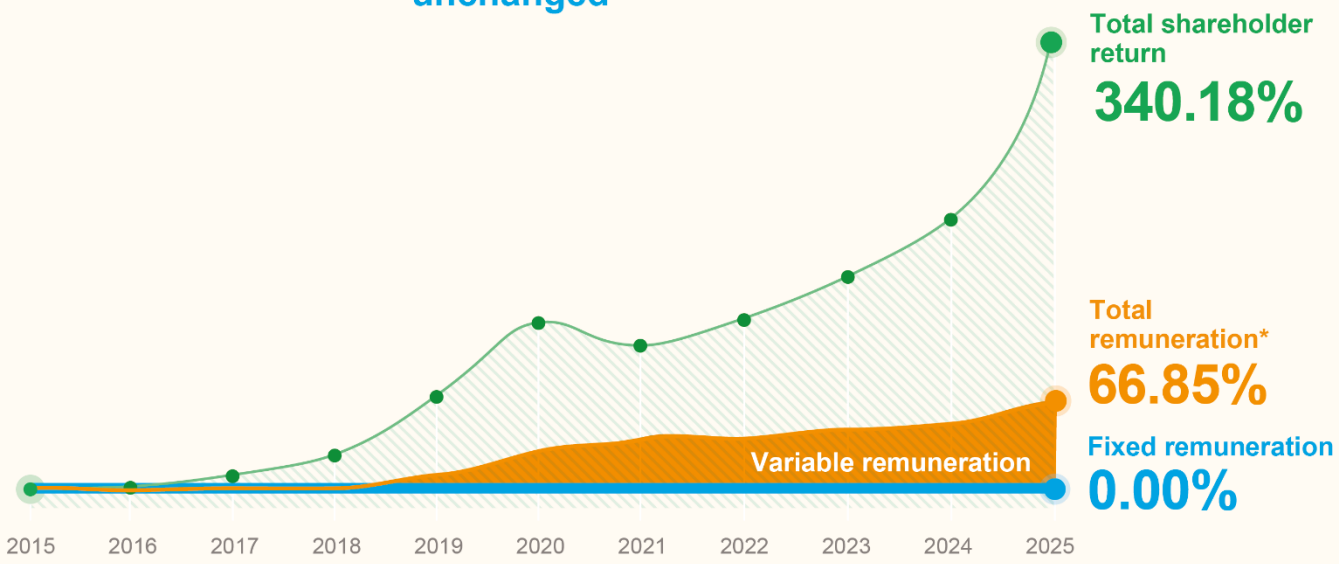
Over the last ten years (2015 to 2025), the performance of Iberdrola's assets, net profits result and total dividends received by the shareholders are aligned with the **long-term, non-volatile (stable and sustainable) growth of the Company.**



Over the last ten years (2015 to 2025), the evolution of the executive chairman's total remuneration, under the "Pay-for-Performance" principle, reflects the achievement of the Company's strategic objectives linked to variable remuneration, which have enabled the creation of value **of approximately €115 billion.**

As regards fixed remuneration, the maximum percentage of annual variable remuneration and the maximum number of shares awarded under long-term variable remuneration plans have remained unchanged.

Fixed remuneration, % maximum annual variable remuneration and maximum number of shares (long-term variable remuneration) **unchanged**



*(with long-term variable remuneration linked to share price). Number of shares unchanged.

Fixed remuneration	Total cash remuneration	0% increase (unchanged)
Short-term variable remuneration	Total cash remuneration	0% increase (unchanged)
Long-term variable remuneration	Total in shares	0% increase in number of shares (unchanged)

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

The evolution of total remuneration is determined by **variable remuneration** based on predetermined **objectives** that are closely **aligned with the strategy** communicated by Iberdrola and which aim to offer long-term results to all stakeholders, including the shareholders.

As in previous years, the Remuneration Committee believes that any increase in remuneration of officers should be the result of the achievement of pre-established and clear strategic objectives as well as share price appreciation as regards long-term variable remuneration. To this end, the Remuneration Committee has analysed the evolution of office remuneration according to different parameters, including the share price in various scenarios, with the advice of an independent external consultant.

B.4.

Result of the consultative vote at the General Shareholders' Meeting on the annual remuneration report for the previous year

The Annual Report on Remuneration of Directors and Officers of Iberdrola for financial year 2024 **was approved with approximately 93.6% of votes in favour at the General Shareholders' Meeting** held in financial year 2025, representing an increase of more than 1 percentage point in favourable votes compared to the previous year. This level of support was obtained with a **quorum of more than 75% at the General Shareholders' Meeting**, which was significant considering that Iberdrola is a full free float company. This high level of participation was motivated by, amongst other things, the "engagement dividend" that promotes active shareholder participation.

The results of the consultative vote of the shareholders on the Annual Report on Remuneration of Directors for financial year 2024 were as follows:

	Number	% of total
Votes cast	4,865,755,376	100%
Votes against	306,438,092	6.30%
Votes in favour	4,487,112,375	92.22%
Blank ballots	1,793,074	0.04%
Abstentions	70,411,835	1.45%

B.5.

Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year

The remuneration of the directors in their capacity as such is determined in the Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024 with 95.64% of votes in favour. Directors in their capacity as such do not receive variable remuneration.

In accordance with the provisions of the aforementioned Policy, the number of meetings granting entitlement to attendance bonuses for the meetings of the Appointments Committee, the Remuneration Committee and the Sustainable Development Committee is limited to seven.

The meetings held in financial year 2025 are described below, with €1,362,000 paid in attendance bonuses:

	Total meetings 2025
Board of Directors	10
Executive Committee	14
Audit and Risk Supervision Committee	14
Appointments Committee	7
Remuneration Committee	7
Sustainable Development Committee	7

In accordance with the Policy approved by the shareholders at the General Shareholders' Meeting and with the current composition of the Board of Directors and its committees, in financial year 2025 the aggregate amount accrued by the directors in their capacity as such amounted to **€7,686 thousand**, which is within the limit of €9,000 thousand explained in Section **A.1.3** of this Report.

Details of the individual remuneration, the fixed components accrued and vested during the year by the directors in their capacity as such, their relative proportion and how they have varied with respect to the previous year, for each of the directors are set out in Section **C.**

As regards the dedication of the directors, during financial year 2025, all directors attended 100% of the meetings of the Board of Directors and of the meetings of the committees (except for one director who did not attend one meeting due to justified absence):

	Board of Directors		Committee	
	Type	% attendance	Position	% attendance
José Ignacio Sánchez Galán	Executive chairman	100%	Executive Committee chair	100%
Pedro Azagra Blázquez	Chief Executive Officer (since 24 June 2025)	100%	Executive Committee member	100%
Íñigo Víctor de Oriol Ibarra	Other External Director	100%	Remuneration Committee member	100%
Manuel Moreu Munaiz	Independent Director	100%	Executive Committee member Remuneration Committee member	100%
Xabier Sagredo Ormaza	Independent Director	100%	Audit and Risk Supervision Committee chair	100%
Juan Manuel González Serna	Independent Director	90%	Executive Committee member Remuneration Committee chair	100% 86%
Anthony Luzzatto Gardner	Independent Director	100%	Executive Committee member Appointments Committee member	100%
Sara de la Rica Goiricelaya	Independent Director	100%	Sustainable Development Committee member	100%
Nicola Mary Brewer	Independent Director	100%	Sustainable Development Committee chair	100%
Regina Helena Jorge Nunes	Independent Director	100%	Audit and Risk Supervision Committee member	100%
Ángel Jesús Acebes Paniagua	Independent Director	100%	Executive Committee member Appointments Committee chair	100%
María Ángeles Alcalá Díaz	Independent Director	100%	Audit and Risk Supervision Committee member	100%
Isabel García Tejerina	Independent Director	100%	Sustainable Development Committee member	100%
Ana Colonques García-Planas	Independent Director	100%	Appointments Committee member	100%
Armando Martínez Martínez	Chief Executive Officer (until 24 June 2025)	100%	Executive Committee member	100%

On the other hand, in relation to the shareholding policy:

	Board of Directors	
	Type	Number of shares of Iberdrola, S.A. as at 31 December 2025
José Ignacio Sánchez Galán	Executive chairman	13,683,946
Pedro Azagra Blázquez	Chief Executive Officer (since 24 June 2025)	82,386
Íñigo Víctor de Oriol Ibarra	Other External Director	1,294,727
Manuel Moreu Munaiz	Independent Director	65,804
Xabier Sagredo Ormaza	Independent Director	45,075
Juan Manuel González Serna	Independent Director	689,795
Anthony Luzzatto Gardner	Independent Director	26,079
Sara de la Rica Goiricelaya	Independent Director	28,658
Nicola Mary Brewer	Independent Director	8,500
Regina Helena Jorge Nunes	Independent Director	9,096
Ángel Jesús Acebes Paniagua	Independent Director	19,827
María Ángeles Alcalá Díaz	Independent Director	14,191
Isabel García Tejerina	Independent Director	73,521
Ana Colonques García-Planas	Independent Director	3,586

B.6.

Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year

Salaries accrued during 2025 by the executive chairman and the chief executive officer are determined in accordance with the Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 June 2024.

The Remuneration Committee proposed to the Board of Directors that the fixed remuneration of the executive chairman for financial year 2025 be maintained at €2,250 thousand, which proposal was approved by the Board of Directors. **This amount does not represent an increase compared to the previous financial year. Along these lines, the fixed remuneration of the executive chairman has remained unchanged since 2008.**

In the case of the chief executive officer, following his appointment on 24 June 2025, the Remuneration Committee proposed to the Board of Directors that his fixed remuneration of €1,000,000 be maintained, applying the director and officer remuneration policy and maintaining the fixed remuneration unchanged since the separation of the position on 25 October 2022.

B.7.

Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual or deferment of payment applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Pursuant to the Remuneration Policy, the only directors who are entitled to variable remuneration are the executive chairman and the chief executive officer. Said remuneration consists of an annual variable component that is received in cash and a long-term variable component that is received in shares of Iberdrola.

Determination of performance objectives for variable remuneration

The Remuneration Committee endeavours to ensure that the Board of Directors is in a position to approve in advance the application, objectives, standards and metrics of the various items of remuneration established for the current financial year in accordance with the Policy approved by the shareholders at the General Shareholders' Meeting.

The Remuneration Committee ensures that the Board of Directors is in a position to assess the achievement of the objectives, standards and metrics established in the previous year that determine the variable remuneration earned by officers in that year sufficiently in advance. And, if applicable, for short- and long-term variable remuneration, proposes to the Board the cancellation or reimbursement of remuneration that has been paid to the respective beneficiaries.

The Remuneration Committee regularly evaluates the establishment of the objectives, criteria and metrics linked to variable remuneration to ensure that they are aligned with Iberdrola's long-term strategy and sustainability.

Short-term variable remuneration (annual bonus)

The annual variable remuneration incentivises and rewards performance in connection with a number of annual financial and non-financial objectives relating to sustainability, which are consistent with the Company's strategy.

The annual variable remuneration targets subsequently presented for both the executive chairman and the chief executive officer were approved by the Board of Directors, upon a proposal of the Remuneration Committee, at its meeting of 25 February 2025.

2025 Metrics

Executive chairman
2025 Metrics

Financial objectives

	Weighting	Result	Level of achievement
Increase net profit (€ millions)	30%	24 Close + 11.99% €6,285 million 24 close+high 24 close+mid	100% Min. Max.
Increase shareholder remuneration in line with the increase in net profit	22.5%	No Yes	100% Min. Max.
Maintain financial strength	22.5%	No Yes	100% Min. Max.

Sustainability objectives

	Weighting	Result	Level of achievement
Occupational health and safety	10%	0% 93.20%	93.20% Min. Max.
Sustainable business strategy and presence on international indices	7.5%	0% 100%	100% Min. Max.
Cybersecurity	7.5%	0% 99.828%	99.828% Min. Max.

Total weighted achievement level

99.31%

Financial objectives - specific weight of 75%:

- **Increasing net profit** (weight of 30%).

Net profit was €6,285 million (+11.99% year-on-year) driven by the early implementation of the Company's strategic plan. The acceleration of the anticipated trends in the group's strategy, the implementation of the plan ahead of schedule, an improved business profile and improving market fundamentals in 2025 drive a structural improvement in the future outlook.

The level of achievement is assessed at 100%.

- **Increase shareholder remuneration in line with the increase in net profit** (weight of 22.5%).

In 2025, the shareholder remuneration paid with a charge to financial year 2024 was €0.640 per share (without considering the engagement dividend of €0.005 per share linked to the General Shareholders' Meeting). This amount represents an 15.73% increase over the €0.553 per share paid in financial year 2024 and is in line with the 16.84% improvement in net profit in financial year 2024 compared to 2023. This fulfils one of the pillars of the shareholder remuneration strategy, which links the increase in shareholder remuneration to the increase in results. Furthermore, the amount of €0.640 paid in 2025 is one year ahead of the minimum target of €0.55 for shareholder remuneration set for 2025. Furthermore, the dividend paid in 2025 represents a shareholder return of 4.8%, which compares favourably with the 2.9% inflation rate in Spain in the same period. If we add to this 4.8% a share appreciation of 38.9% in financial year 2025, the total shareholder return for financial year 2025 is 43.7%.

The level of achievement is assessed at 100%.

- **Maintenance of financial strength** (weight of 22.5%).

In 2025, Iberdrola remained committed to strong investment grade ratings that reflect financial strength as one of its strategic pillars. The long-term ratings of three agencies, S&P at BBB+, Moody's at Baa1 and Fitch at BBB+, were maintained during 2025.

The level of achievement is assessed at 100%.

Sustainability targets – specific weight of 25%:

- **Occupational health and safety** (weight of 10%).

The Board of Directors, recognising the importance of occupational safety, health and well-being for the Company in 2025, has taken the necessary actions with continuous monitoring systems to provide safe and healthy conditions for the prevention of injuries and the promotion of work-related physical, social, mental and emotional health "0 Accidents Policy", appropriate to the purpose, size and context of each organisation and to the specific nature of the risks both at the Company and at the other companies within the group, as well as in their spheres of influence.

The occupational health and safety management systems in force at the Company are designed to cover professionals, ensuring that all personnel are governed by the same standards, processes and principles of continuous improvement. Iberdrola also has global certifications that confirm that the processes, policies and practices comply with international standards and demonstrate a real commitment to the protection and comprehensive development of professionals. The percentage of employees covered by a management system subject to third-party audit or certification, such as ISO 45001 certification, rose to 84% in 2025.

During 2025, specific programmes were developed in the different businesses to strengthen risk identification, improve communication and raise occupational health and safety standards. These initiatives, reinforced following fatalities, have made it possible to drive more demanding preventive controls and establish strict

compliance requirements for contractors and the supply chain. All this favours integration into the corporate preventive culture and improves risk management in a global environment characterised by different levels of traceability.

Even though this episode is isolated and not structural, the level of achievement is assessed at 93.2%.

- **Sustainable business strategy and presence on international indices** (weight of 7.5%).

  The Board of Directors approved an annual update of the sustainability strategy on an integrated basis with the financial outlook. This strategy includes an analysis of material aspects and a specification of published medium- and long-term objectives and metrics. Iberdrola maintains its presence on the world's leading sustainability indices (DJSI, FTSE4Good, 2025 World's Most Ethical Companies). Iberdrola also continues to form part of numerous indices of sustainable companies: ISS ESG (Prime), MSCI Global Sustainability Index (AAA), CDP (A list), Sustainalitys (20), Equileap, etc.

  The level of achievement is assessed at 100%.

- **Cybersecurity** (weight of 7.5%).

  On the one hand, this corresponds to the **absence of cybersecurity incidents with a significant impact**, which takes into account the dimensions of the impact (financial, regulatory/legal, operational, safety and well-being of people, environmental, reputational, information privacy and Group purpose and values (other impacts) and the impact levels.

  On the other hand, it corresponds to the **fulfilment of cybersecurity action plans**, driving a progressive and structured improvement of the Group's capabilities in prevention, detection, response and recovery.

  Cybersecurity is based on a corporate strategic framework that integrates the Group's comprehensive security vision with a specific Strategic Cybersecurity Programme aimed at defining objectives and a roadmap consistent with the business strategy and sector trends. This framework is built on the basis of a continuous analysis of the external context - including technological development, threat outlook, geopolitical factors and energy sector dynamics - and the internal context, considering operational reality, critical assets and level of exposure. It also incorporates the assessment of current capacities of the businesses and areas, identified risks, and regulatory and compliance obligations, making it possible to define priority strategic lines and guide the evolution of the model in a homogeneous and sustainable manner.

  Based on these lines, cybersecurity plans are created and deployed in the businesses and corporate areas, aligned with the corporate framework and targeted at specific initiatives, prioritised and traceable to the strategic objectives. To ensure their correct implementation, the appropriate means and resources are identified and made available, in terms of both specialised capabilities and organisational tools and support, encouraging a coordinated implementation with a transversal scope throughout the Group.

  In 2025, in addition to the specific cybersecurity plans, specific lines were incorporated into the objectives to ensure the consistent deployment of this strategic framework, notably including the following:

  - Implementation of the Advanced Cybersecurity Risk Analysis Model in the Group, aimed at identifying and mitigating cybersecurity risks in the Group's most significant assets.
  - Global-level definition of a new Third Party Cybersecurity Risk Management Model, incorporating all stages of the supplier relationship lifecycle.
  - Global deployment of a new cybersecurity event monitoring and correlation platform, which develops global-level incident detection, correlation and response capabilities.
  - Global deployment of a new advanced training and security awareness solution, based on progressive learning and content adjusted to the level of each group, which facilitates the detection of risk patterns and the focusing of reinforcement actions.

In addition, there was continued progress in adhering to the ISO 27001 certification scheme. Notably, the processes supporting globally provided cybersecurity services including governance, risk management and cybersecurity operations were certified during 2025.

The level of achievement is assessed at 99.8%.

The **total weighted level of achievement** with the parameters to which the annual variable remuneration 2025 of the **executive chairman** is linked is **99.31%.**

Chief executive officer

2025 Metrics

Financial objectives

60%

	Weighting	Result	Level of achievement
Increase net profit (€ millions)	30%	24 close + 11.99% €6,285 million 24 close+high 24 close+mid	100% Min. Max.
Maintain financial strength	30%	No Yes	100% Min. Max.

Operational objectives

30%

	Weighting	Result	Level of achievement
Network assets	10%	> €50,000 million < €50,000 million > €50,000 million	100% Min. Max.
Efficiency in operations	5%	0 % 100%	100% Min. Max.
Regulatory aspects	10%	0 % 74.76%	74.76% Min. Max.
Customers	5%	0 % 64.57%	64.57% Min. Max.

Sustainability objectives

10%

	Weighting	Result	Level of achievement
Occupational health and safety	5%	0 % 93.20%	93.20% Min. Max.
Cybersecurity	5%	0 % 99.828%	99.828% Min. Max.

Total weighted achievement level

95.33%

Financial objectives - specific weight of 60%:

- **Increasing net profit** (weight of 30%).

Net profit was €6,285 million (+11.99% year-on-year) driven by the early implementation of the Company's strategic plan. The acceleration of the anticipated trends in the group's strategy, the implementation of the plan ahead of schedule, an improved business profile and improving market fundamentals in 2025 drive a structural improvement in the future outlook.

The level of achievement is assessed at 100%.

- **Maintenance of financial strength** (weight of 30%).

In 2025, Iberdrola remained committed to strong investment grade ratings that reflect financial strength as one of its strategic pillars. The long-term ratings of three agencies, S&P at BBB+, Moody's at Baa1 and Fitch at BBB+, were maintained during 2025.

The level of achievement is assessed at 100%.

Operational objectives - specific weight of 30%:

- **Network assets** (weight of 10%)

The value of the group's network asset base in 2025 was €50,721 million, which represents growth of more than €5,200 million compared to the figure at year-end 2024.

The level of achievement is assessed at 100%.

- **Efficiency in operations** (weight of 5%)

In 2025, there was an improvement in the monitoring of net operating expenditure in correlation with the gross margin, with respect to the 2024 target, which had a positive impact in terms of achieving the appropriate levels of cash generation to maintain a strong financial position, as well as achieving the net profit target, the growth of which is in turn linked to the commitment to shareholder remuneration.

Of note are the project to integrate ENW into Scottish Power with the achievement of the planned synergies, the supply chain management strategy that makes strategic equipment available at predictable and competitive prices due to economies of scale, automation and resiliency projects for smart grids, and the implementation of repowering and hybridisation projects.

The level of achievement is assessed at 100%.

- **Regulatory aspects** (weight of 10%)

The regulation of the countries in which Iberdrola does business is a key and fundamental element for preserving the stability of adequate returns on investment over the long term.

Positive results were achieved during 2025 that contributed to securing these returns: In the United Kingdom, the approval of the UK regulator was secured for the GBP 12,100 million transmission business plan for the 2026-2031 period, in Brazil the Neoenergia Pernambuco concession was renewed for 30 years and approval is expected for the renewals of the remaining concessions in early 2026, and in the United States the investment plans for the states of New York and Maine were submitted to the regulators. Finally, in Spain, the distribution network remuneration rate and methodology were approved for the forthcoming 2026-2031 regulatory period, all of which will make it possible to achieve the targets established in the 2026-2028 Transformational Plan.

The level of achievement is assessed at 74.76%.

- **Customers** (weight of 5%)

In an environment of growing competition in the electricity market, Iberdrola has remained the leader in the Spanish market and one of the major retail suppliers in the United Kingdom market thanks to its commitment to loyalty-building and offering valuable products, achieving a high level of brand awareness and recognition in both markets through its marketing strategy, although there has been a small reduction in market share in the liberalised market.

The level of achievement is assessed at 64.57%.

Sustainability targets – specific weight of 10%:

- **Occupational health and safety** (weight of 5%).

The Board of Directors, recognising the importance of occupational safety, health and well-being for the Company in 2024, has taken the necessary actions with continuous monitoring systems to provide safe and healthy conditions for the prevention of injuries and the promotion of work-related physical, social, mental and emotional health "0 Accidents Policy", appropriate to the purpose, size and context of each organisation and to the specific nature of the risks both at the Company and at the other companies within the group, as well as in their spheres of influence.

The occupational health and safety management systems in force at the Company are designed to cover professionals, ensuring that all personnel are governed by the same standards, processes and principles of continuous improvement. Iberdrola also has global certifications that confirm that the processes, policies and practices comply with international standards and demonstrate a real commitment to the protection and comprehensive development of professionals. The percentage of employees covered by a management system subject to third-party audit or certification, such as ISO 45001 certification, rose to 84% in 2025.

During 2025, specific programmes were developed in the different businesses to strengthen risk identification, improve communication and raise occupational health and safety standards. These initiatives, reinforced following fatalities, have made it possible to drive more demanding preventive controls and establish strict compliance requirements for contractors and the supply chain. All this favours integration into the corporate preventive culture and improves risk management in a global environment characterised by different levels of traceability.

Even though this episode is isolated and not structural, the level of achievement is assessed at 93.2%.

- **Cybersecurity** (weight of 5%)

On the one hand, this corresponds to the **absence of cybersecurity incidents with a significant impact**, which takes into account the dimensions of the impact (financial, regulatory/legal, operational, safety and well-being of people, environmental, reputational, information privacy and Group purpose and values (other impacts) and the impact levels.

On the other hand, it corresponds to the **fulfilment of cybersecurity action plans**, driving a progressive and structured improvement of the Group's capabilities in prevention, detection, response and recovery.

Cybersecurity is based on a corporate strategic framework that integrates the Group's comprehensive security vision with a specific Strategic Cybersecurity Programme aimed at defining objectives and a roadmap consistent with the business strategy and sector trends. This framework is built on the basis of a continuous analysis of the external context - including technological development, threat outlook, geopolitical factors and energy sector dynamics - and the internal context, considering operational reality, critical assets and level of exposure. It also incorporates the assessment of current capacities of the businesses and areas, identified risks, and regulatory and compliance obligations, making it possible to define priority strategic lines and guide the evolution of the model in a homogeneous and sustainable manner.

Based on these lines, cybersecurity plans are created and deployed in the businesses and corporate areas, aligned with the corporate framework and targeted at specific initiatives, prioritised and traceable to the strategic objectives. To ensure their correct implementation, the appropriate means and resources are identified and made available, in terms of both specialised capabilities and organisational tools and support, encouraging a coordinated implementation with a transversal scope throughout the Group.

In 2025, in addition to the specific cybersecurity plans, specific lines were incorporated into the objectives to ensure the consistent deployment of this strategic framework, notably including the following:

- Implementation of the Advanced Cybersecurity Risk Analysis Model in the Group, aimed at identifying and mitigating cybersecurity risks in the Group's most significant assets.
- Global-level definition of a new Third Party Cybersecurity Risk Management Model, incorporating all stages of the supplier relationship lifecycle.
- Global deployment of a new cybersecurity event monitoring and correlation platform, which develops global-level incident detection, correlation and response capabilities.
- Global deployment of a new advanced training and security awareness solution, based on progressive learning and content adjusted to the level of each group, which facilitates the detection of risk patterns and the focusing of reinforcement actions.

In addition, there was continued progress in adhering to the ISO 27001 certification scheme. Notably, the processes supporting globally provided cybersecurity services including governance, risk management and cybersecurity operations were certified during 2025.

The level of achievement is assessed at 99.8%.

The **total weighted achievement level** is **95.33%** for the parameters to which the **chief executive officer's** annual variable remuneration for 2025 is linked.

Other officers

The metrics linked to annual variable remuneration of the officers follow the same pattern, rewarding performance in connection with a number of annual financial and non-financial objectives, which are consistent with the Company's strategy.

2025 Amount

Executive chairman	
% achievement	99.31%
Maximum annual variable remuneration	€3,250,000
2025 Annual variable remuneration amount	€3,227,575

Chief executive officer	
% achievement	95.33%
Maximum annual variable remuneration (*)	€750,000
2025 annual variable remuneration (*)	€714,975

(*) On 24 June 2025, Mr Pedro Azagra Blázquez was appointed as a director of the Company, with the classification of executive director, as well as chief executive officer.

The Board of Directors, at its meeting held on 24 February 2026, upon a proposal from the Remuneration Committee, and with the advice of Deloitte Abogados, evaluated the level of achievement of the 2025 metrics for both the executive chairman and the chief executive officer. No margin of discretion has been applied by the Board of Directors.

Long-term variable remuneration

Long-term incentive plans seek to incentivise the creation of long-term value, aligning the interests of the directors and shareholders through the granting of shares.

Plans in effect: 2023-2025 Strategic Bonus (in payment period)

The shareholders acting at the General Shareholders' Meeting held on 28 April 2023, with 92% of votes in favour, approved the 2023-2025 Strategic Bonus, which has a duration of six years, with the period covering financial years 2023 to 2025 being the period for evaluation of the performance level in relation to the parameters to which the 2023-2025 Strategic Bonus is linked, and the period covering financial years 2026 to 2028 being the period for payment thereof, which will be made through the deferred delivery of shares over those three years.

The measurement of the targets for the 2023-2025 Strategic Bonus ended on 31 December 2025.

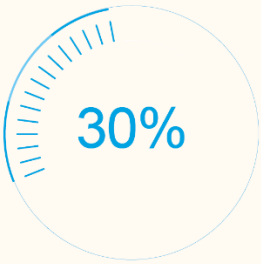
At its meeting on 24 February 2026, the Board of Directors, upon a proposal of the Remuneration Committee and with the advice of Deloitte Abogados, evaluated the performance level in relation to the following financial, operational and sustainability parameters, which present an ambitious and challenging scenario for a company that is not satisfied with maintaining its profitable growth and financially strong position but also seeks to continue strengthening its leadership within the electricity sector, in a context of transformation towards a more regulated model, with electricity networks as a major growth vector and consolidation in key markets, reaffirming its firm commitment to sustainability:

2023-2025 Strategic Bonus

Financial objectives

	Weighting	Result	Level of achievement
Increase consolidated net profit at year-end 2025 (€ millions)	30%	€6,258 million (< 5,000; ≥ 5,400)	100% (Min. – Max.)
Total Shareholder Return compared to the Euro STOXX Utilities index	20%	Index +21.66 p.p. (Index ~ 5 p.p.; Index ≥+5 p.p.)	100% (Min. – Max.)
Maintenance of the Company's financial strength as measured by the long-term credit ratings at year-end 2025	15%	No / Yes ✓	100% (Min. – Max.)
Sustainable financing, measured as the percentage that new sustainable financing issued between 2023 and 2025 represents of the total new financing issued during the period	5%	94.30% (< 80%; ≥ 80%)	100% (Min. – Max.)

Sustainability objectives



	Weighting	Result	Level of achievement
Intensity of specific CO_2 emissions by year-end 2025	10%	60 g CO_2/kWh (> 88 g CO_2/kWh; ≤ 70 g CO_2/kWh)	100% (Min. – Max.)
Number of suppliers subject to sustainable development policies and standards by year-end 2025	10%	92% (< 80%; ≥ 85%)	100% (Min. – Max.)
Equal opportunities	10%	No / Yes ✓	100% (Min. – Max.)

Total weighted achievement level

100%

Financial objectives – specific weight of 70%:

- **Increasing consolidated net profit at year-end 2025** (weight of 30%).

Exceed the current Outlook. A target of consolidated net profit of €5,400 million is established for the Iberdrola Group in 2025, representing an increase of approximately 25% over the Iberdrola Group's record consolidated net profit achieved in 2022. This parameter will be deemed not to have been met if the consolidated net profit for financial year 2025 does not reach the previous record of €5,000 million, despite the difficult macroeconomic context and geopolitical instability.

Net profit at year-end 2025 was €6,285 million, representing an increase of approximately 45% over the Iberdrola group's consolidated net profit achieved in financial year 2022, driven by the accelerated implementation of the Company's strategic plan. The acceleration of the anticipated trends in the group's strategy, the implementation of the plan ahead of schedule, an improved business profile and improving market fundamentals in 2025 drive a structural improvement in the future outlook.

On a like-for-like basis, taking into account the following transactions—capital increase, sale of Mexico, acquisition of AVANGRID minority interests, acquisition of ENW and acquisition of Neoenergia minority interests (PREVI)—the consolidated net profit significantly exceeds the level required for full achievement of the target.

The level of achievement is assessed at 100%.

- **Total Shareholder Return compared to the EuroStoxx Utilities index** (weight of 20%).

Increase total shareholder return of the Company during the 2023-2025 period compared to total shareholder return for the Euro STOXX Utilities Index.

The objective is to once again outperform the Euro STOXX Utilities Index by at least 5 percentage points over the 2023-2025 period, an ambitious target considering the geographic diversification of the businesses of the Iberdrola Group's companies. As not all participants in this Index are exposed to the same volatility in share prices, given the limited exposure of companies like Iberdrola to different economic regions, the Remuneration Committee has deemed it necessary to take this volatility into account when defining this metric.

It shall be deemed that this parameter is not met if the Company's total shareholder return is at least 5 percentage points less than the return for the Euro STOXX Utilities Index.

In the period from the start of financial year 2023 to the end of 2025, Iberdrola's total shareholder return as a result of share appreciation and the dividend obtained amounts to 84.53%.

For reference purposes, the total shareholder return associated with the Euro STOXX Utilities index for the same period is 62.87%.

In conclusion, the return obtained by Iberdrola's shareholders is 21.66 percentage points higher than that obtained by the benchmark index, hence exceeding the threshold associated with 100% achievement of the indicator (index +5 p.p.).

It should be taken into account that in the two preceding multi-year variable remuneration plans, i.e., the 2017-2019 Strategic Bonus and the 2020-2022 Strategic Bonus, the return obtained by Iberdrola's shareholders in both cases exceeded the return obtained by the Euro STOXX Utilities index by 5 percentage points (index +5.35 p.p. and index +18.92 p.p., respectively), thereby achieving the objective in full.

TSR performance			
	2017-2019 (*)	2020-2022 (*)	2023-2025 (*)
Iberdrola	64%	32.85%	84.53%
Euro STOXX Utilities	59.40%	13.94%	62.87%
Result	**Index +5.35 p.p.**	**Index +18.92 p.p.**	**Index +21.66 p.p.**

(*) Data without reinvestment of dividend

- **Maintenance of the Company's financial strength as measured by the long-term credit ratings at year-end 2025** (weight of 15%).

Maintain financial strength as measured by the Company's long-term credit rating. The objective is to maintain the following long-term credit ratings for the Company by the end of financial year 2025 according to at least two of the three rating agencies: BBB+ according to Standard & Poor's, Baa1 according to Moody's and BBB+ according to Fitch Ratings. This parameter shall be deemed to have not been met if the Company's long-term credit rating according to at least two of the three rating agencies is below BBB+ according to Standard & Poor's, Baa1 according to Moody's or BBB+ according to Fitch Ratings.

Iberdrola has remained committed to strong investment grade ratings that reflect financial strength as one of its strategic pillars. The long-term ratings of two agencies, S&P and Fitch at BBB+ and Moody's at Baa1, were maintained at year-end 2025.

The level of achievement is assessed at 100%.

- **Sustainable financing, measured as the percentage that new sustainable financing issued between 2023 and 2025 represents of the total new financing issued during the period** (weight of 5%).

Increase sustainable financing, understood as all financial instruments (loans, credit facilities, bonds, notes, etc.) issued in accordance with the green financing frameworks of the Company or its subsidiaries or linked to sustainability goals.

The target is established for new sustainable financing issued by the Iberdrola Group between 2023 and 2025 to represent at least 80% of the total new financing issued by the Iberdrola Group during this period. This parameter will be deemed not to have been met if the new sustainable financing issued by the Iberdrola Group between 2023 and 2025 represents less than 80% of the total new financing issued by the Iberdrola Group during this period.

During the 2023-2025 period, the percentage of new sustainable financing issued was 94.3% of the total new financing issued during the period.

The level of achievement is assessed at 100%.

Sustainability targets – specific weight of 30%:

- **Intensity of specific CO_2 emissions by year-end 2025** (weight of 10%).

Reduction of the Iberdrola group's specific CO_2 emissions intensity, as a benchmark linked to affordable, clean energy and climate action. This parameter will be deemed to have been met if, considering a normal rainfall period, a level of 70 g CO2/kWh or less is achieved in the intensity of own CO2 emissions in 2025. This goal represents a demanding 27% reduction compared to the Iberdrola Group's 2021 specific CO2 emissions intensity and an even greater reduction compared to the 200 g CO2/kWh of the average 2021

specific CO2 emissions intensity of all the electricity companies on the Euro STOXX Utilities Index. This parameter will be deemed not to have been met if the specific CO2 emissions intensity in 2025 exceeds 88 grCO2/kWh.

The CO2 emissions intensity at year-end 2025 was 60 g CO_2/kWh, which represents a reduction of approximately 35% compared to the specific CO2 emissions intensity of the Iberdrola group in 2021. As such, the average emissions intensity at year-end 2025 was less than 70 g CO_2/kWh, exceeding the threshold associated with 100% achievement of the target.

The level of achievement is assessed at 100%.

- **Number of suppliers subject to sustainable development policies and standards by year-end 2025** (weight of 10%).

Increase the number of suppliers subject to sustainable development policies and standards, such as having: (i) a human rights strategy; (ii) a code of conduct for suppliers; (iii) health and safety standards; and (iv) a comprehensive environmental sustainability strategy, including water, energy and biodiversity strategies. The goal is to ensure that by 2025, at least 85% of the Iberdrola Group's main suppliers (those billing the Iberdrola Group more than one million euros) are subject to these policies, which represents an increase of 6.25% compared to year-end 2022.

This parameter will be deemed not to have been met at year-end 2025 if the percentage is less than 80% (corresponding to the percentage of sustainable main suppliers of the Iberdrola Group at year-end 2022).

The goal of promoting good sustainability practices in the supply chain is closely aligned with Iberdrola's strategy. As a global leader, Iberdrola should work with suppliers of equipment, works and services that share these values and sustainable practices. Iberdrola's strategy is based on a demanding investment plan that requires a supply chain that not only guarantees the availability of equipment and the means required for the development thereof, but also complies with demanding levels of sustainability consistent with those of the Company.

Iberdrola must have a secure supply chain that can cope with disruptions caused by environmental or health catastrophes or geopolitical conflicts. The objective of sustainability traction for suppliers aims to enable many of them to upgrade their business practices, putting them in a better position to work with the most demanding customers and to qualify for differentiating features such as green financing. Monitoring suppliers on sustainability will enable Iberdrola to reduce risks and exposure to potential reputational impacts arising from the supply chain.

At financial year-end 2025, 92% of suppliers were subject to sustainable development policies and standards.

The level of achievement is assessed at 100%.

- **Equal opportunities** (weight of 10%).

Respect for equal opportunities and non-discrimination and the interests of professionals form part of Iberdrola's strategy. To this end, it promotes an organisational culture and management processes that allow its professionals to contribute their skills, abilities, knowledge and experience, regardless of any personal or social conditions or circumstances, as well as the principle of equal pay for work of equal value in the establishment of working conditions.

The current collective bargaining agreements at the companies of the group guarantee equal starting salaries and progression based on skills and competencies.

Iberdrola has obtained the second level of EDGE certification (EDGE Move), reflecting its commitment to equal opportunities, as well as the adoption of specific measures to transform that commitment into account.

Notably, fair practices have been sustainably integrated into the organisation and are a key strategic area for its future success.

Through the implementation of a specific action plan, Iberdrola has made progress in creating an effective framework of policies and practices to ensure the equitable progression of its professionals, specifically through the implementation of policies and practices to ensure equitable remuneration within the organisation.

In addition, Iberdrola obtained the Top Employer Enterprise certification for the second consecutive year in 2025, consolidating it as the only global energy company with this seal. The distinction, awarded by the Top Employers Institute, recognises the Group's excellence in people management and its commitment to talent development in the countries where it operates, based on a rigorous and exhaustive evaluation process.

The level of achievement is assessed at 100%.

Further information is provided in the statement of non-financial information in relation to sustainability objectives. Iberdrola Sustainability Report.

The **total weighted achievement level** is **100%** for the parameters to which the **2023-2025 Strategic Bonus** is linked.

In view of the above, upon a proposal of the Remuneration Committee, on 24 February 2026 the Board of Directors resolved to allocate 100% of the established number of shares to the executive chairman and the chief executive officer in its grant, with the first of the three deliveries in equal parts taking place.

B.8.

Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

During financial year 2025 there has been no reduction in, nor any demand for return of, any variable component of the remuneration of the executive chairman or of the chief executive officer, nor have any amounts been reduced or returned due to the application of the clawback clause.

B.9.

Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The officers, whether or not directors, may be insured under a long-term savings scheme, implemented through an insurance policy that provides coverage for the supplementary social security contributions regime.

This is a defined contribution plan applicable for retirement, death and disability, meaning that the officers will have the financial rights acquired at the normal retirement age, and the grounds for any early termination of the contractual relationship will determine the rights thereof.

Since 2011, for new contracts signed with officers, retirement pay has been up to two times annual remuneration.

Currently, the executive chairman is not a participant in any long-term savings system, and the chief executive officer is insured under the group life insurance policy, with a commitment made in 2010 when he was Chief Development Officer of Iberdrola, S.A., which has not been modified by his appointment as chief executive officer. Details of the amount accrued in financial year 2025 by the chief executive officer in respect of the commitment acquired in terms of long-term savings schemes are set out in Section **C.1.a)** of this Report.

The remuneration system for the officers, like that for the professionals of Iberdrola, has health, life and accident insurance, limited electricity allowances through rate concessions and other benefits in line with market practice followed by comparable global companies.

The Company has no commitment to any long-term defined-contribution, defined-benefit retirement or savings system for the group of directors.

B.10.

Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

On 24 June 2025, Mr Armando Martínez Martínez resigned from his positions as director of the Company, with the classification of executive director, as well as chief executive officer. His resignation was accepted by the Board of Directors.

The Board of Directors applied the severance pay provisions as established in the Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024 with a 95.64% level of votes in favour.

On 24 June 2025, the items payable on termination of service as chief executive officer were paid, including severance pay equivalent to two times his annual remuneration (which in turn includes one year of non-competition), for a total amount of €4.4 million. The foregoing is in application of the Director and Officer Remuneration Policy.

Furthermore, the Board of Directors applied the provisions of the Director and Officer Remuneration Policy in relation to long-term incentive plans for the delivery of shares:

- 2020-2022 Strategic Bonus: shares received prior to resignation from the positions of executive director and chief executive officer remain subject to reimbursement mechanisms (clawback clauses) in accordance with the provisions of the Director and Officer Remuneration Policy.
- 2023-2025 Strategic Bonus: as a result of his resignation from the positions of executive director and chief executive officer on 24 June 2025, Mr Armando Martínez Martínez loses the status of beneficiary and, therefore, any right to receive shares linked to such plan.

B.11.

Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new

contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There have been no significant changes in the contracts of those exercising senior management duties as executive directors during 2025.

The Board of Directors of Iberdrola, at its meeting held on 24 June 2025, appointed Mr Pedro Azagra Blázquez as a director of the Company, with the classification of executive director, through the interim appointment (co-option) procedure, as well as chief executive officer. The main terms and conditions of his contract are those established in the Director and Officer Remuneration Policy approved by the shareholders at the General Shareholders' Meeting held on 17 May 2024, and they are explained in Section **A.1.**

B.12.

Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

During 2025, no supplementary remuneration accrued for the directors for services other than those inherent in their position.

B.13.

Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

During 2025, there was no remuneration based on the granting of advances, loans or guarantees to the members of the Board of Directors.

B.14.

Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

Remuneration in kind for all members of the Board of Directors in 2025 amounted to €354,000 (including the employee electricity rate and health and casualty insurance, among others).

B.15.

Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

During 2025 no remuneration was accrued by the directors of Iberdrola by virtue of payments made by the listed company to a third company in which the director provides services.

B.16.

Explain any item of remuneration other than the foregoing.

The executive chairman has received remuneration as chairman of the Boards of Directors of Neoenergia S.A. and of AVANGRID, Inc. The amount of such remuneration is reflected in Section **C** of this Report.

C.

Itemised individual remuneration accrued by each director

C.
Itemised individual remuneration accrued by each director

Name	Type	Accrued period in financial year 2025
Mr José Ignacio Sánchez Galán	Executive chairman	01/01/2025 until 31/12/2025
Mr Pedro Azagra Blázquez	Chief Executive Officer	24/06/2025 until 31/12/2025
Mr Iñigo Víctor De Oriol Ibarra	Other External Director	01/01/2025 until 31/12/2025
Mr Manuel Moreu Munaiz	Independent Director	01/01/2025 until 31/12/2025
Mr Xabier Sagredo Ormaza	Independent Director	01/01/2025 until 31/12/2025
Mr Juan Manuel González Serna	Independent Director	01/01/2025 until 31/12/2025
Mr Anthony L. Gardner	Independent Director	01/01/2025 until 31/12/2025
Ms Sara de la Rica Goiricelaya	Independent Director	01/01/2025 until 31/12/2025
Ms Nicola Mary Brewer	Independent Director	01/01/2025 until 31/12/2025
Ms Regina Helena Jorge Nunes	Independent Director	01/01/2025 until 31/12/2025
Mr Ángel Jesús Acebes Paniagua	Independent Director	01/01/2025 until 31/12/2025
Ms María Ángeles Alcalá Díaz	Independent Director	01/01/2025 until 31/12/2025
Ms Isabel García Tejerina	Independent Director	01/01/2025 until 31/12/2025
Ms Ana Colonques García-Planas	Independent Director	01/01/2025 until 31/12/2025
Mr Armando Martínez Martínez	Chief Executive Officer	01/01/2025 until 24/06/2025

C.1. Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (in € thousands)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other items	Total in year 2025	Total in year 2024
Mr José Ignacio Sánchez Galán	600	138	100	2,250	3,228			231	6,547	6,500
Mr Pedro Azagra Blázquez	100	44	50	517	715			26	1,452	
Mr Iñigo Víctor De Oriol Ibarra	200	64	100					5	369	366
Mr Manuel Moreu Munaiz	200	120	200					3	523	520
Mr Xabier Sagredo Ormaza	440	120	100					5	665	527
Mr Juan Manuel González Serna	480	124	200					2	806	812
Mr Anthony L. Gardner	480	120	200					4	804	800
Ms Sara de la Rica Goiricelaya	315	72	100					3	490	614
Ms Nicola Mary Brewer	325	70	100					1	496	361
Ms Regina Helena Jorge Nunes	200	92	100					2	394	386
Mr Ángel Jesús Acebes Paniagua	440	134	200					6	780	776
Ms María Ángeles Alcalá Díaz	200	92	100					2	394	514
Ms Isabel García Tejerina	200	64	100					2	366	362
Ms Ana Colonques García-Planas	200	64	100					5	369	11
Mr Armando Martínez Martínez	100	44	50	483			4,436	57	5,170	2,687

Comments:

Executive director remuneration does not include employer social security contributions.

On 24 June 2025, Mr Pedro Azagra Blázquez was appointed as a director of the Company, with the classification of executive director, as well as chief executive officer. During the first quarter of 2026, he will receive variable remuneration for the period from 1 January 2025 to 23 June 2025, for holding the position of chief executive officer of AVANGRID, Inc.

On 24 June 2025, Mr Armando Martínez Martínez resigned from the positions of director of the Company, with the classification of executive director, and chief executive officer. His resignation was accepted by the Board of Directors: (i) no non-competition payment was made based on his classification as a director in his capacity as such; (ii) as regards his status as an officer, the items payable on termination of service as chief executive officer were paid, including severance pay equivalent to two times his annual remuneration (which in turn includes one year of non-competition), for a total amount of €4.4 million. The foregoing is in application of the Director and Officer Remuneration Policy.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

		Financial instruments at start of year 2025		Financial instruments granted during year 2025		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2025	
Name	Name of plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent and vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Mr José Ignacio Sánchez Galán	2020-2022 Strategic Bonus		633,334				633,334	13.880	8,791			0
	2023-2025 Strategic Bonus		1,900,000									1,900,000
Mr Pedro Azagra Blázquez (since 24 June 2025)	2023-2025 Strategic Bonus		0									83,500
Mr Armando Martínez Martínez (until 24 June 2025)	2020-2022 Strategic Bonus		80,000				80,000	13.880	1,110			0
	2023-2025 Strategic Bonus		500,000									0

Comments:

The **2020-2022 Strategic Bonus** was approved by the shareholders at the General Shareholders' Meeting held on 2 April 2020. In the case of Mr Armando Martínez Martínez, up to a maximum of 240,000 shares, which were allocated to him in 2020 when he was a member of senior management. The shares received remain subject to reimbursement mechanisms (clawback clauses) in accordance with the provisions of the Director Remuneration Policy.

The **2023-2025 Strategic Bonus** was approved by the shareholders at the General Shareholders' Meeting held on 28 April 2023.

- Mr Pedro Azagra Blázquez, up to a maximum of 83,500 shares, which were allocated to him upon his appointment as chief executive officer and which are equivalent to six months, regarding a three-year evaluation period in the maximum number of 500,000 shares, pursuant to the provisions of the Director and Officer Remuneration Policy.
- As a result of his resignation from his positions on 24 June 2025, Mr Armando Martínez Martínez loses the status of beneficiary and, therefore, any right to receive shares linked to the 2023-2025 Strategic Bonus.

iii) Long-term savings schemes

Name	Remuneration for vested rights in savings schemes
Mr José Ignacio Sánchez Galán	
Mr Pedro Azagra Blázquez	
Mr Iñigo Víctor De Oriol Ibarra	
Mr Manuel Moreu Munaiz	
Mr Xabier Sagredo Ormaza	
Mr Juan Manuel González Serna	
Mr Anthony L. Gardner	
Ms Sara de la Rica Goiricelaya	
Ms Nicola Mary Brewer	
Ms Regina Helena Jorge Nunes	
Mr Ángel Jesús Acebes Paniagua	
Ms María Ángeles Alcalá Díaz	
Ms Isabel García Tejerina	
Ms Ana Colonques García-Planas	
Mr Armando Martínez Martínez	

	Contribution by the company in the financial year (€ thousands)				Amount of accumulated funds (€ thousands)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year 2025		Year 2024	
Name	Year 2025	Year 2024	Year 2025	Year 2024	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
Mr José Ignacio Sánchez Galán								
Mr Pedro Azagra Blázquez	100				4,802			
Mr Iñigo Víctor De Oriol Ibarra								
Mr Manuel Moreu Munaiz								
Mr Xabier Sagredo Ormaza								
Mr Juan Manuel González Serna								
Mr Anthony L. Gardner								
Ms Sara de la Rica Goiricelaya								
Ms Nicola Mary Brewer								
Ms Regina Helena Jorge Nunes								
Mr Ángel Jesús Acebes Paniagua								
Ms María Ángeles Alcalá Díaz								
Ms Isabel García Tejerina								
Ms Ana Colonques García-Planas								
Mr Armando Martínez Martínez	100	200			1,558		1,438	

Comments:

- Mr Pedro Azagra Blázquez: commitment made in 2010 when he was Chief Development Officer of Iberdrola, S.A., and not modified as a result of his appointment as chief executive officer. The above amounts are as at 15 July 2033.
- Mr Armando Martínez Martínez: commitment made when he was a member of senior management and not modified as a result of his appointment as chief executive officer. The above amounts are as at 28 February 2033.

iv) Details of other items

Name	Item	Remuneration amount
Mr José Ignacio Sánchez Galán		
Mr Pedro Azagra Blázquez		
Mr Iñigo Víctor De Oriol Ibarra		
Mr Manuel Moreu Munaiz		
Mr Xabier Sagredo Ormaza		
Mr Juan Manuel González Serna		
Mr Anthony L. Gardner		
Ms Sara de la Rica Goiricelaya		
Ms Nicola Mary Brewer		
Ms Regina Helena Jorge Nunes		
Mr Ángel Jesús Acebes Paniagua		
Ms María Ángeles Alcalá Díaz		
Ms Isabel García Tejerina		
Ms Ana Colonques García-Planas		
Mr Armando Martínez Martínez		

Comments:

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other items	Total in year 2025	Total in year 2024
Mr José Ignacio Sánchez Galán	529								529	566
Mr Pedro Azagra Blázquez										
Mr Iñigo Víctor De Oriol Ibarra										
Mr Manuel Moreu Munaiz										
Mr Xabier Sagredo Ormaza										
Mr Juan Manuel González Serna										
Mr Anthony L. Gardner										
Ms Sara de la Rica Goiricelaya										
Ms Nicola Mary Brewer										
Ms Regina Helena Jorge Nunes										
Mr Ángel Jesús Acebes Paniagua										
Ms María Ángeles Alcalá Díaz										
Ms Isabel García Tejerina										
Ms Ana Colonques García-Planas										
Mr Armando Martínez Martínez										

Comments:

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

		Financial instruments at start of year 2025		Financial instruments granted during year 2025		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2025	
Name	Name of plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent and vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Mr José Ignacio Sánchez Galán												
Mr Pedro Azagra Blázquez												
Mr Iñigo Víctor De Oriol Ibarra												
Mr Manuel Moreu Munaiz												
Mr Xabier Sagredo Ormaza												
Mr Juan Manuel González Serna												
Mr Anthony L. Gardner												
Ms Sara de la Rica Goiricelaya												
Ms Nicola Mary Brewer												
Ms Regina Helena Jorge Nunes												
Mr Ángel Jesús Acebes Paniagua												
Ms María Ángeles Alcalá Díaz												
Ms Isabel García Tejerina												
Ms Ana Colonques García Planas												
Mr Armando Martínez Martínez												

Comments:

iii) Long-term savings schemes

Name	Remuneration for vested rights in savings schemes
Mr José Ignacio Sánchez Galán	
Mr Pedro Azagra Blázquez	
Mr Iñigo Víctor De Oriol Ibarra	
Mr Manuel Moreu Munaiz	
Mr Xabier Sagredo Ormaza	
Mr Juan Manuel González Serna	
Mr Anthony L. Gardner	
Ms Sara de la Rica Goiricelaya	
Ms Nicola Mary Brewer	
Ms Regina Helena Jorge Nunes	
Mr Ángel Jesús Acebes Paniagua	
Ms María Ángeles Alcalá Díaz	
Ms Isabel García Tejerina	
Ms Ana Colonques García-Planas	
Mr Armando Martínez Martínez	

	Contribution by the company in the financial year (€ thousands)				Amount of accumulated funds (€ thousands)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year 2025		Year 2024	
Name	Year 2025	Year 2024	Year 2025	Year 2024	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
Mr José Ignacio Sánchez Galán								
Mr Pedro Azagra Blázquez								
Mr Iñigo Víctor De Oriol Ibarra								
Mr Manuel Moreu Munaiz								
Mr Xabier Sagredo Ormaza								
Mr Juan Manuel González Serna								
Mr Anthony L. Gardner								
Ms Sara de la Rica Goiricelaya								
Ms Nicola Mary Brewer								
Ms Regina Helena Jorge Nunes								
Mr Ángel Jesús Acebes Paniagua								
Ms María Ángeles Alcalá Díaz								
Ms Isabel García Tejerina								
Ms Ana Colonques García-Planas								
Mr Armando Martínez Martínez								

Comments:

iv) Details of other items

Name	Item	Remuneration amount
Mr José Ignacio Sánchez Galán		
Mr Pedro Azagra Blázquez		
Mr Iñigo Víctor De Oriol Ibarra		
Mr Manuel Moreu Munaiz		
Mr Xabier Sagredo Ormaza		
Mr Juan Manuel González Serna		
Mr Anthony L. Gardner		
Ms Sara de la Rica Goiricelaya		
Ms Nicola Mary Brewer		
Ms Regina Helena Jorge Nunes		
Mr Ángel Jesús Acebes Paniagua		
Ms María Ángeles Alcalá Díaz		
Ms Isabel García Tejerina		
Ms Ana Colonques García-Planas		
Mr Armando Martínez Martínez		

Comments:

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration under savings schemes	Other items of remuneration	Total in year 2025 company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2025 group	Total in year 2025 company + group
Mr José Ignacio Sánchez Galán	6,547	8,791			15,337	529				529	15,866
Mr Pedro Azagra Blázquez	1,452		100		1,552						1,552
Mr Iñigo Víctor De Oriol Ibarra	369				369						369
Mr Manuel Moreu Munaiz	523				523						523
Mr Xabier Sagredo Ormaza	665				665						665
Mr Juan Manuel González Serna	806				806						806
Mr Anthony L. Gardner	804				804						804
Ms Sara de la Rica Goiricelaya	490				490						490
Ms Nicola Mary Brewer	496				496						496
Ms Regina Helena Jorge Nunes	394				394						394
Mr Ángel Jesús Acebes Paniagua	780				780						780
Ms María Ángeles Alcalá Díaz	394				394						394
Ms Isabel García Tejerina	366				366						366
Ms Ana Colonques García Planas	369				369						369
Mr Armando Martínez Martínez	5,170	1,110	100		6,380						6,380
Total	**19,625**	**9,901**	**200**		**29,726**	**529**				**529**	**30,255**

Comments:

On 24 June 2025, Mr Armando Martínez Martínez resigned from the positions of director of the Company, with the classification of executive director, and chief executive officer. His resignation was accepted by the Board of Directors: (i) no non-competition payment was made based on his classification as a director in his capacity as such; (ii) as regards his status as an officer, the items payable on termination of service as chief executive officer were paid, including severance pay equivalent to two times his annual remuneration (which in turn includes one year of non-competition), for a total amount of €4.4 million. The foregoing is in application of the Director and Officer Remuneration Policy.

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company

	Total amounts accrued and % annual change								
Name	Year 2025	% change 2025/2024	Year 2024	% change 2024/2023	Year 2023	% change 2023/2022	Year 2022	% change 2022/2021	Year 2021
Executive directors									
Mr José Ignacio Sánchez Galán	15,866	12.17	14,145	2.24	13,835	5.94	13,059	-1.10	13,204
Mr Pedro Azagra Blázquez	1,552	-	0	-	0	-	0	-	0
Mr Armando Martínez Martínez	6,380	69.73	3,759	-7.32	4,056	25.77	3,225	191.59	1,106
External directors									
Mr Iñigo Víctor De Oriol Ibarra	369	0.82	366	9.58	334	10.96	301	1.35	297
Mr Manuel Moreu Munaiz	523	0.58	520	8.33	480	49.07	322	-1.23	326
Mr Xabier Sagredo Ormaza	665	26.19	527	30.12	405	-23.15	527	3.74	508
Mr Juan Manuel González Serna	806	-0.74	812	2.65	791	44.08	549	-0.54	552
Mr Anthony L. Gardner	804	0.50	800	5.26	760	41.79	536	61.93	331
Ms Sara de la Rica Goiricelaya	490	-20.20	614	0.82	609	20.59	505	1.20	499
Ms Nicola Mary Brewer	496	37.40	361	13.52	318	7.43	296	2.07	290
Ms Regina Helena Jorge Nunes	394	2.07	386	10.29	350	14.38	306	4.08	294
Mr Ángel Jesús Acebes Paniagua	780	0.52	776	1.31	766	54.75	495	53.25	323
Ms María Ángeles Alcalá Díaz	394	-23.35	514	-13.90	597	94.46	307	157.98	119
Ms Isabel García Tejerina	366	1.10	362	13.48	319	7.41	297	137.60	125
Ms Ana Colonques García-Planas	369	n.s	11	-	0	-	0	-	0
Consolidated results of the company	**6,285**	**11,99**	**5,612**	**16.84**	**4,803**	**10.69**	**4,339**	**11.69**	**3,885**
Average employee remuneration	**82**	**-2.38**	**84**	**2.44**	**82**	**10.81**	**74**	**8.82**	**68**

Comments:

The average remuneration of employees, as well as the remuneration of executive directors, does not include employer social security contributions.

The average remuneration of employees in 2025 takes into account the effects of Iberdrola's corporate transactions in 2025 and the preceding year (Mexico, United Kingdom (ENW)).

D.

Further information of interest

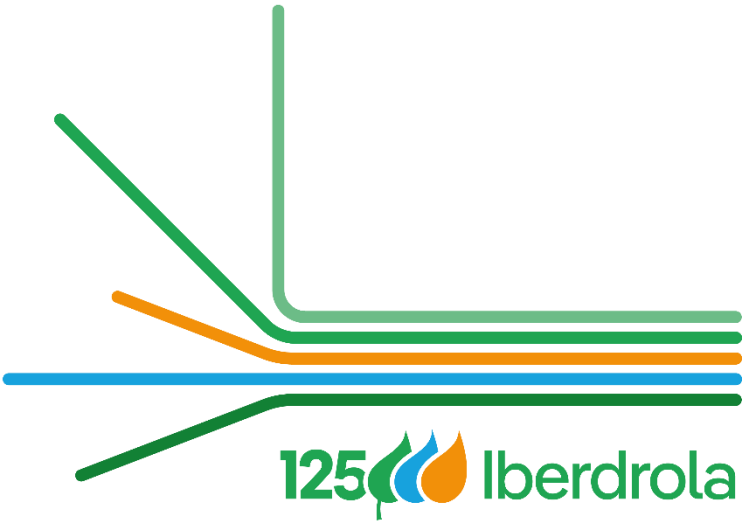
D.
Further information of interest

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly

This Annual Report on Remuneration of Directors and Officers was approved by the Company's Board of Directors at its meeting held on 24 February 2026.

Indicate whether any director voted against or abstained from approving this report.

☐ Yes ☒ No



“Meeting all challenges: we’re building a solid, secure and robust network of opportunities that lead to the future”.

A pathway of opportunities driven by electrification, technology, digitalisation, productivity and operational efficiency, extending to all the stakeholders that drive our ecosystem: shareholders who trust in our vision, employees who develop high-impact solutions, and a society that benefits from industrial progress.