

# Integrated **Report**

March 2026





**Ignacio S. Galán**  
Chairman

*“Increasing the electrification of the economy through greater investment in electricity networks, renewable energy and energy storage is essential to enhance security, energy self-sufficiency and competitiveness. Decades ago, Iberdrola recognised that electricity infrastructure would be indispensable to meet the growing demand from households and industry and to promote economic and social development.”*

*“We commemorate these 125 years of history by remembering and thanking all those whose work has built the Iberdrola of today, while also looking firmly to the future: The €58 billion that we will invest between 2025 and 2028, primarily in the United States and the United Kingdom, will enable us to strengthen energy autonomy, efficiency and sustainability, while continuing to improve our financial performance and strengthen our financial position.”*

*“Geographic diversification, the capabilities of our 46,000 employees, access to financing and technology, and a strong track record of execution are — and will continue to be — the strongest foundation for Iberdrola’s future.”*

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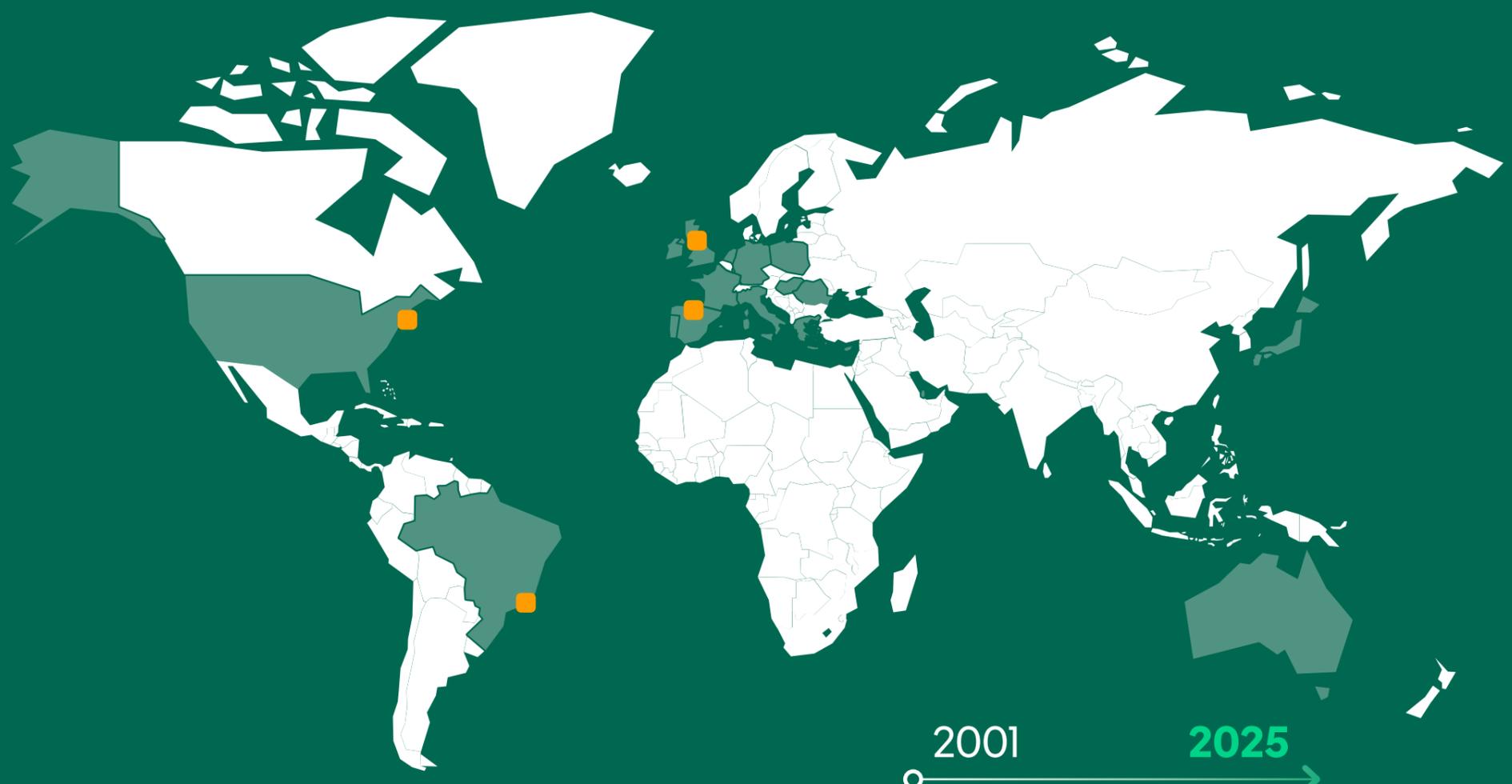
# Iberdrola, a global leader

Iberdrola has cemented its position as a **leading global player in electricity infrastructure**, spearheading a rapidly advancing sector driven by electrification. Guided by a strategic vision that anticipated this structural shift 25 years ago, **the Group has invested EUR 170,000 million since then and positioned itself as Europe's leading electricity company and one of the two largest worldwide.**

Its **market capitalisation, which closed at nearly EUR 125 billion at year-end 2025 and has already reached EUR 135 billion**, is evidence of the strength of its pioneering business model and consistent **creation of value**, as well as its **clear leadership in the electrification of the entire economy.**



**2025, a key year:  
Accelerating network growth  
with a focus on the United States  
and the United Kingdom**



2001 → 2025

Total assets	20,000	€m	161,000	x8
Regulated assets base	5,000	€m	51,000	x10
Installed capacity	16,000	MW	60,000	x4
Storage	3,000	GWh	10,200	x4
% of international business	<1	%	~70	x70
Market capitalisation	12,000	€m	>135,000	x10
Km of lines	214,000	Km	1,400,000	x7
R&D investment (annual)	12	€m	425	x40

 Country subholding companies  
 International presence

Figures rounded

# Electrification is unstoppable

Iberdrola is driving an **electrified energy model based on electricity transmission and distribution networks, power generation from renewable sources and efficient storage**, enabling the delivery of **secure, self-sufficient and competitive electricity**.

This model creates value for people and the environment while contributing to the transition towards **sustainable electrification capable of meeting both current and future economic, social and environmental challenges**.



A more electric, healthy and accessible energy model

Creating shared value for all our Stakeholders

Increase in social Dividend

~ **1,400,000 Km**  
electricity grids

~ **260,000 GWh**  
distributed electricity

~ **60,000 MW**  
total installed capacity

~ **130,000 GWh**  
net production

## Key performance indicators for fiscal year 2025



Investment of **€14,460 M**

Net profit of **€6,285 M**  
(+12%)

Total dividend of **€0.68 /Share**<sup>(1)</sup>



RAB of **€51,000 M** (+12%)

~ **2,700 MW** installed during the year, and more than **4,400 MW** under construction

**39 g CO<sub>2</sub>/kWh**<sup>(2)</sup>, almost **83%** less than in 2015 and **75%** than our European competitors



**4,500 New employees** reaching a workforce of **45,400 people**

**€13,200 M** in purchases from suppliers

**500,000 jobs** throughout the value chain

Tax contribution of **€10,410 M**

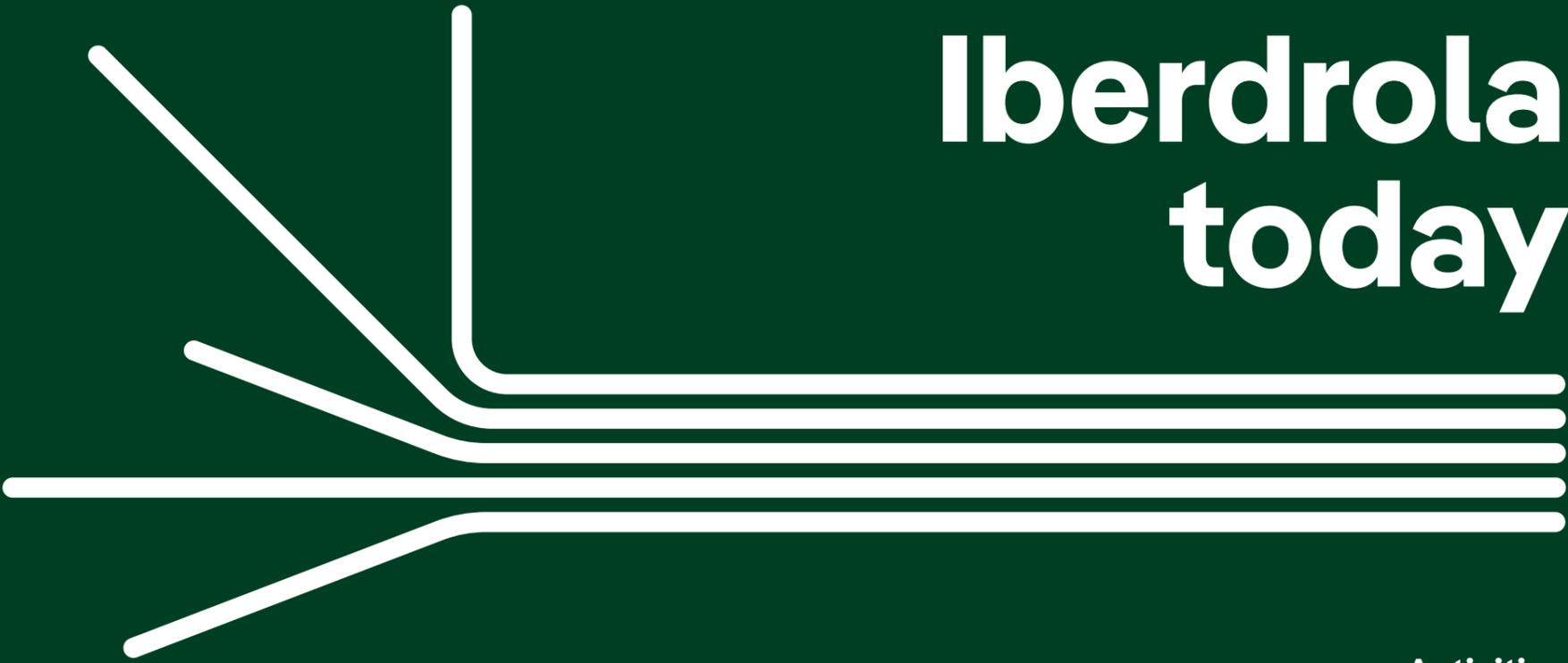
More than **€425 M** for investment in innovation

**€ 62,7 M**<sup>(3)</sup> in B4SI social contributions

(1) Proposal subject to approval of final dividend by the shareholders at the General Shareholders' Meeting, excluding the engagement dividend.

(2) Including discontinued activities, which are not part of the consolidated turnover in the year, emissions would stand at 60 gCO<sub>2</sub>/kWh.

(3) Non-profit contributions in accordance with the Business for Societal Impact (B4SI) methodology.



# Iberdrola today

Activities

Key figures

Key data by geographical area

Key milestones in 2025

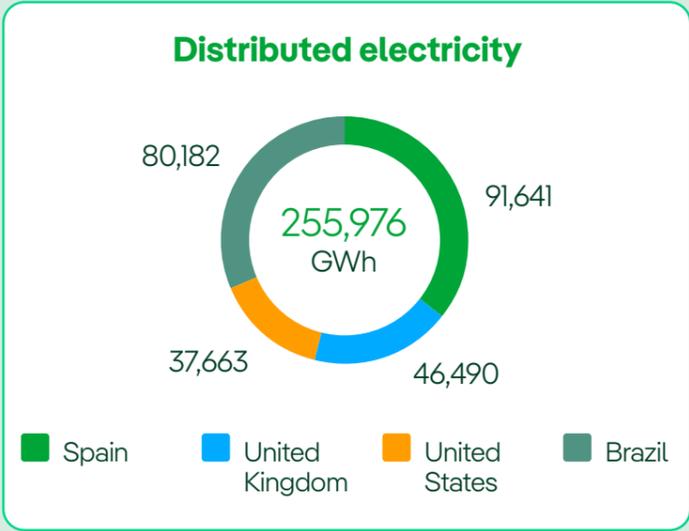
Comparative results and recognitions

# Activities



## 1 A global leader in transmission and distribution networks

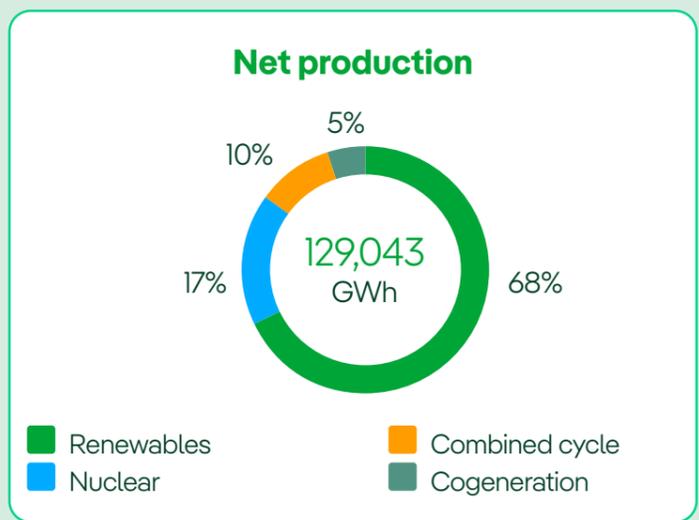
The flexibility, digitalisation and automation of **networks** allow for the creation of a new, interconnected map that responds to the needs of energy users and producers. Smart grids also ensure the integration of more renewable energy sources, making them a **vital foundation for the electrification of society**.



## 2 Leaders in sustainable generation

**Sustainable electricity generation** (onshore and offshore wind, hydroelectric and photovoltaic), as well as other energy sources.

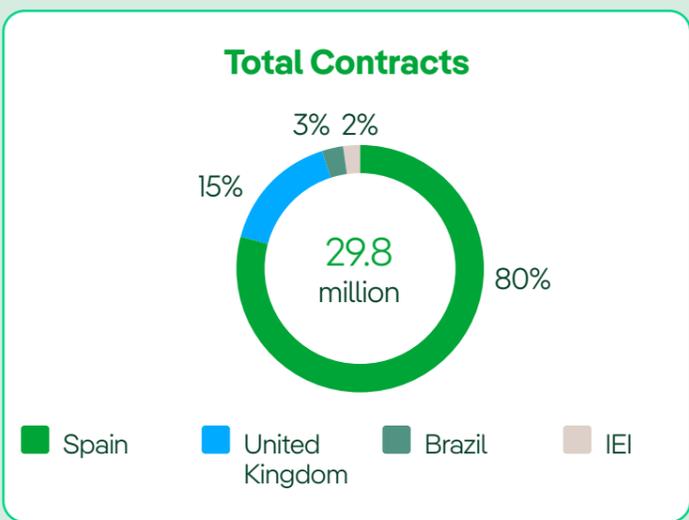
**Large-scale storage**, through pumped hydroelectricity and batteries.



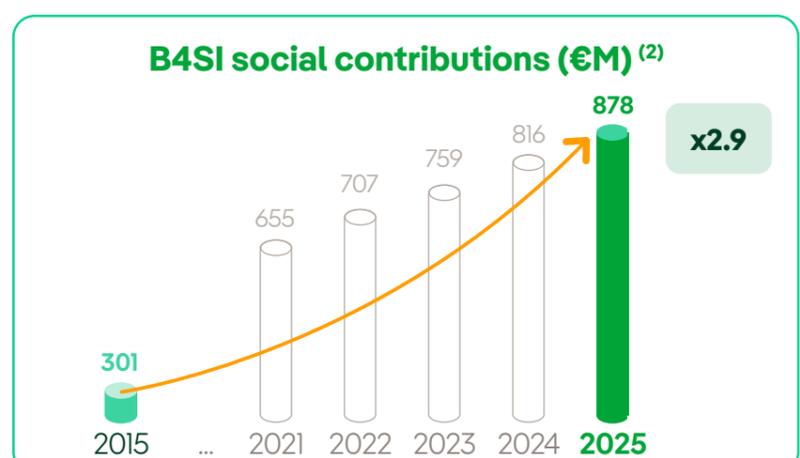
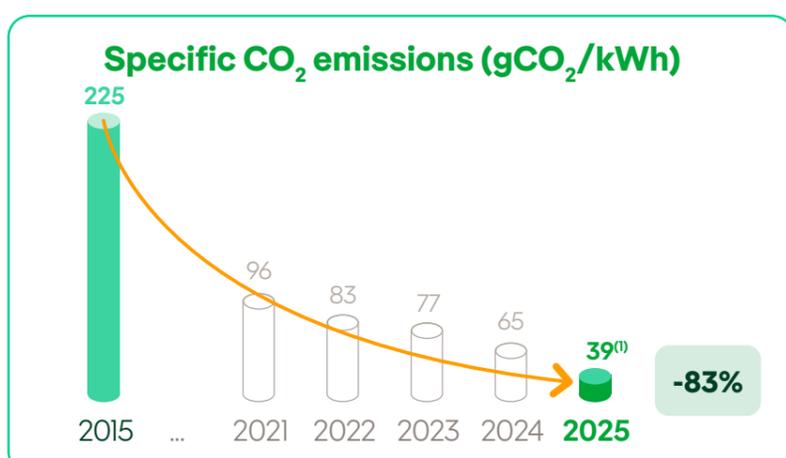
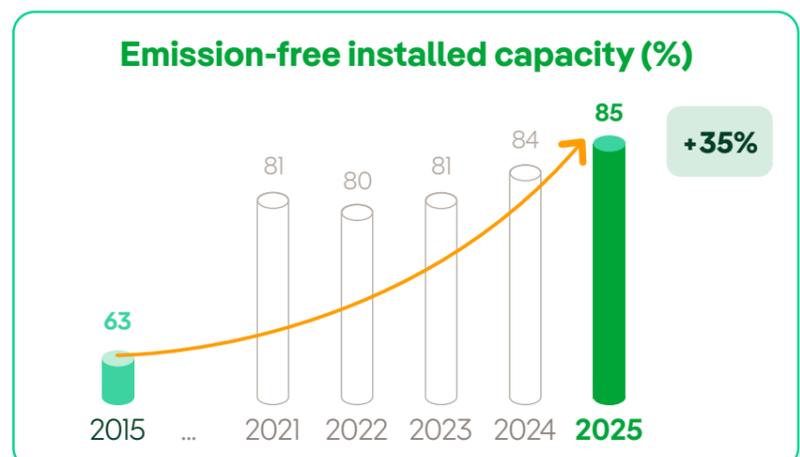
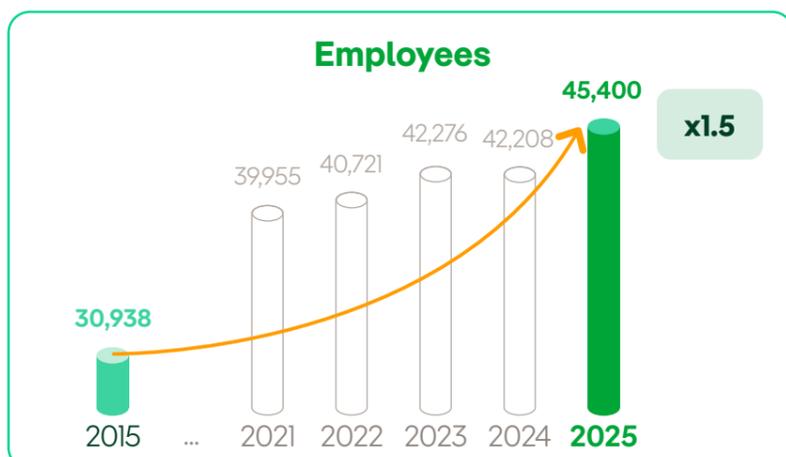
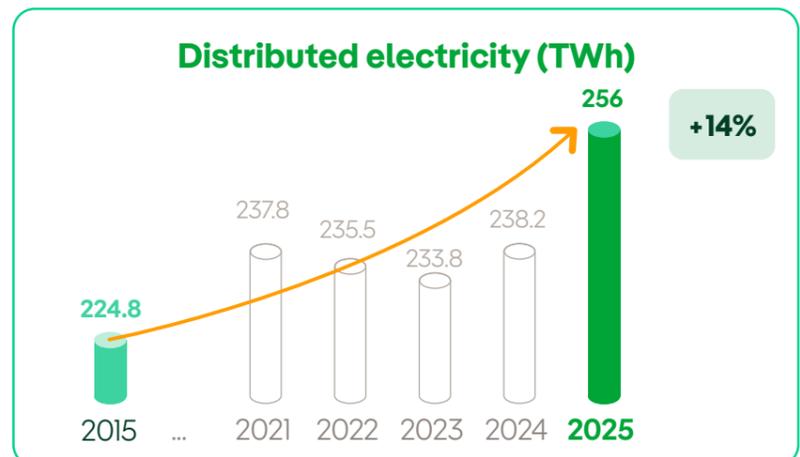
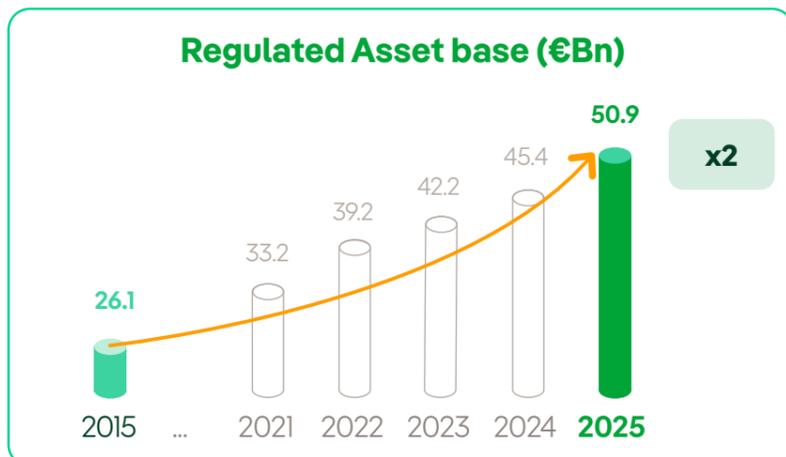
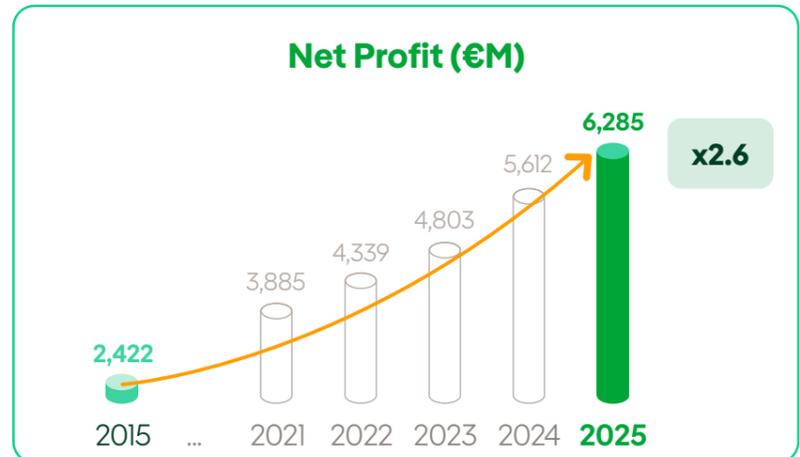
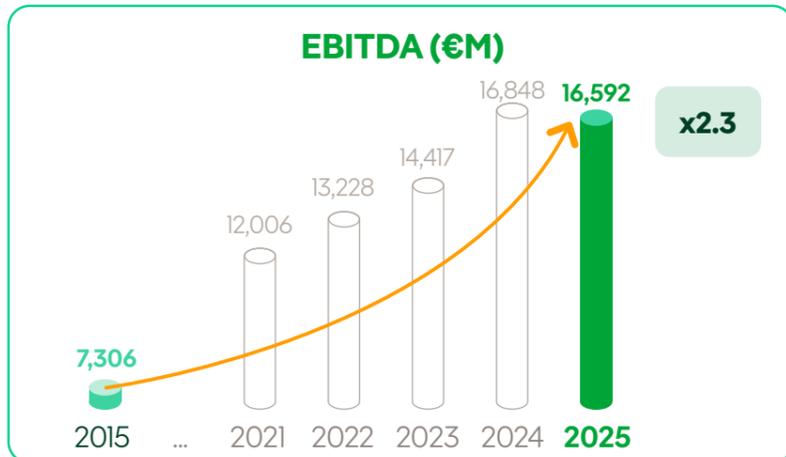
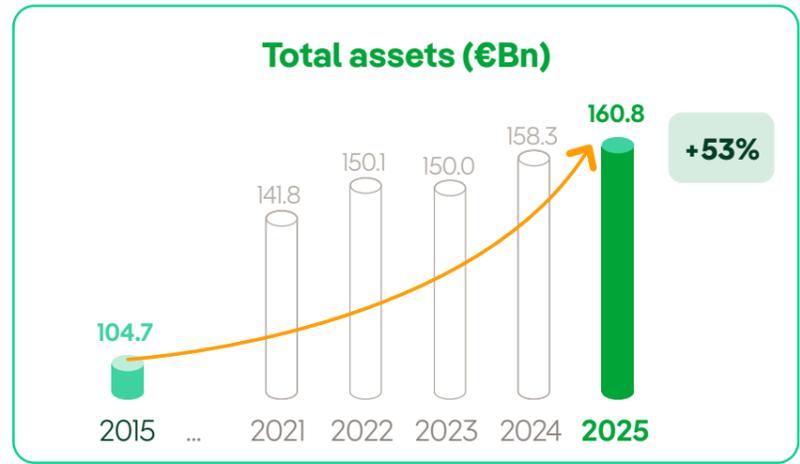
## 3 Solutions for our customers

**Supply of energy** to end users.

**“Smart” products and services** that promote efficiency, electrification and energy savings.



# Company performance



(1) Including discontinued activities, which are not part of the consolidated turnover in the year, emissions would stand at 60 gCO<sub>2</sub>/kWh

(2) Cumulative, expressed in € millions

# Key figures

## Financial performance

### Financial performance (€M)

	2021	2022	2023	2024	2025	Average annual Δ 2021-2025 (%)
<b>Revenue</b>	39,114	53,949	49,335	44,739	<b>45,547</b>	3.9
<b>Gross margin</b>	17,062	20,199	23,302	23,876	<b>24,829</b>	9.8
<b>Gross Operating Profit (EBITDA)</b>	12,006	13,228	14,417	16,848	<b>16,592</b>	8.4
<b>Net Operating Profit (EBIT)</b>	7,343	7,984	8,973	9,729	<b>10,276</b>	8.8
<b>EBT and net profit from discontinued operations (net of tax)</b>	6,266	6,221	7,004	8,098	<b>8,492</b>	7.9
<b>Net Profit</b>	3,885	4,339	4,803	5,612	<b>6,285</b>	12.8
<b>Total Assets</b>	141,752	150,114	150,033	158,293	<b>160,762</b>	3.2
<b>Shareholders' Equity</b>	56,126	58,114	60,292	61,051	<b>63,419</b>	3.1
<b>Gross investments</b>	9,940	10,730	11,382	11,946	<b>12,563<sup>(1)</sup></b>	6.0
<b>Funds from Operations (FFO)</b>	8,993	11,123	11,096	11,836	<b>12,811</b>	9.2
<b>Adjusted net financial debt</b>	39,119	43,749	47,832	51,672	<b>50,182</b>	6.4

### Financial ratios

	2021	2022	2023	2024	2025
Net Operating Expense / Gross Margin (%)	24.8	25.8	26.3	25.5	<b>25.5</b>
Adjusted Net Financial Debt / Adjusted EBITDA (multiple)	3.2	3.3	3.3	3.4	<b>3.0</b>
Adjusted net leverage (%)	41.0	42.8	44.2	45.4	<b>43.8</b>
Adjusted Funds from Operations (FFO) / Adjusted Net Financial Debt (%)	23.0	25.4	23.2	22.9	<b>25.5</b>
Adjusted Retained Cash Flow (RCF) / Adjusted Net Financial Debt (%)	20.6	22.0	18.9	19.4	<b>21.9</b>
ROE (Net profit for the last four quarters / Average equity) (%)	9.8	10.2	10.9	11.9	<b>12.5</b>

### Stock Market Data

	2021	2022	2023	2024	2025
Market capitalisation at year-end (€M)	66,271	69,538	75,378	84,645	<b>123,369</b>
Number of shares outstanding at year-end (millions)	6,366	6,362	6,350	6,364	<b>6,681</b>
Closing share price (€)	10.41	10.93	11.87	13.30	<b>18.47</b>
Earnings per share (EPS)	0.584	0.652	0.719	0.840	<b>0.925<sup>(2)</sup></b>
Dividends paid (€/share)	0.419	0.449	0.501	0.558	<b>0.640<sup>(3)</sup></b>
Total dividends (Including cash payments) (€M)	2,664	2,824	3,149	3,505	<b>4,500</b>
PER (Period-end share price / Earnings per share for the last four quarters)	17.82	16.77	16.51	15.81	<b>19.96</b>

(1) Total gross organic investment. Including inorganic investment (Neoenergia), total investment amounts to €14,460 million.

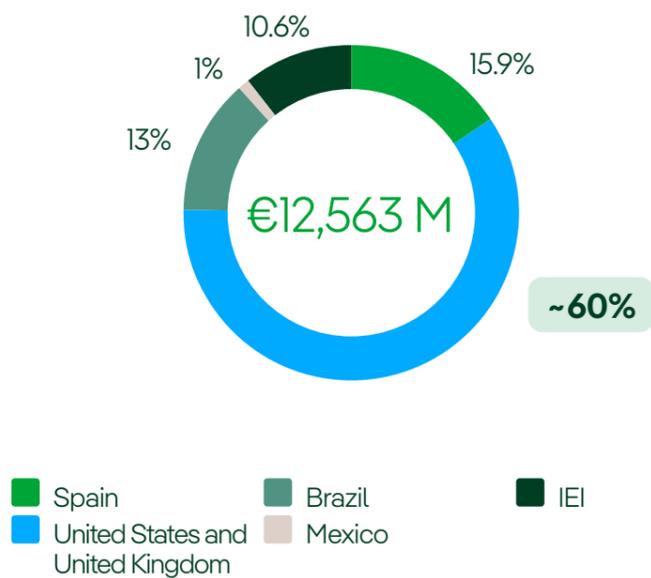
(2) Earnings per share: (6,681,227,377 shares at 31/12/2025 and 6,364,251,000 shares at 31/12/2024)

(3) Dividend paid: Gross interim dividend (31/01/2025 and 31/01/2024): Gross final dividend (24/07/2025 and 27/07/2024): €0.409. Engagement dividend (02/06/2025 and 21/05/2024): €0.005.

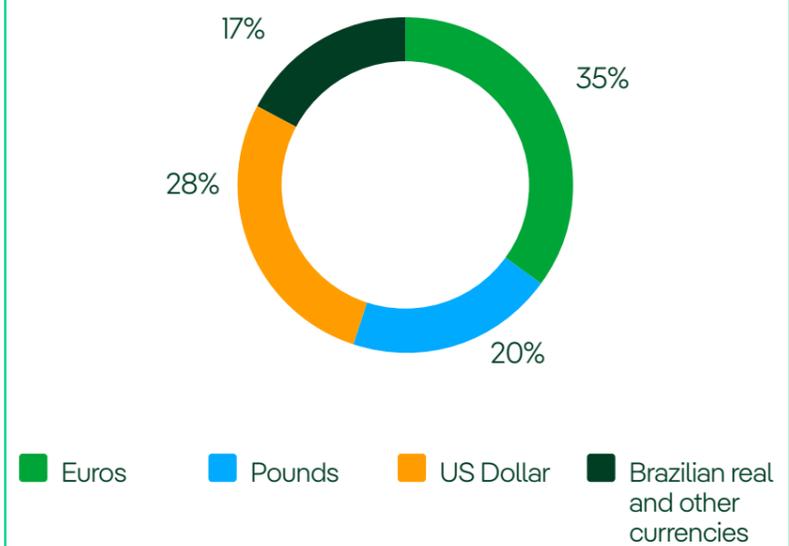


## Financial performance

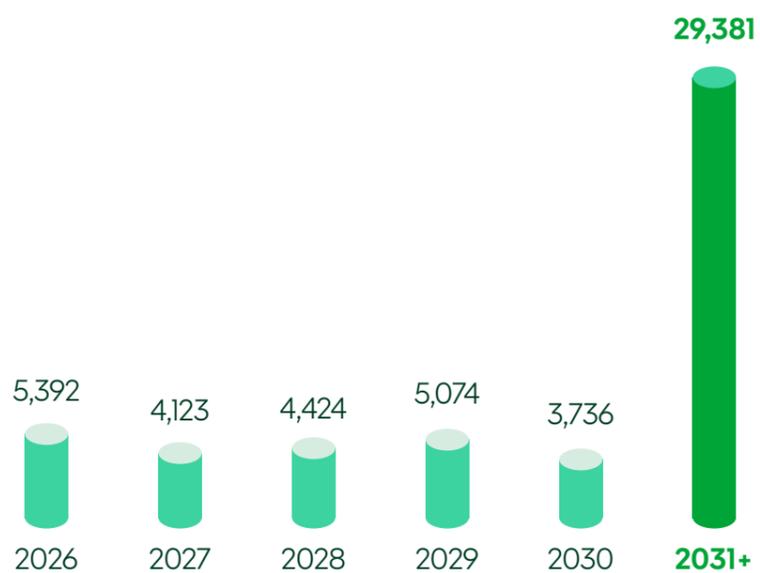
Gross organic investment by geographical area <sup>(1)</sup>



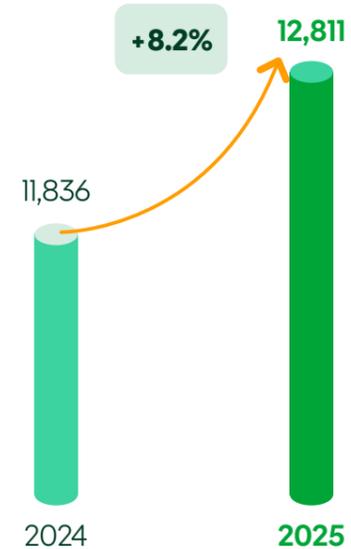
Adjusted net debt structure by currency



Financial debt maturities (€M) <sup>(2)</sup>



Operating cash flow (€M)



(1) Total gross organic investment. Including inorganic investment (Neoenergia), total investment amounts to €14,460 M.

(2) Long-term debt with financial institutions. Commercial paper maturities are shown from 2031 onwards.

## Operational, environmental and social performance

### Operational performance

	2021	2022	2023	2024	2025
<b>Total installed capacity (MW)</b>	51,174	53,615	55,737	56,668	<b>58,343</b>
<b>Net production (GWh)</b>	129,331	125,540	128,668	126,344	<b>129,043</b>
<b>RAB</b>	31,100	33,200	39,200	45,400	<b>50,900</b>
<b>Distributed electricity (GWh)</b>	237,752	235,506	233,704	238,164	<b>255,976</b>
<b>Km of lines</b>	1,240,137	1,264,641	1,276,519	1,294,765	<b>1,373,716</b>

### Environmental performance

	2021	2022	2023	2024	2025
<b>Emission-free installed capacity (%)</b>	81	80	81	84	<b>85</b>
<b>Emission-free production (%)</b>	75	78	80	84	<b>85</b>
<b>Specific CO<sub>2</sub> emissions (t/GWh)</b>	96	83	77	65	<b>39<sup>(1)</sup></b>
<b>Direct CO<sub>2</sub> eq emissions – Scope 1 (kt)</b>	13,207	11,927	10,588	8,913	<b>5,247<sup>(2)</sup></b>
<b>Indirect CO<sub>2</sub> eq emissions – Scope 2 (kt)</b>	2,162	1,879	2,594	2,469	<b>2,816<sup>(2)</sup></b>
<b>Other indirect emissions – Scope 3 (kt)</b>	44,615	42,679	39,304	31,461	<b>25,210<sup>(2)</sup></b>

### Social performance

	2021	2022	2023	2024	2025
<b>Supply points (Electricity)</b>	<b>32.87</b>	<b>33.26</b>	<b>33.67</b>	<b>34.1</b>	<b>37.0</b>
<i>Spain</i>	11.28	11.36	11.44	11.5	<b>11.6</b>
<i>United Kingdom</i>	3.55	3.55	3.56	3.6	<b>6.1</b>
<i>United States</i>	2.30	2.31	2.32	2.3	<b>2.3</b>
<i>Brazil</i>	15.74	16.04	16.35	16.6	<b>17.0</b>
<b>Supply points (Gas)</b>	<b>1.03</b>	<b>1.04</b>	<b>1.04</b>	<b>1.1</b>	<b>1.0</b>
<i>United States</i>	1.03	1.04	1.04	1.1	<b>1.0</b>
<b>Electricity contracts</b>	<b>13.6</b>	<b>13.7</b>	<b>13.2</b>	<b>12.9</b>	<b>12.5</b>
<i>Spain</i>	10.0	10.9	10.5	10.3	<b>9.7</b>
<i>United Kingdom</i>	2.8	2.8	2.7	2.5	<b>2.5</b>
<i>IEI</i>	0.8			0.03	<b>0.4</b>
<b>Gas contracts</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>
<i>Spain</i>	1.1	1.4	1.3	1.3	<b>1.2</b>
<i>United Kingdom</i>	1.9	1.9	1.8	1.8	<b>1.7</b>
<i>IEI</i>	0.3				<b>0.1</b>
<b>Smart Solutions</b>	<b>11.1</b>	<b>12.9</b>	<b>14.1</b>	<b>15.6</b>	<b>14.2</b>
<i>Spain</i>	7.8	9.9	10.7	11.7	<b>12.7</b>
<i>United Kingdom</i>	2.2	2.5	2.8	3.0	<b>0.3</b>
<i>Brazil</i>	0.3	0.5	0.7	0.8	<b>0.9</b>
<i>IEI</i>	0.8				<b>0.2</b>
<b>Number of employees</b>	39,955	40,721	42,276	42,208	<b>45,400</b>
<b>Permanent contracts (%)</b>	99.5	99.6	99.7	99.7	<b>99.0</b>
<b>TRIR (combined) (employees and contractors)</b>				3.21	<b>3.03<sup>(3)</sup></b>
<b>Employee turnover (%)</b>	7.4	9.7	7.3	9	<b>8.2</b>
<b>Hours of training (millions of hours)</b>	2.4	2.7	3.1	3.1	<b>3.6</b>
<b>B4SI social contributions (€M)</b>	58.1	51.9	51.7	56.7	<b>62.7</b>
<b>R&amp;D investment (€M)</b>	337.5	362.7	384.4	402.5	<b>425.4</b>
<b>General procurement (€M invoiced)</b>	9,424	11,533	12,584	12,805	<b>13,200<sup>(4)</sup></b>
<b>Purchases from sustainable suppliers (%)</b>	80.1	91.5	90	93	<b>94</b>

(1) Including discontinued activities, which are not part of the consolidated turnover in the year, emissions would stand at 60 gCO<sub>2</sub>/kWh.

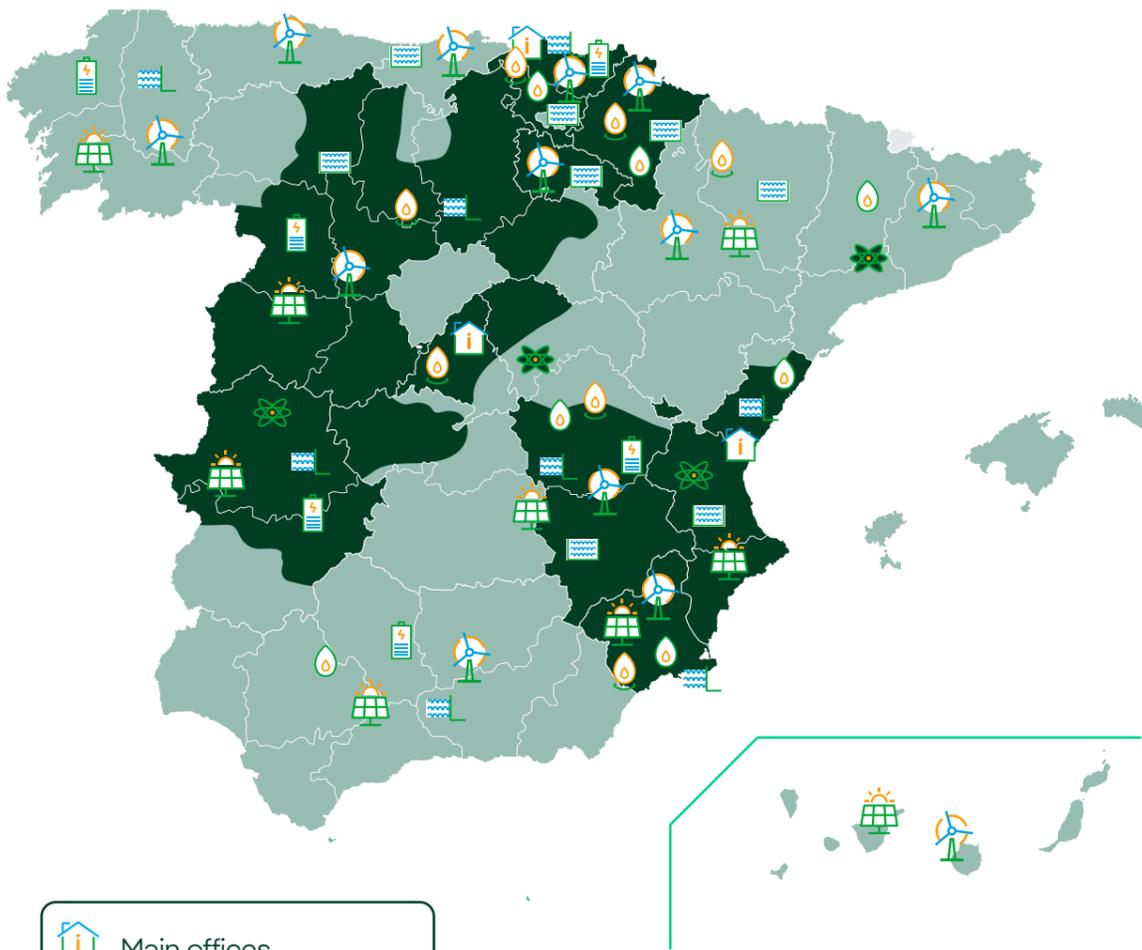
(2) Including discontinued operations, which are excluded from consolidated revenue for the year, Scope 1 emissions would amount to 8,480 kt CO<sub>2</sub> eq, Scope 2 to 2,825 kt CO<sub>2</sub> eq and Scope 3 to 30,013 kt CO<sub>2</sub> eq.

(3) Does not include ENW

(4) Value awarded in 2025: €13,204 M

# Key data by geographical area

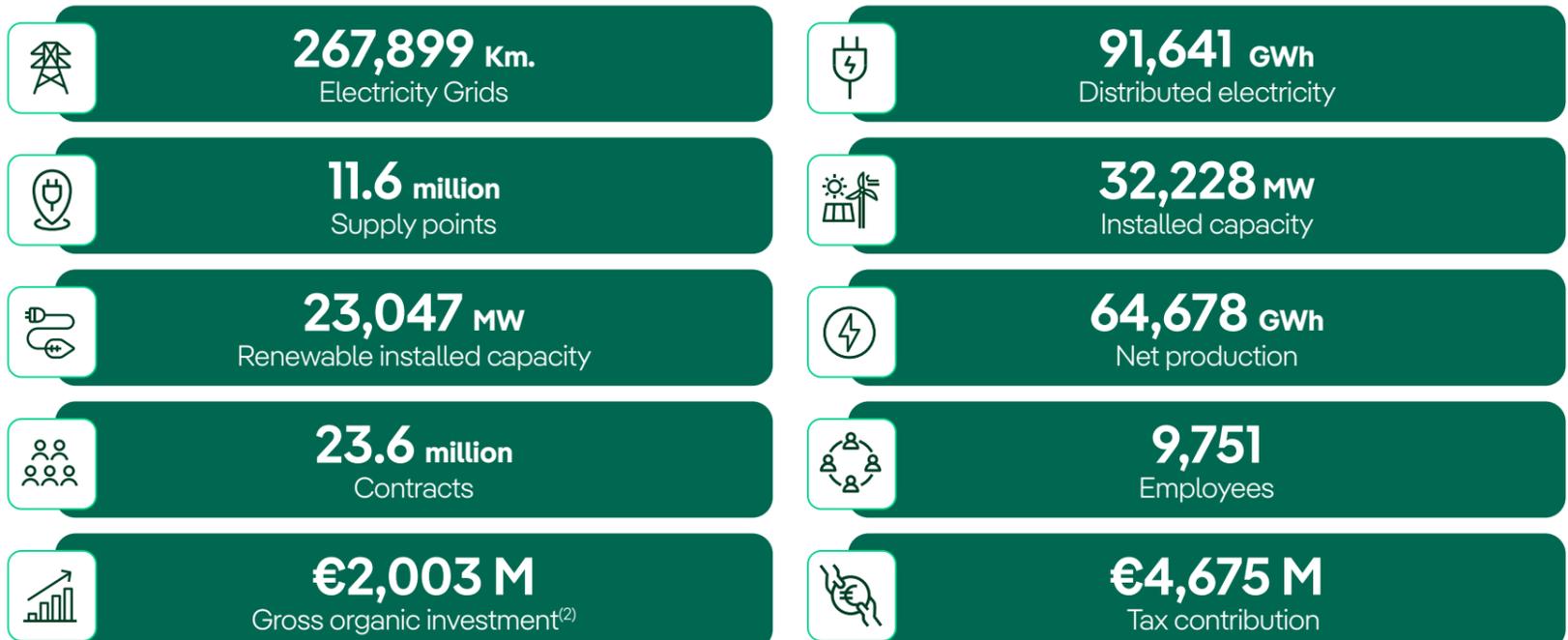
## Iberdrola in Spain



- Main offices
- Electricity distribution
- Area of influence

	<b>6,601 MW</b>	Onshore wind
	<b>5,182 MW</b>	Photovoltaic
	<b>11,052 MW</b>	Hydroelectric <sup>(1)</sup>
	<b>3,177 MW</b>	Nuclear
	<b>212 MW</b>	Batteries
	<b>5,695 MW</b>	Combined Cycle Gas
	<b>309 MW</b>	Cogeneration

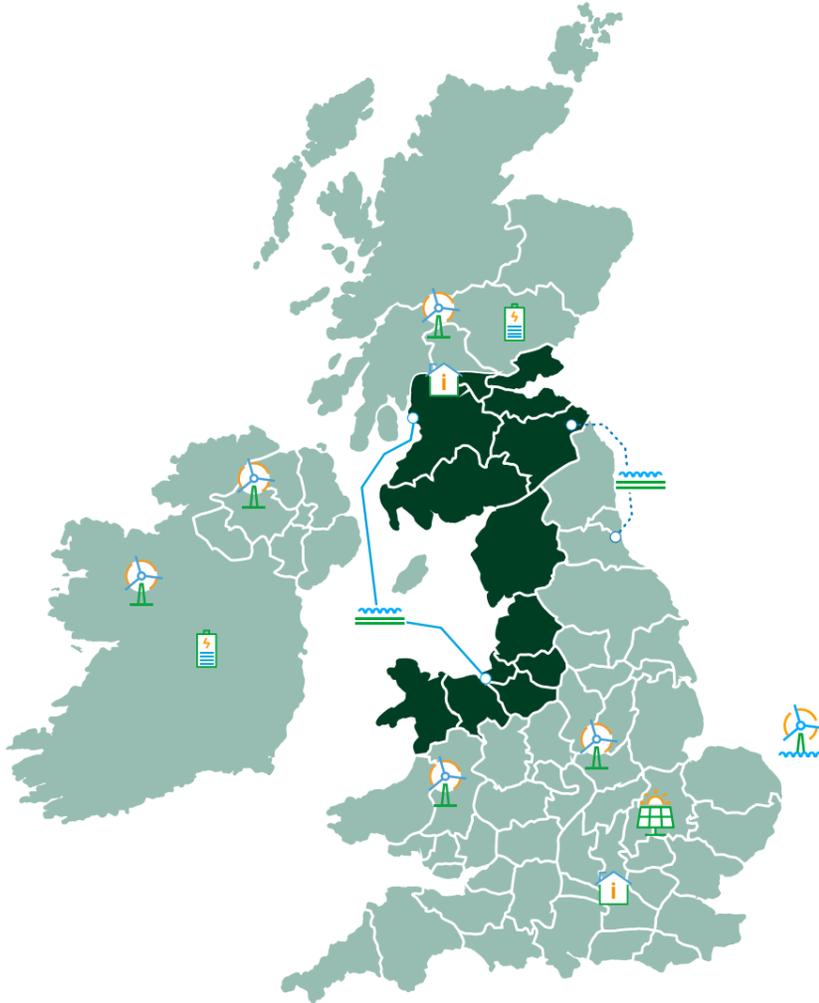
## Key figures 2025



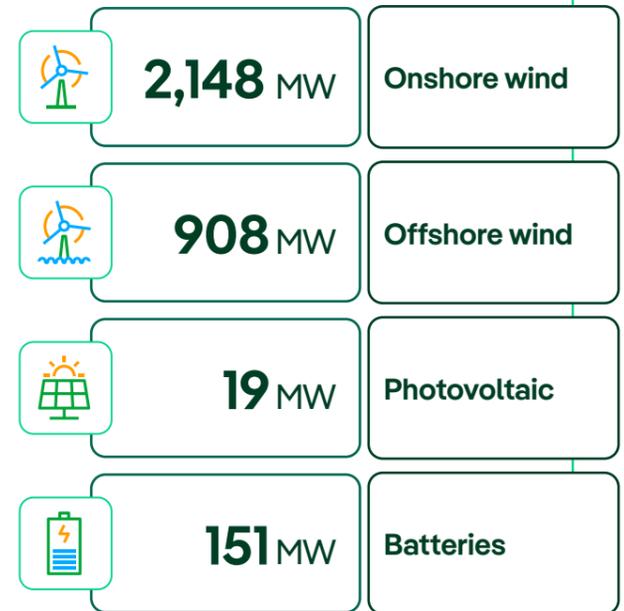
(1) The data on hydroelectric power plants include the Daivoes, Gouvaes and Alto Tâmega power plants in Portugal, although they visually appear on the Iberdrola Energía Internacional map.

(2) Organic investments

## Iberdrola in the United Kingdom



- Main offices
- Electricity distribution
- Area of influence

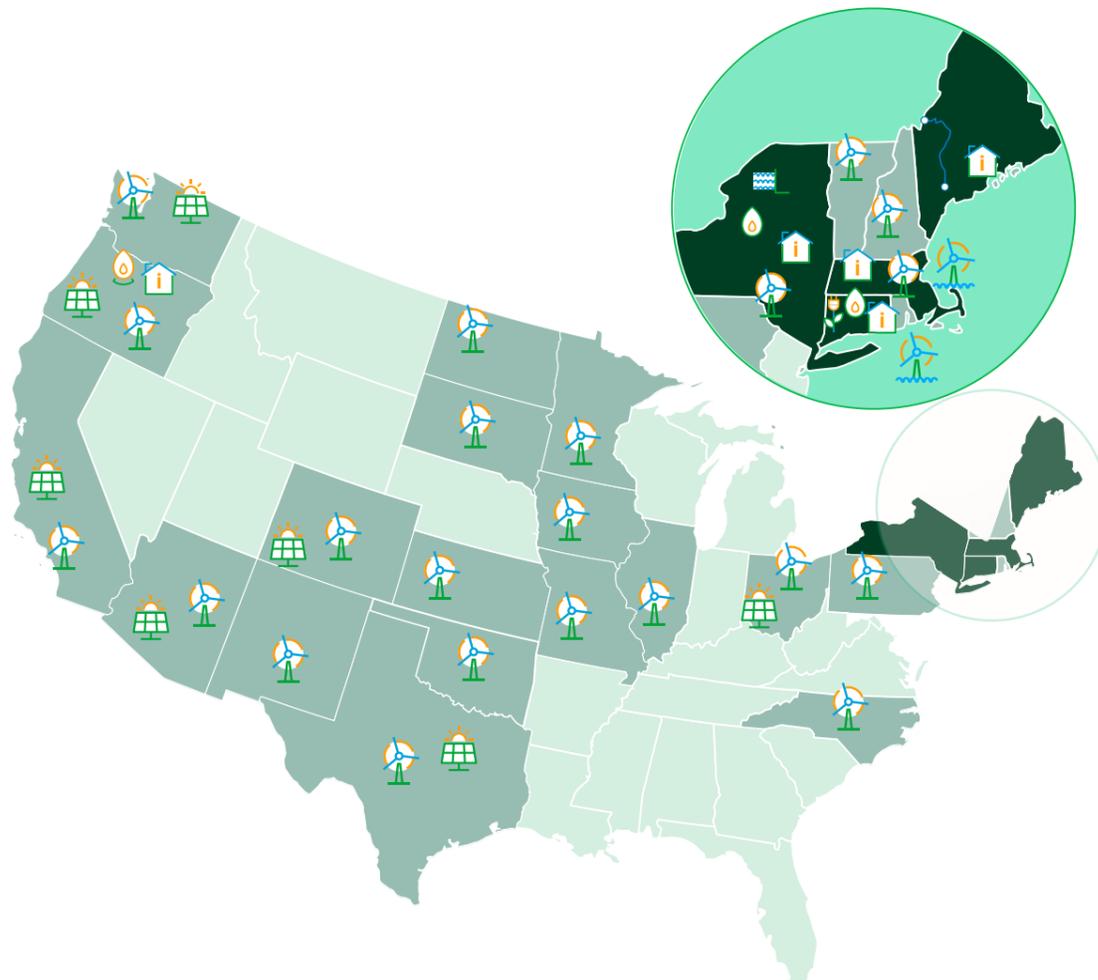


## Key figures 2025

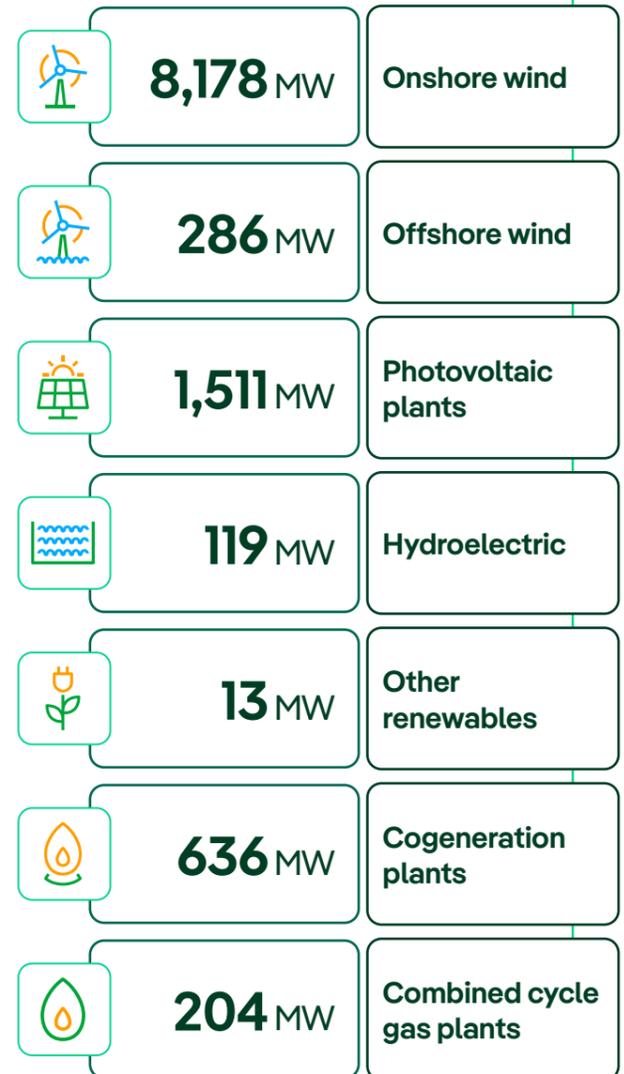


(1) Organic investments

## Iberdrola in the United States



- Main offices
- Electricity distribution
- Area of influence

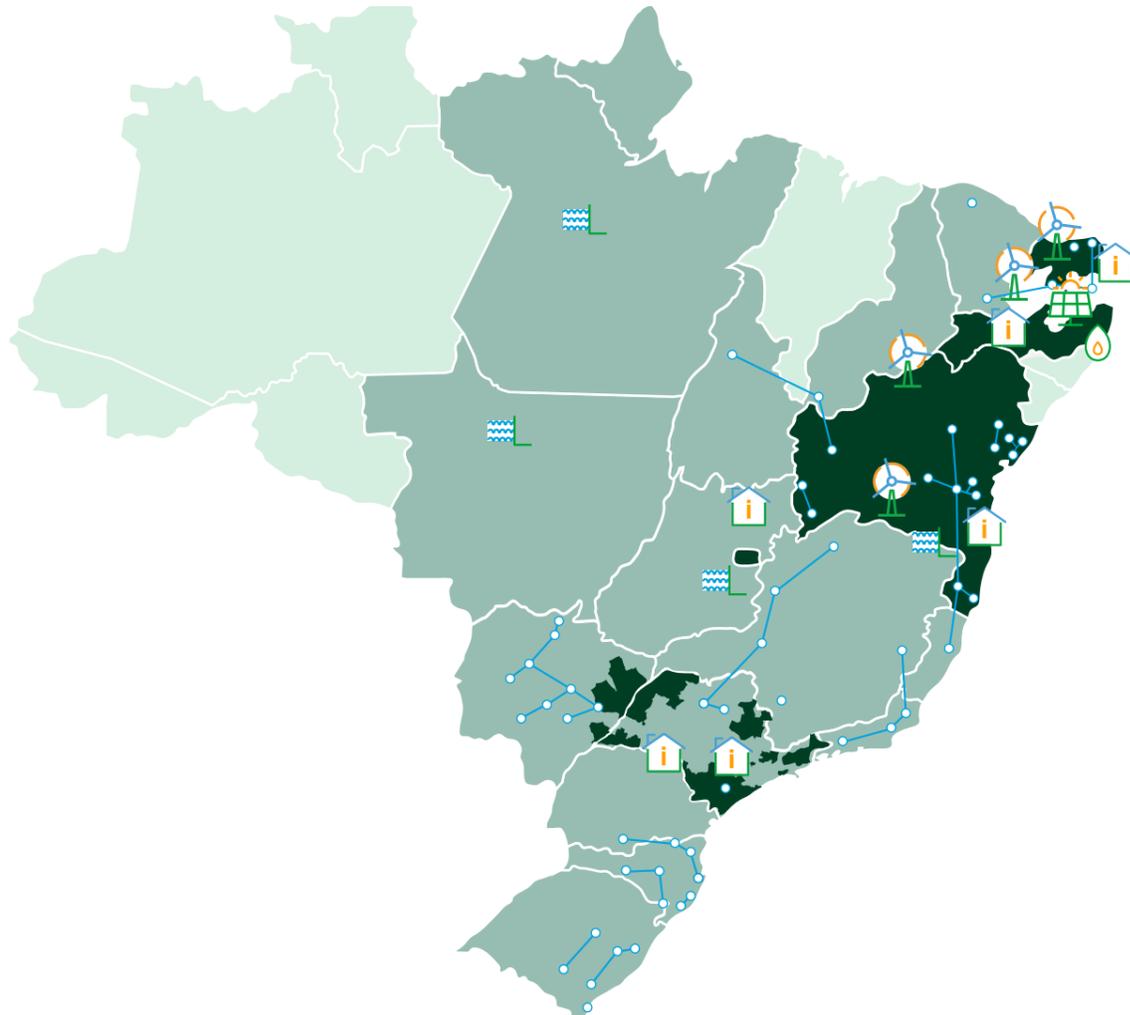


## Key figures 2025

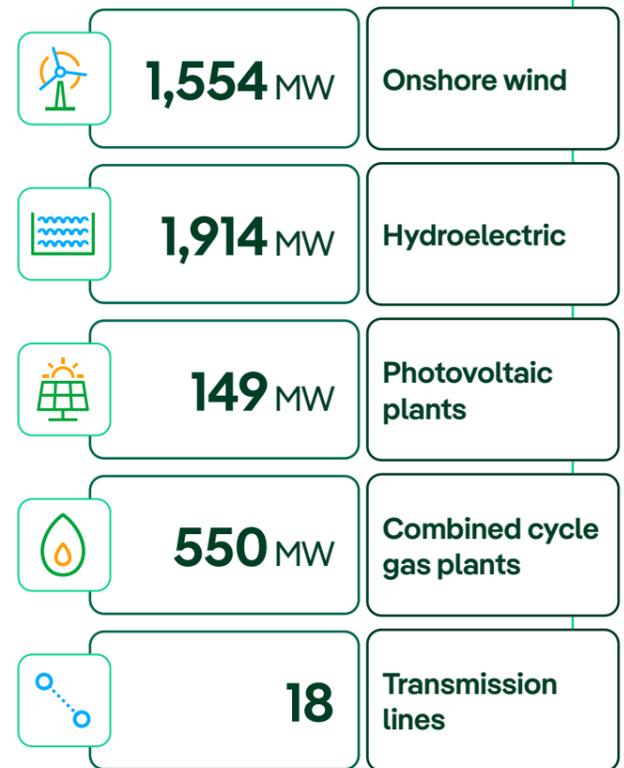


(1) Organic investments

## Iberdrola in Brazil



- Main offices
- Electricity distribution
- Area of influence

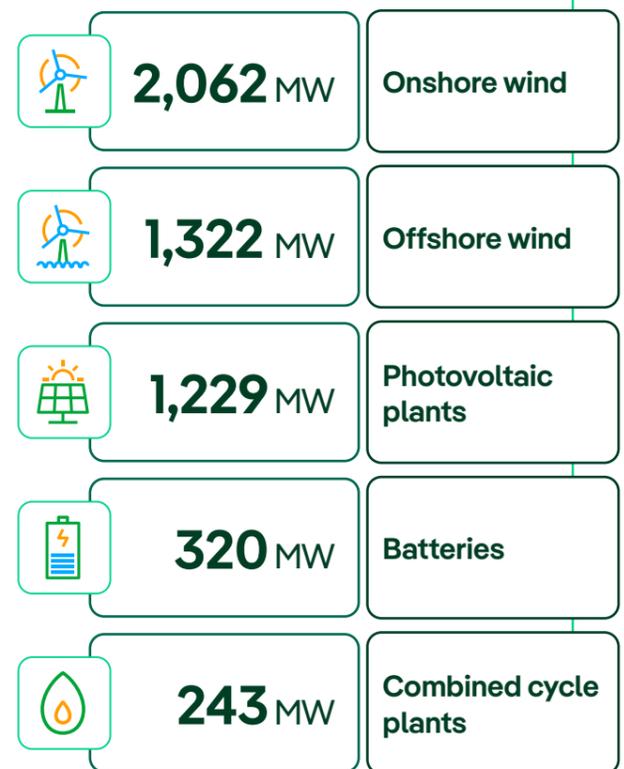
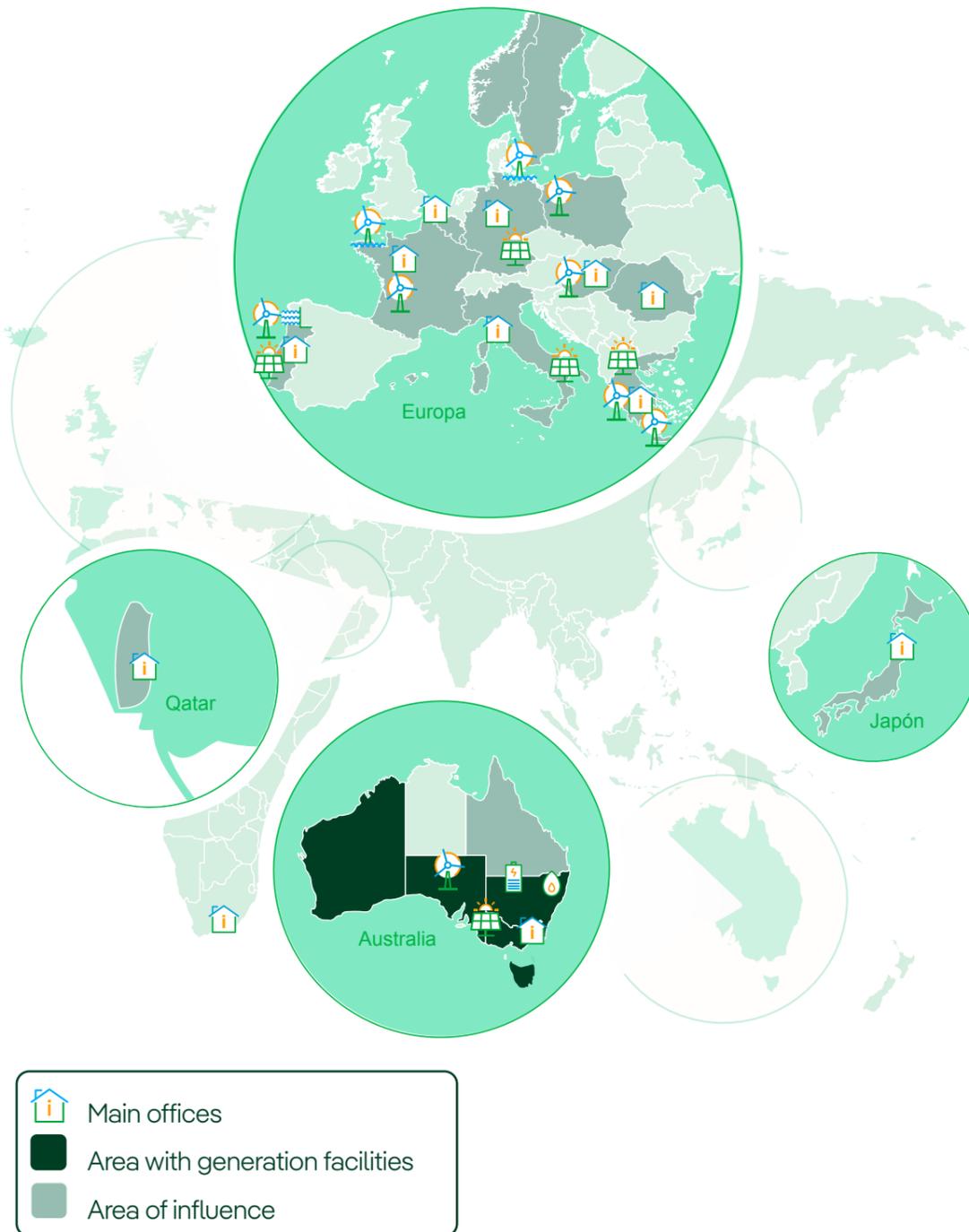


## Key figures 2025

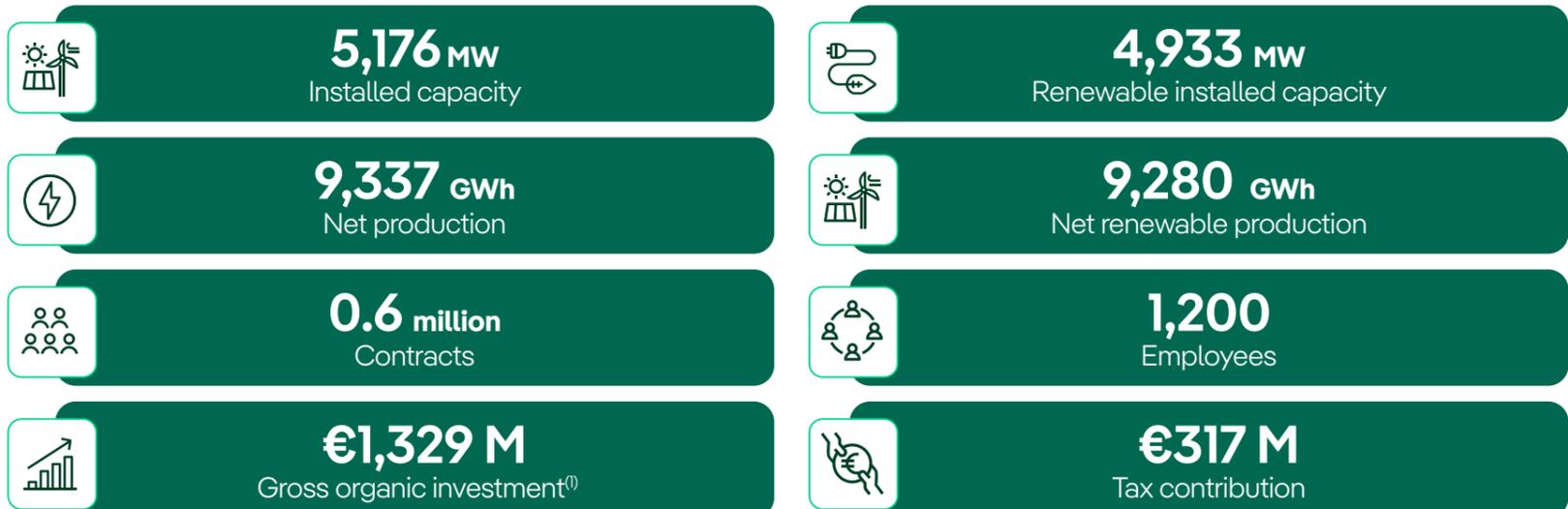


(1) Organic investments

## Iberdrola Energía Internacional (IEI)<sup>(1)</sup>



### Key figures 2025



(1) Organic investments

# Key milestones in 2025

## 01 January

Iberdrola extends the **Top Employers** seal across the entire group, becoming the only energy company in the world to do so

## 02 February

Iberdrola guarantees **power and heat supply to more than 1 million homes and businesses during the cold snap** in the **United States**.

Iberdrola begins construction of the **Eastern Green Link 1 subsea electricity transmission link** between southern Scotland and north-east England.

Iberdrola begins **commissioning of the Valdecañas pumped-storage hydroelectric plant** in Spain.

## 03 March

**The CMA approves Iberdrola's acquisition of ENW**, strengthening its position as the United Kingdom's second-largest network operator and advancing its strategy to grow its electricity infrastructure business.

**Iberdrola energises Alto Paranaíba**, the company's largest transmission line in Brazil.

## 04 April

Iberdrola España reaches **1,000 solar communities** in the country, thereby facilitating access to self-consumption for more than 100,000 households.

Iberdrola begins construction of **East Anglia Three**, which will generate 1,400 MW of energy to supply more than 1.3 million households.

## 05 May

**National Wealth Fund** backs ScottishPower's projects financing the expansion of the **electricity network**.

Iberdrola's shareholders endorsed the Company's management with **99.4% of votes in favour** at the 2025 General Shareholders' Meeting.

## 06 June

**Pedro Azagra** is appointed **Chief Executive Officer (CEO)** of the Iberdrola Group.

## 07 July

Iberdrola and Masdar commission **Baltic Eagle (476 MW)**, their first joint offshore wind farm, which will supply energy to **475,000 homes** and **prevent 800,000 tonnes of CO<sub>2</sub> emissions** per year.

Iberdrola strengthens its liquidity and diversifies its sources of financing with a **€2,500 million sustainable credit facility from 32 international banks** to boost investment in networks, renewables and storage.

## 8 August

Neoenergia commissions **the penultimate section of the Morro do Chapéu transmission line in Brazil**. Spanning 317 km, this segment is key to strengthening the electricity network in north-east Brazil.

## 09 September

Iberdrola agrees to **purchase of the stake of its partner (PREVI) in Neoenergia for €1,880 million**.

Iberdrola presents its **Strategic Plan** for the **2025-2028** period, a growth plan that contemplates **€58,000 million of investment** and **net profit of €7,600 million** by 2028.

## 10 October

**International Volunteer Week: over 8,500 volunteers take part in 135 social and environmental initiatives** across all the countries in which Iberdrola operates.

Iberdrola issues its **first “EU Green” hybrid bond** for €1,000 million.

## 11 November

**The European Investment Bank (EIB) and Iberdrola sign a €500 million green loan** for the Windanker offshore wind farm in German waters of the Baltic Sea.

Iberdrola enters the **electricity networks business in Australia** with the **VNI West project**, a 240 km double-circuit transmission line that will reinforce the network between Victoria and New South Wales.

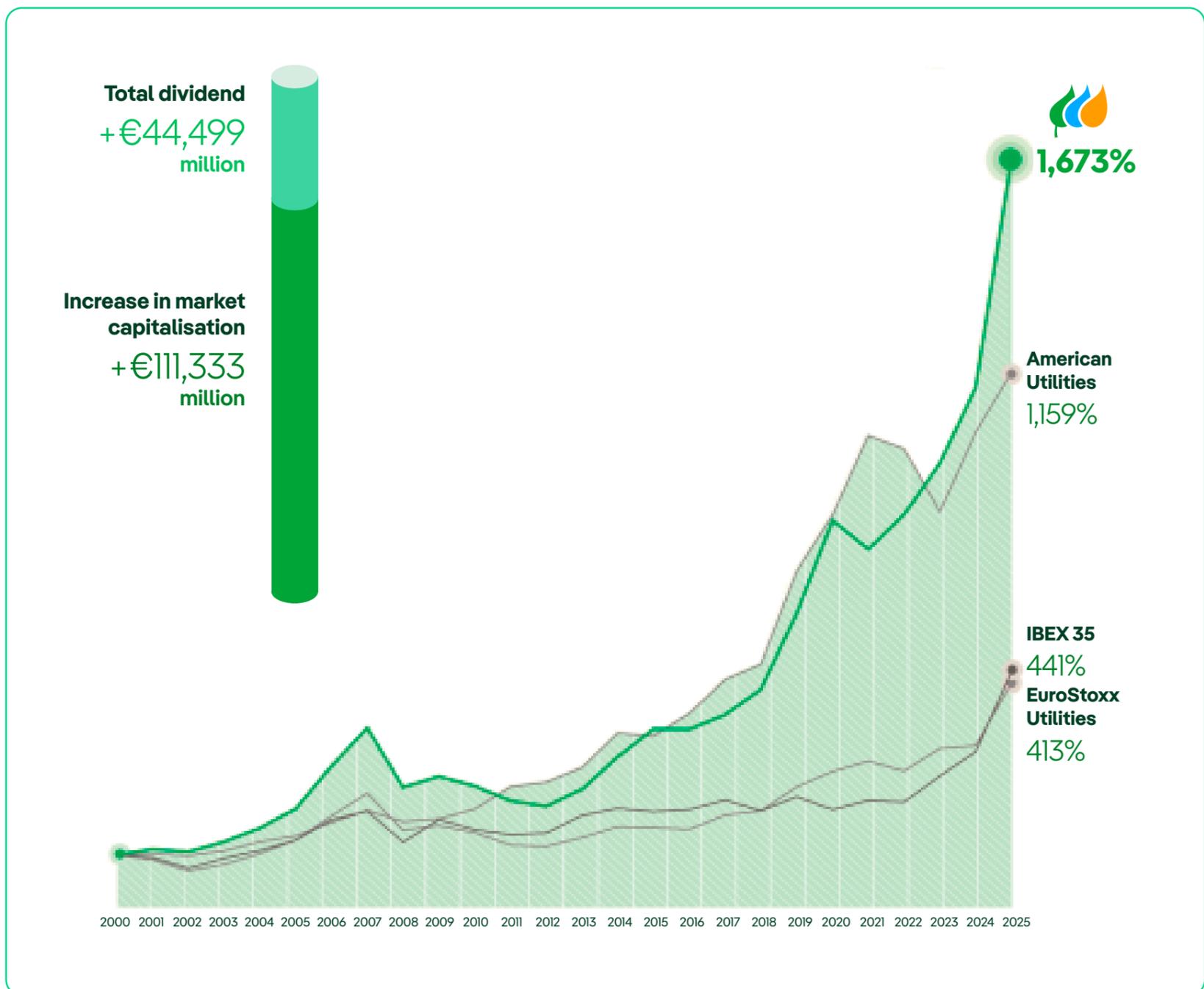
## 12 December

Iberdrola **leads the European PPA market** for the third consecutive year, reaching **400 TWh of electricity sales** with major multinational companies.

# Comparative results and recognitions

## Total shareholder return (2000-2025)

Over the **past 25 years**, Iberdrola has **significantly outperformed in terms of total shareholder return** (including dividend reinvestment) relative to the three largest US utilities by market capitalisation, the Euro STOXX Utilities<sup>(1)</sup>, the IBEX 35<sup>(2)</sup>.

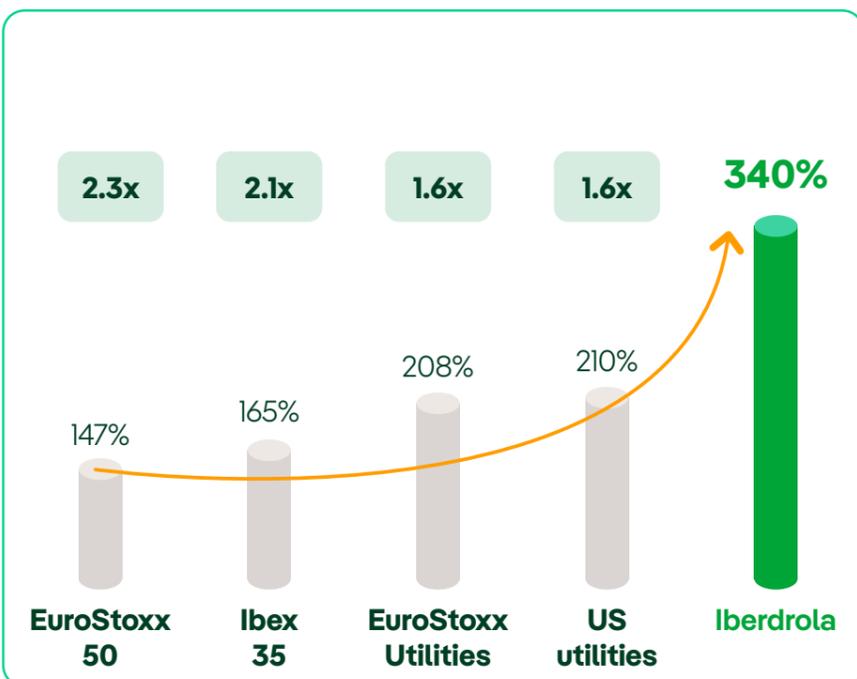


(1) Total return of the European sector index.  
(2) Total return of the Spanish equity market.



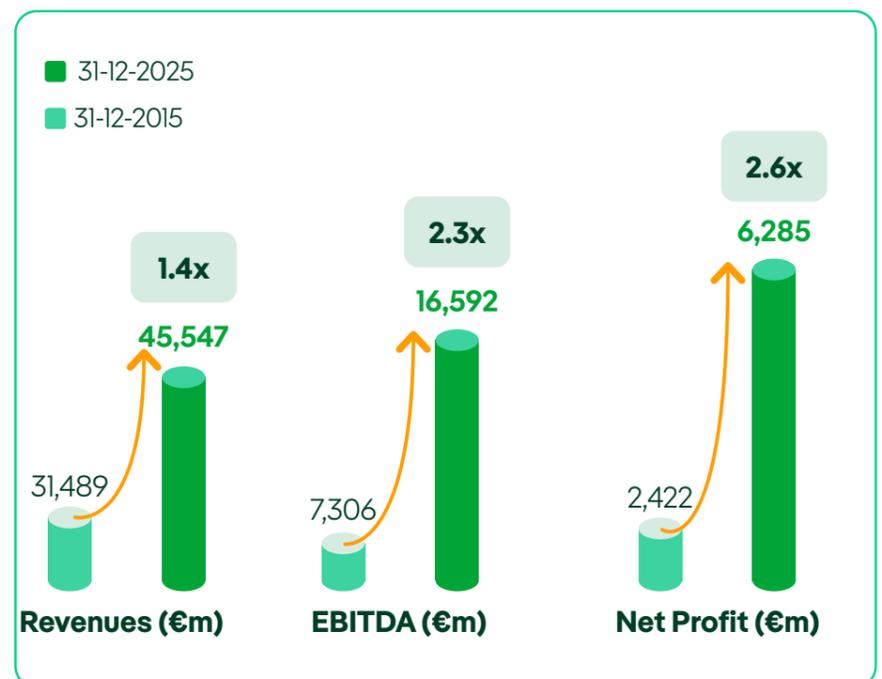
### Total shareholder return (%) (2015-2025)

Over the past 10 years Iberdrola has significantly **outperformed** in terms of **total shareholder return** compared with the average total return<sup>(1)</sup> of the three largest US utilities by market capitalisation, the Euro STOXX 50, the Euro STOXX Utilities index, and the average TSR of the Spanish equity market (IBEX 35).



### Earnings and dividend performance

Since 2015, **revenues** have increased by more than **EUR 14 billion**, **EBITDA** by more than **EUR 9 billion** and **net profit** by approximately **EUR 4 billion**.



(1) Total shareholder return, including dividend reinvestment

## Recognitions/awards and indices

### Inclusion in indices and ratings<sup>(1)</sup>

	<b>Dow Jones Best-in-Class World &amp; Europe (S&amp;P)</b> Leader in the Electric Utilities sector. Only European electric utility included for the past 25 years, considered to be one of the most sustainable in the world.		<b>You Sow &amp; Corporate Knights</b> First utility for its commitment to clean energy
	<b>CDP</b> Included in the prestigious A list		<b>ECPI Sense in sustainability</b> Iberdrola included in the leading indices
	<b>S&amp;P Sustainability Yearbook</b> Top 1% S&P Global ESG Score		<b>STOXX</b> Iberdrola included in the STOXX Global ESG Leaders index and in the most important indices
	<b>MSCI</b> Selected AAA		<b>InfluenceMap</b> Iberdrola as one of the best performing companies
	<b>Sustainalytics</b> Among the highest-rated utilities		<b>World Benchmarking Alliance</b> Iberdrola among the world's most influential utilities
	<b>ISS</b> Iberdrola classified as Prime		<b>SE European Utilities Index</b> Iberdrola included in the index
	<b>Ecovadis</b> Iberdrola as one of the best performing companies		<b>Energy Intelligence</b> Iberdrola in the top 10 of the EI Green Utilities Report 2024 ranking
	<b>World's Most Ethical Company</b> Only Spanish company included. Selected every year since 2014 as one of the world's most ethical companies		<b>Forbes</b> Iberdrola selected in Forbes 2025 GLOBAL 2000: WORLD'S LARGEST PUBLIC COMPANIES
	<b>Equileap</b> In the global Top 100		<b>Brand Finance</b> Iberdrola among the 500 most valuable brands globally
	<b>FTSE4Good</b> Selected for the index since 2009		<b>WDi (Workforce Disclosure Initiative)</b> Iberdrola among the top 10% of companies with the highest scores
	<b>Euronext indices: Eurozone 100 ESG</b> Iberdrola selected		<b>CDP Supplier Engagement Leader</b> Included in the prestigious A list

(1) At year-end 2025.

## External recognitions/awards

### To the Group's companies:

- Iberdrola, recognised for the third consecutive year as the world's leading private utility for investment in Innovation and Development, according to the European Commission: 2025
- Iberdrola, receives the "Top Employers" seal for the entire group, the only energy company in the world to do so: 2025
- Iberdrola, the energy company with the greatest talent attraction and retention capacity in Spain, according to the latest Merco Talento study: 2025
- Iberdrola, awarded Ibex 35 Company with best practices in Compliance in the sixth edition of the Expansión Compliance Awards: 2025
- Iberdrola, the company with the best investor relations on the Ibex 35 according to Estrategias de Inversión magazine: 2025
- Iberdrola, recognised as the company with the Highest Shareholder Value at the 11th edition of the Tu Economía Awards organised by the Spanish newspaper La Razón: 2025
- Iberdrola, awarded best European utility for its investor relations at the IR Impact Awards Europe: 2025
- Iberdrola, 24th AECA Award in the IBEX 35 category, for its commitment to corporate transparency: 2025
- Iberdrola, best utility in the world in sustainability reporting by the League of American Communications Professionals (LACP): 2025
- Iberdrola, awarded "Best Annual Report" at the Content Marketing Awards 2025, organised by the Content Marketing Institute (CMI): 2025
- Iberdrola, awarded best Compliance and Tax Reporting team at the EMEA Tax Awards 2025, organised by International Tax Review: 2025
- Iberdrola, recognised by International Financing Review (IFR) as Corporate Issuer and Sustainable Issuer of 2025 at the IFR Awards: 2025
- Iberdrola, Grada award for the best technological commitment for its promotion of hydroelectric pumping stations in Spain: 2025
- Iberdrola, twice recognised at the RENMAD Storage 2025 Awards for its leadership in innovation in its hydroelectric pumping projects.



### To the chairman:

- 2025: Recognised as Best European Utility CEO at the Extel Europe & Emerging EMEA Equities Awards.
- 2025: received the Entrepreneur of the Year award from Pompeu Fabra University - Barcelona School of Management.
- 2023: included in the TIME100 Climate List of the 100 most influential leaders driving business climate action.
- 2023: named Best CEO in the European utilities sector for the twelfth time by the Institutional Investor Research Group.
- 2023: received the Medal of Honour from the World Jurist Association at the United Nations and the ESG Leadership Award from the Foreign Policy Association, both of which recognised his advocacy of environmental, social and governance principles.
- 2019: selected among the five best CEOs in the world by Harvard Business Review and recognised by Bloomberg as one of 30 leaders in the fight against climate change.
- 2014: Ignacio Galán appointed Commander of the Most Excellent Order of the British Empire by Queen Elizabeth II.

### To the CEO:

- Pedro Azagra awarded "CEO of the Year" by CEO Magazine for his leadership of Avangrid: 2025

# Business model and strategy



**Business model**  
**Outlook 2025-2028**  
**Activities**  
**Finance**  
**Innovation**  
**Sustainable business**

# Business model

After more than **125 years of history**, Iberdrola has cemented its position as a world leader in the energy sector and one of the **two largest electricity companies** in the world by market capitalisation. Iberdrola's **leadership** is underpinned by its **smart grids**, electricity generation from **renewables and efficient storage businesses**, a diversified portfolio of projects and markets, and a presence **in countries** with **high credit ratings**. The Company, together with its subsidiaries and those companies in which it holds an interest, do business in almost thirty countries.

A substantial part of the Group's activity is concentrated in Spain, the United States of America, the United Kingdom, Brazil, Australia, Germany, France and other European Union member states.

The **main product** that the Group makes available to its customers **is electricity** through a broad array of technologies, services and solutions to provide them with a secure, self-sufficient and competitive.

The main activities are:

- **Transmission and distribution of electricity** through smart grid infrastructures.
- **Electricity generation** from **renewable** sources: onshore and offshore wind, hydroelectric and photovoltaic.
- **Storage at large scale** (GWh) through pumped hydroelectricity, at medium scale (MWh) in networks and generation assets through batteries, and at small scale (kWh) through end-user solutions.
- Regulated **supply** and deregulated sales of electricity, complemented by **integral, intelligent, innovative solutions (Smart)** in the residential sector (with services such as self-consumption, solar power, electric mobility and heat pumps); and in the industrial sector (with integral management of installations, energy supplies, *industrial heat*, and the integration of data centres with long-term PPAs).

## Electrification is unstoppable

Technologies, services and solutions to provide customers with an energy source that is: >>>

Secure

Self-sufficient

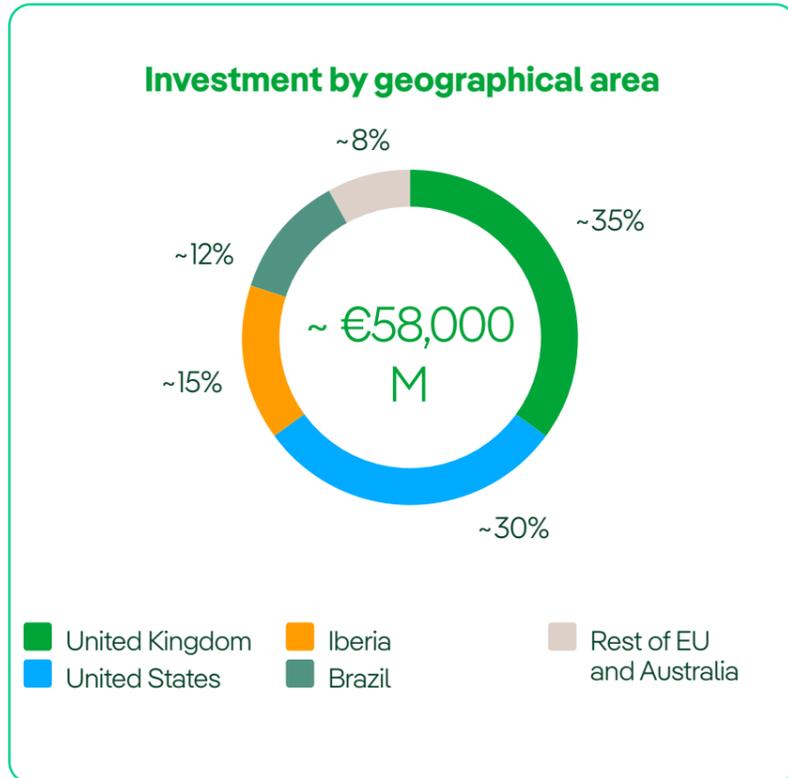
Competitive

## Iberdrola's transformation is driving sustained and predictable long-term growth

<p style="text-align: center;"><b>Networks: a growth driver</b></p>	<p style="text-align: center;"><b>Selective investment in Generation</b></p>	<p style="text-align: center;"><b>Financial strength</b></p>
<p><b>Double-digit growth</b> in RAB with attractive returns and visibility</p>	<p>Focus on <b>core markets</b> and growth capacity supported by our project pipeline</p>	<p><b>Dynamic</b> and <b>diversified</b> financing, supported by a solid BBB+ credit rating</p>

# Outlook 2025-2028

The Company is strengthening its commitment to electrification and reinforcing Networks as a growth driver through an **investment of EUR 58 billion to 2028**:



**Investment in United States + United Kingdom: ~65% (+20 p.p. vs 2021-24)**

The **Plan 2025-2028 is transformational** and focuses investment on electricity networks, markets with stable regulatory frameworks, selective renewable projects and long-term contracted assets. This is intended to promote the Group's predictable and profitable long-term growth, while maintaining our commitment to building a sustainable and secure energy future.

## Networks, key growth driver: €37 billion

Approximately **two thirds** of the **net investment** plan (EUR 37,000 million) is allocated to expanding and reinforcing **distribution** and **transmission networks**. This infrastructure that is essential to enable the integration of **new renewable capacity** into the electricity system and to absorb increased **demand from new applications** such as electric vehicles, heat pumps and data centres.

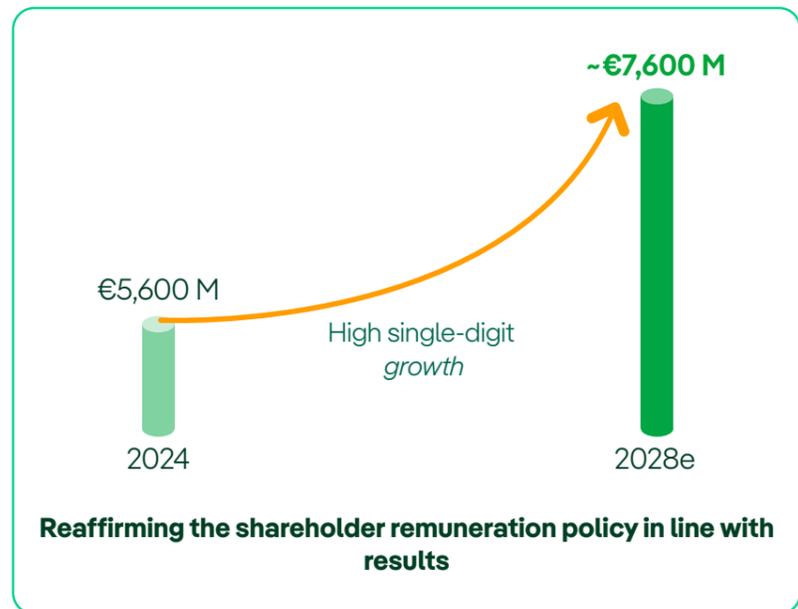
## Selective investment in generation: €21 billion

A total investment of **EUR 21,000 million** will be made, focused on the **Renewable Generation and Customers** business, focusing 75% of the investment on completing projects under construction and the remainder to new investments in dispatchable technologies.

These investments are expected to add 9,500 MW by the end of 2028, reaching more than **60,000 MW of renewable installed capacity**.

## Financial strength

Target of **EUR 7,600 million of net profit** by the end of the period, with a forecast of **EUR 18,000 million of gross operating income (EBITDA)** by 2028. This will allow **shareholder remuneration to increase** in line with results and the **distribution** of close to **EUR 20,000 million in dividends between 2025 and 2028**.



Dividend floor <b>0.64</b> €/share	Payout between <b>65% and 75%</b> of EPS	Shareholder Flexibility 
<b>"Iberdrola Retribución Flexible" Programme</b> including share repurchase		
Maintaining number of shares at 6,575 million		

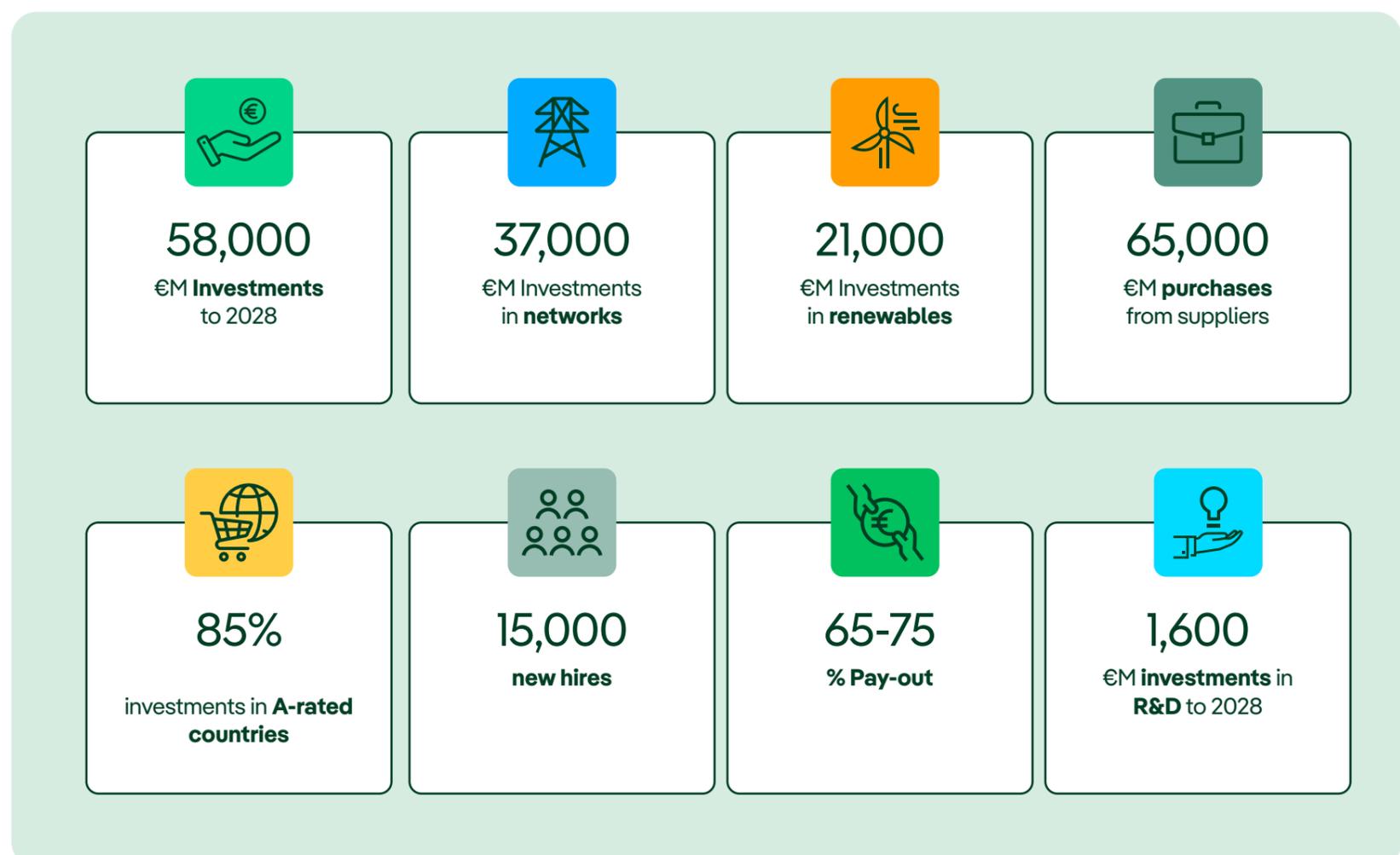


## A long-term growth plan

The new roadmap allows to **grow** both in terms of size and also in terms of the **social Dividend**. The Company plans to **hire 15,000 people** and make **purchases** from suppliers worth **EUR 65,000 million**, which will support more than **500,000<sup>(1)</sup>** jobs in our supply chain.

Investment in **R&D** will reach **EUR 1,600 million** as a strategic pillar of the Company.

## Strategic Plan 2025-2028



(1) PwC study "Economic, tax, social and environmental impact of the Iberdrola Group worldwide" (prepared with 2024 data)

# Activities

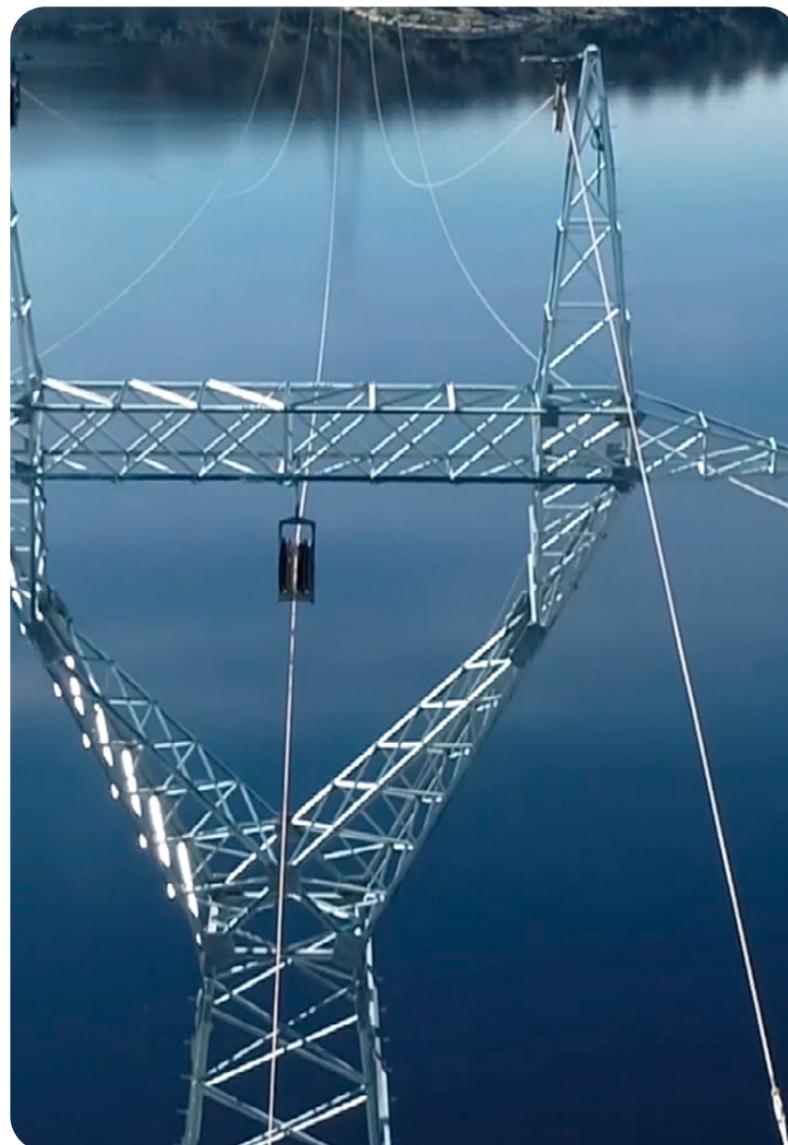
Iberdrola operates an integrated business model centred on **electricity transmission and distribution networks**, **electricity production** based on **renewable sources**, **efficient energy storage** and the **sale** of competitive, local and self-sufficient energy solutions, enabling progress in the **electrification** of the economy and provide customers with a secure, reliable and sustainable energy supply.

## Networks Business

### Key business information

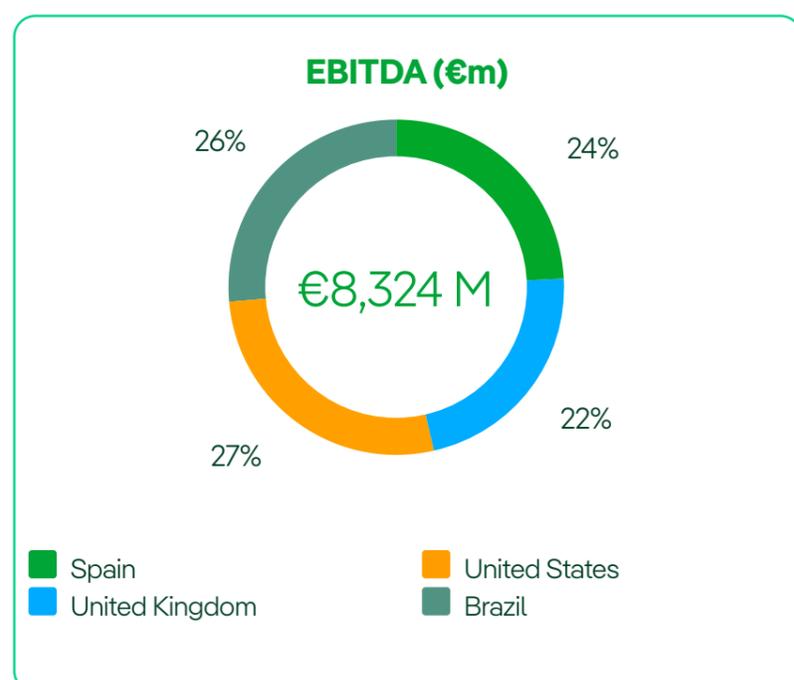
2025 is a transformational year in which the company continues driving **growth** of the **Networks business** in its key markets through organic investments. Noteworthy in the **United Kingdom** is the new transmission regulatory framework and the commencement of the Eastern Green Link 1 project. In the United States, the interconnection between Canada and Massachusetts (NECEC) has entered into operation.

In Brazil, ANEEL has approved the renewal of distribution concessions (pending final approval by the Ministry of Mines and Energy) for an additional 30 years. And in Australia, the first transmission project in Victoria was awarded.



### Key figures

Item	Spain		United Kingdom		United States		Brazil		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
<b>Distributed electricity (GWh)</b>	89,040	<b>91,641</b>	30,540	<b>46,490</b>	37,642	<b>37,663</b>	80,922	<b>80,182</b>	238,144	<b>255,976</b>
<b>Supply points (Electricity) (Millions)</b>	11.5	<b>11.6</b>	3.6	<b>6.1</b>	2.3	<b>2.3</b>	16.6	<b>17.0</b>	34.0	<b>37.0</b>
<b>Gas supplied (GWh)</b>	—	—	—	—	61,517	<b>66,282</b>	—	—	61,517	<b>66,282</b>
<b>Supply Points (Gas) (Millions)</b>	—	—	—	—	1.0	<b>1.0</b>	—	—	1.0	<b>1.0</b>



**+12%**  
increase in RAB

€12,000 M in transmission  
in 2025

## Main activities during the year

### 1. Infrastructure growth and reinforcement

- Progress on strategic transmission projects, such as **Eastern Green Link 1** in the United Kingdom and the commissioning of the **NECEC** interconnection between Canada and Massachusetts (United States).
- Continuation of the **network digitalisation** and **automation** programme, aimed at improving resilience, streamlining operations and reducing transmission losses.

### 2. Improving the quality of supply

- **Maintaining quality levels**, with consolidated SAIDI reductions on track.
- **Improvement in operational performance** in response to extreme weather events, such as the DANA storm in Spain and the Eowyn storm in the United Kingdom, thanks to advanced monitoring and response systems.

### 3. Integration of ENW in the United Kingdom

- **Operational integration of Electricity North West**, with significant impact on business performance:
  - **Energy distributed +52%** in the United Kingdom.
  - **Supply points +69%** in the United Kingdom.
  - Progressive alignment of management processes, systems and standards with the Group's corporate model.

### 4. Expansion and modernisation in key markets

- In **Brazil**, approval for the **renewal of distribution concessions** for an **additional 30 years**, strengthening operational and regulatory stability.
- Deployment of **new supervision, control and automation systems**, particularly focused on enhancing climate resilience within **networks**.

### 5. Investment in resilience

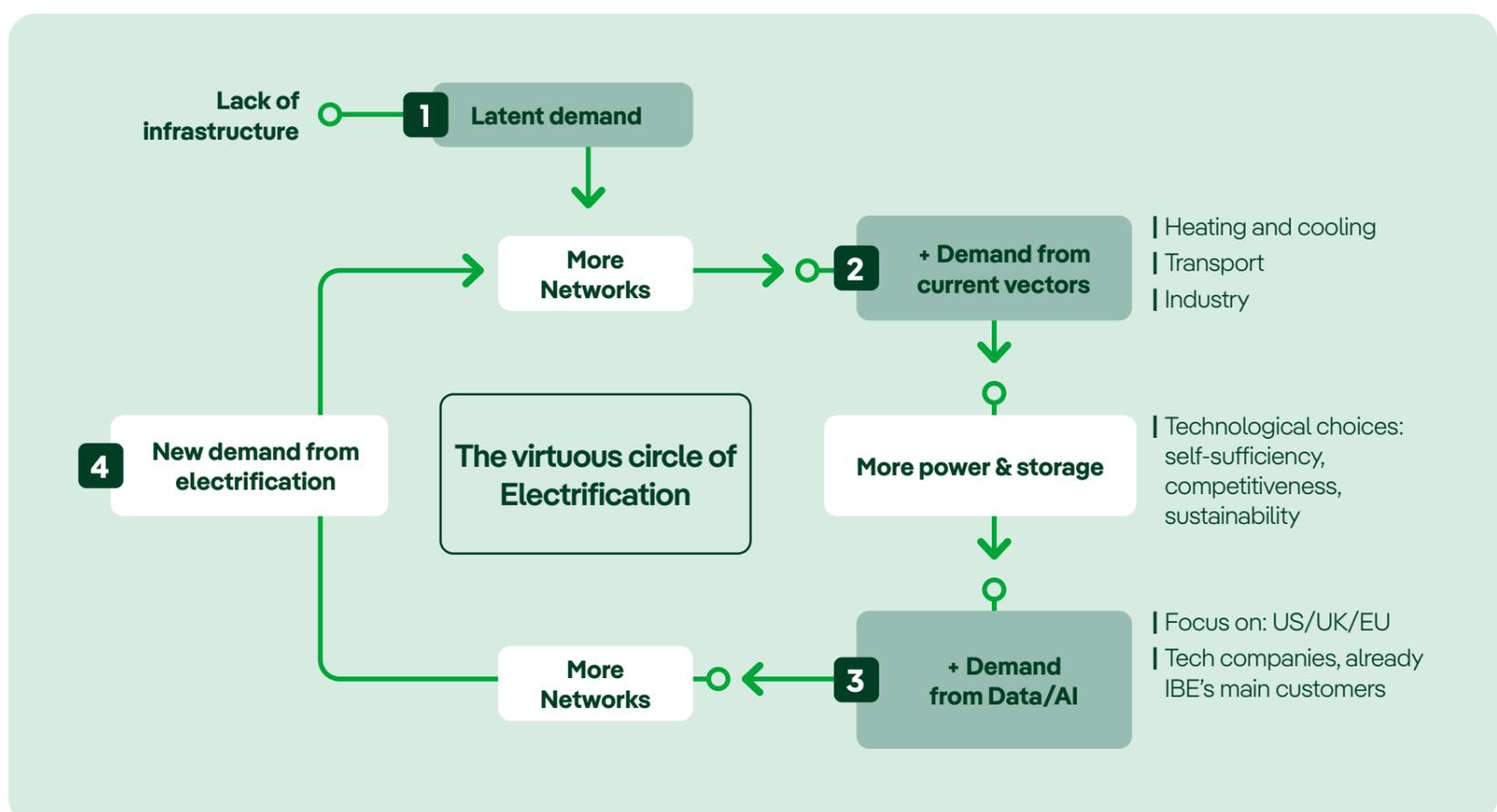
- Deployment of **actions** to strengthen infrastructure, digitalisation, automation and contingency plans to address severe weather events.

## Strategic Plan 2025 - 2028: networks as the cornerstone of secure, high-quality service, and a key enabler of the energy transition.

The growth of the **regulated Networks business** is underpinned by **solid, predictable and pre-defined regulatory frameworks** for most of the period. In particular, **90% of investment in distribution to 2027 and 80% to 2028** are supported by regulatory frameworks that have either been approved or are at an advanced stage, ensuring high visibility on returns. In addition, close to **100% of the investment** in regulated **transmission to 2028** is also supported by

regulatory frameworks already approved or at an advanced stage, reinforcing the stability of the business.

These investments will enable the Regulated Asset Base (**RAB**) to reach approximately **EUR 70,000 million by 2028**, representing an increase of **40% increase compared with 2024**.





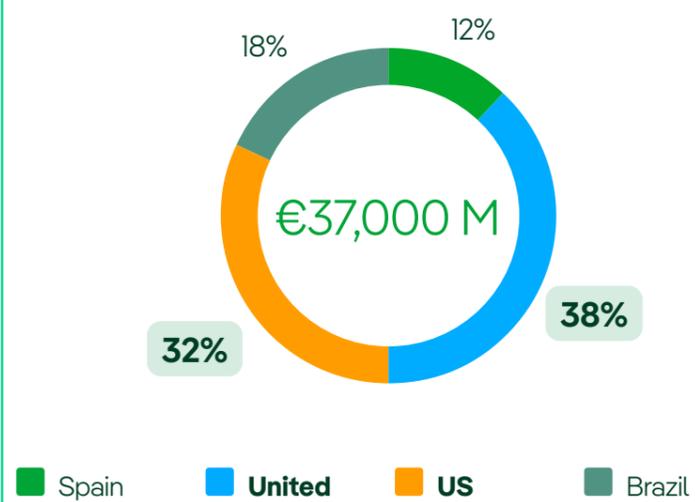
### Networks as drivers of financial sustainability and competitiveness

The Plan emphasises the importance of Networks as a core component of the energy transition and the competitiveness of the system. The planned investments enable progress to be made in three key areas simultaneously.

- Growth in demand and facilitation of new economic activity.** Networks provide the infrastructure that enables projects to move forward that might otherwise be constrained by a lack of electricity capacity. **Strengthening and expanding the network** avoids bottlenecks, facilitates the connection of new electricity demand (residential, industrial and digital) and contributes to the economic and social development in the territories in which we operate.
- Reducing system costs and improving the reliability of supply:** Investment in networks translates into **substantial improvements in resilience and reliability.** The introduction of more modern, digitalised infrastructure with greater real-time operational capabilities reduces the costs of congestion and power outages, and significantly shortens recovery times in the event of incidents such as severe weather events.
- Enhancing energy efficiency and accelerating electrification:** A **broader, more flexible and digital network** facilitates the uptake of more efficient electrical solutions in mobility, building heating and cooling and industry. This enables reductions in emissions, the transition to a more efficient energy system, and the adoption of new forms of smart consumption.

**These investments, when combined, will double the distribution asset base in less than a decade and triple the transmission asset base compared to 2020 levels.**

### Gross investments by country 2025-28



**United States and United Kingdom represent 70% of the investment in networks**

#### These investments are distributed as follows:

**Distribution:** ~€25,000 M, with approximately 60% in the United Kingdom and the United States.

**Transmission:** ~€12,000 M to strengthen security of supply, increase interconnection capacity and support the large-scale integration of renewables

## Renewable Generation and Customers

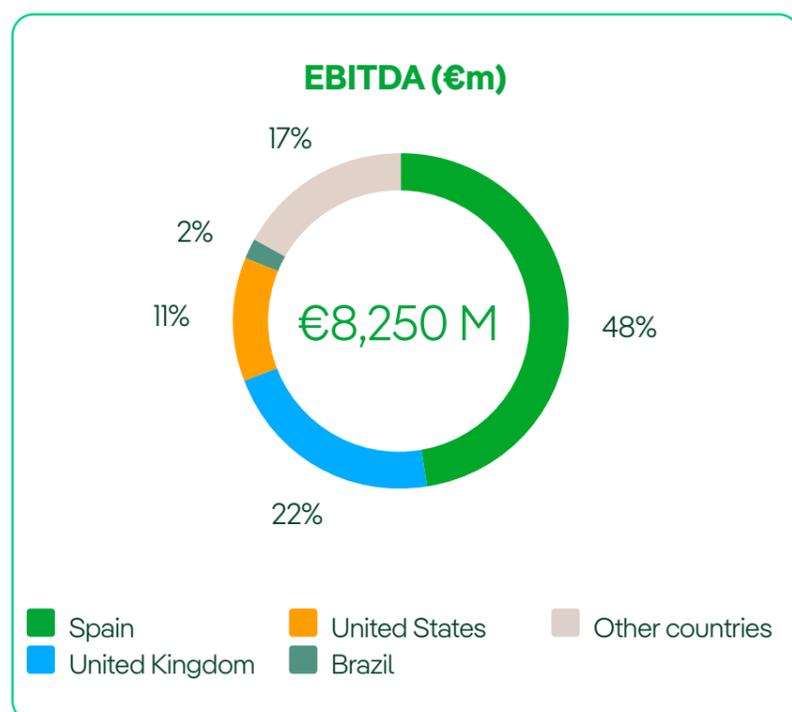
### Key information

The Renewable Generation and Customers business focuses its activity on **power generation** and the supply of competitive, efficient and high-quality electricity solutions. Its operations are supported by **growing sustainable capacity**—which already accounts for 85% of the Group's total capacity—and systematically integrate environmental protection, occupational health and safety, and the continuous improvement of operational efficiency.

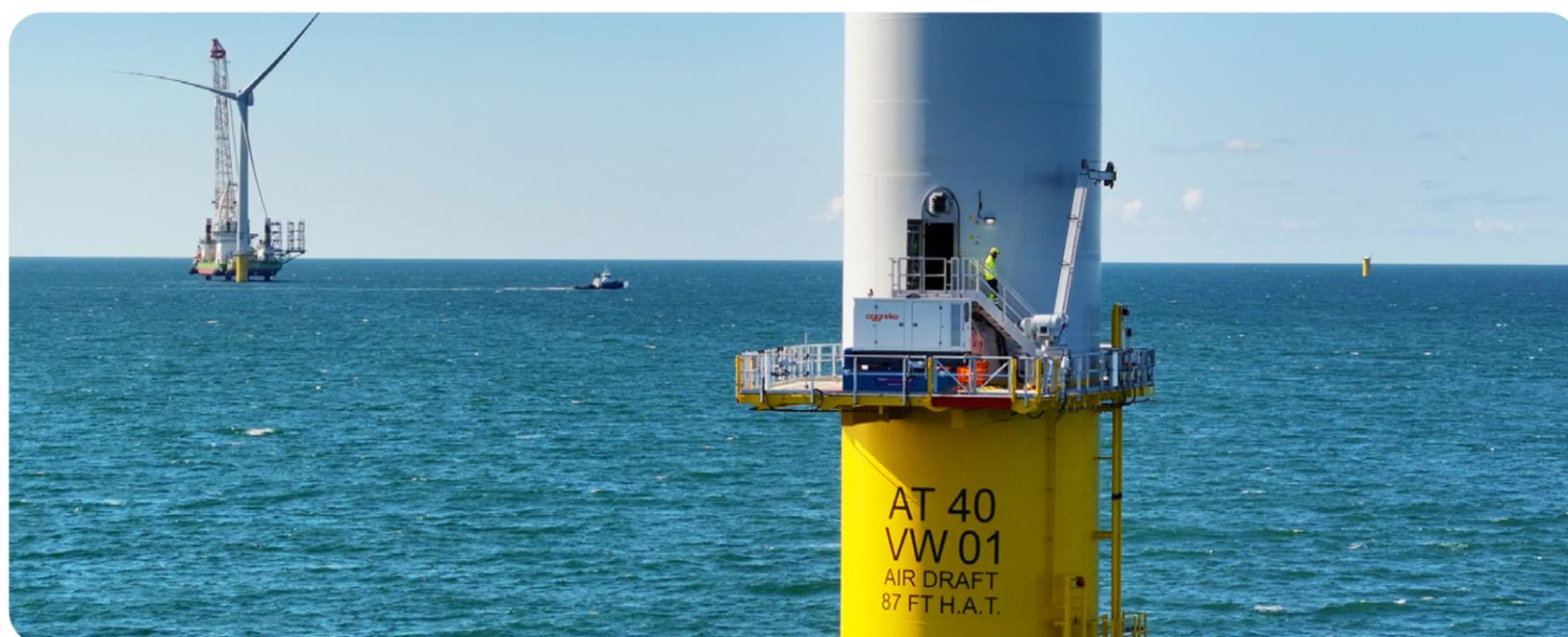
In 2025, the business **strengthened** its **contribution to electrification** via the commissioning of **new capacity** and the development of solar, wind, **storage and pumped-storage** projects alongside the application of operating procedures prioritising environmental management and safety in all geographical areas in which it operates.

### Key figures

Item	Spain		United Kingdom		United States		Brazil		IEI		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
<b>Total Contracts (Millions)<sup>(1)</sup></b>	23.3	<b>23.6</b>	7.3	<b>4.5</b>	—	—	0.8	<b>0.9</b>	0.03	<b>0.60</b>	31.5	<b>29.8</b>
<b>Electricity supply (GWh)</b>	79,068	<b>79,295</b>	11,631	<b>9,015</b>	—	—	—	—	8,611	<b>8,164</b>	99,310	<b>96,474</b>
<b>Gas supplied (GWh)</b>	22,089	<b>23,269</b>	18,548	<b>17,634</b>	—	—	—	—	111	<b>128</b>	40,748	<b>41,031</b>



**~60,000 MW**  
installed capacity



(1) Total contracts includes Electricity, Gas and Smart Solutions. Totals may vary due to rounding.

## Main activities during the year

### 1. Increase in installed capacity

- Installation of an **additional 2,613 MW of renewable capacity** during the year, with notable contributions from offshore wind, solar and battery storage systems.
- **Total renewable capacity reached 46,162 MW**, up by 4.1% compared to 2024.

### 2. Project development

- In **Spain**, progress was made on wind projects such as El Escudo and Iglesias, as well as the repowering of Isabela and Molar del Molinar in Castilla-La Mancha. Additionally, 1.6 GW of solar energy entered operation, including plants in Ciudad Rodrigo (316 MW), Velilla (350 MW) and Caparacena (330 MW).

The commitment to storage increased with the commissioning of new hydro-pumping groups in Torrejón and Valdecañas, as well as the installation of six new battery storage plants at Andévalo, Olmedilla, Romeral, Revilla-Vallejera and Campo Arañuelo I and II.

- In the **United States**, key developments include the expansion of offshore wind technology with the installation of the Vineyard Wind One project, the commissioning of the new Pontotoc onshore wind facility, and the repowering of Leaning Juniper 2A and Juniper Canyon.
- In the **United Kingdom**, highlights include the repowering of the Hagshaw Hill wind farm and the extension of the Kilgallioch wind farm, as well as the commissioning of the Harestanes battery storage facility.
- **At an international level**, highlights include the completion of the installation works at the Smithfield and Broadsound battery storage projects in Australia, the Schadewohl solar projects in Germany, the Fenix and Limes storage projects in Italy, and the Gatza wind farm in Greece.

### 3. International expansion in key technologies

- Increased **offshore wind production** in the **United States**, the **United Kingdom** and the **Rest of the World**, supported by new capabilities and an improved wind resource.
- Growth in Australia is strengthened by the acquisition of the operational Ararat wind farm (242 MW – completion expected during 2026) and the Tungillo battery storage project (1,080 MWh), which is in *Ready-to-Build* status.

### 4. Efficient production management

- The Group's **renewable production** reached **129,043<sup>(1)</sup> GWh**, representing growth of 2.2% compared with the previous year.
- Optimisation of pumped-storage operations, enhancing system flexibility and facilitating renewable integration.

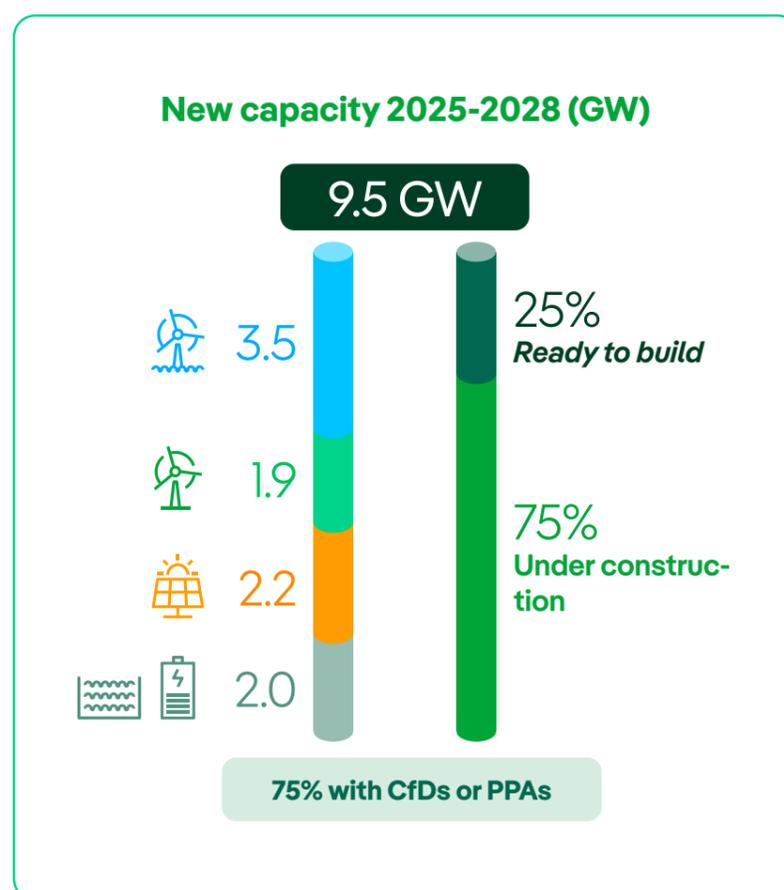
### 5. Commercial activity and customer relations

- Management of **29.8 million contracts** with a **10.2% increase in Smart Solutions**.
- Promotion of **solutions linked to electrification**, including self-consumption, electric mobility and smart products.
- Portfolio repositioning in the United Kingdom following the sale of the smart meter business, aligning the commercial offering with the new perimeter.

## Strategic Plan 2025 - 2028:

The **transformational Strategic Plan 2025-2028** foresees **investment of EUR 21,000 million** in the **Renewable Generation and Customers** business. This investment will enable the addition of **9,500 MW** of **new** renewable capacity, of which 78% relates to projects already under construction, providing for high visibility and orderly implementation.

With these additions, Iberdrola will achieve **total installed capacity** of approximately **60,000 MW** by **2028**, with **90% of generation being emissions-free**.



**Offshore wind (3.5 GW):** All projects are already under construction in the United States, Germany and the United Kingdom, with stable commercial frameworks (CfDs, corporate PPAs or applicable tax schemes).



**Onshore wind (1.9 GW):** 90% is under construction, in Spain, the United States, the United Kingdom and Greece, combining new capacity and repowering initiatives to maximise the value of existing assets.

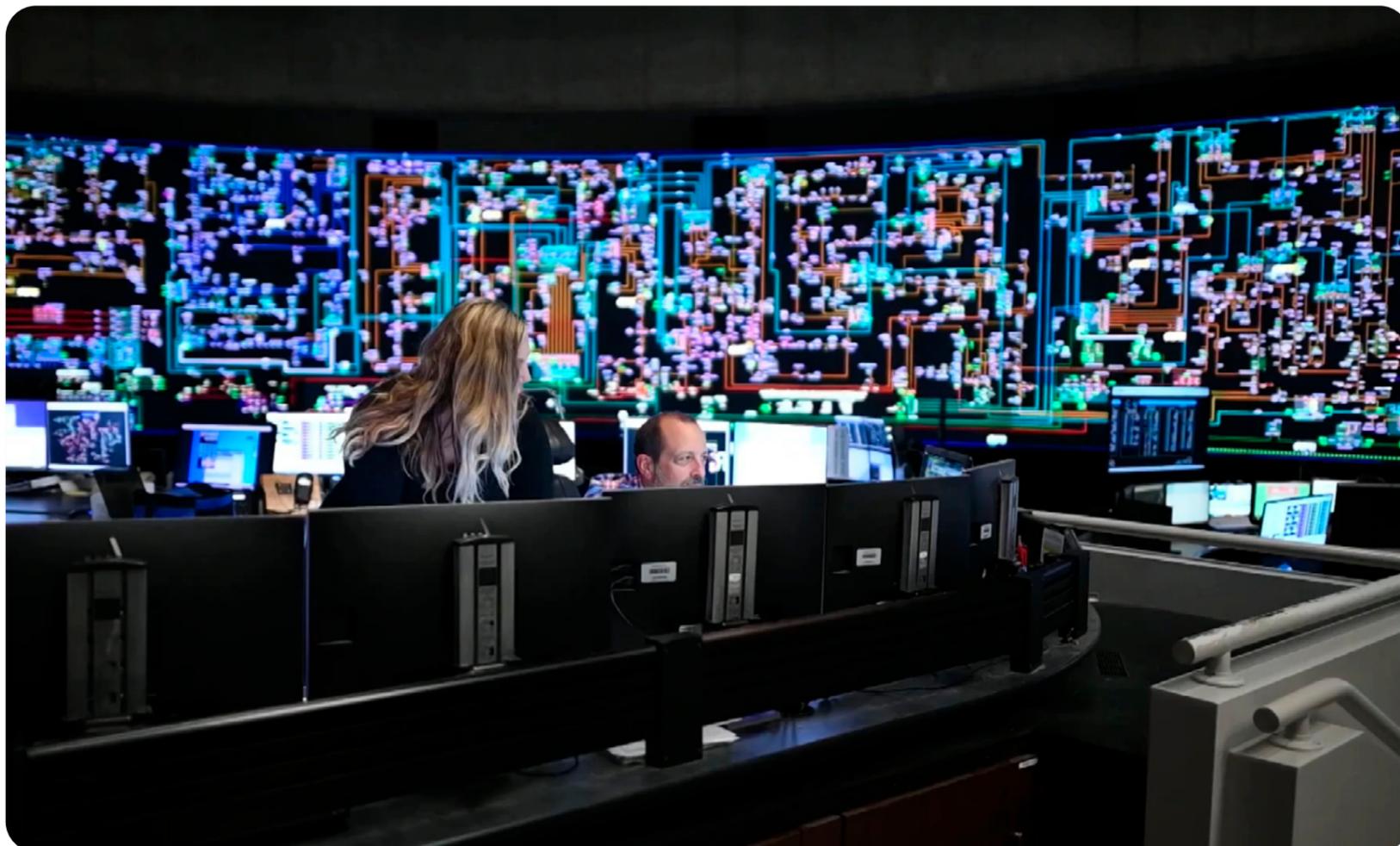


**Solar photovoltaic (2.2 GW):** With 72% progress in construction, it will be deployed mainly in Spain, Italy and the United States, diversifying geographical scope and technologies.



**Storage (2.0 GW):** Includes 0.5 GW under construction –corresponding to battery projects in the United Kingdom, Australia and Spain– and an additional 1.5 GW at the *ready-to-build* stage. This is complemented by a portfolio of 3 GW of pumped storage, which is essential for providing flexibility and resilience to the electricity system.

(1) The comparison is affected by the inclusion of production from the Mexican assets within the scope of the transaction until 26 February 2024.



### Revenue stability and commercial model

The generation and customers business **broadly diversifies** routes to market, combining regulated contracts (CfDs and others), corporate PPAs and sales to residential customers.

This has resulted in **90% of revenues** being **locked in for 2026**, and **75% for 2028**, which significantly reduces exposure to price volatility and ensures stable margins.

The Group's dispatchable **generation for 2028** is projected at 120-125 TWh, supported by the commissioning of new projects and the continued maturation of the renewable pipeline.

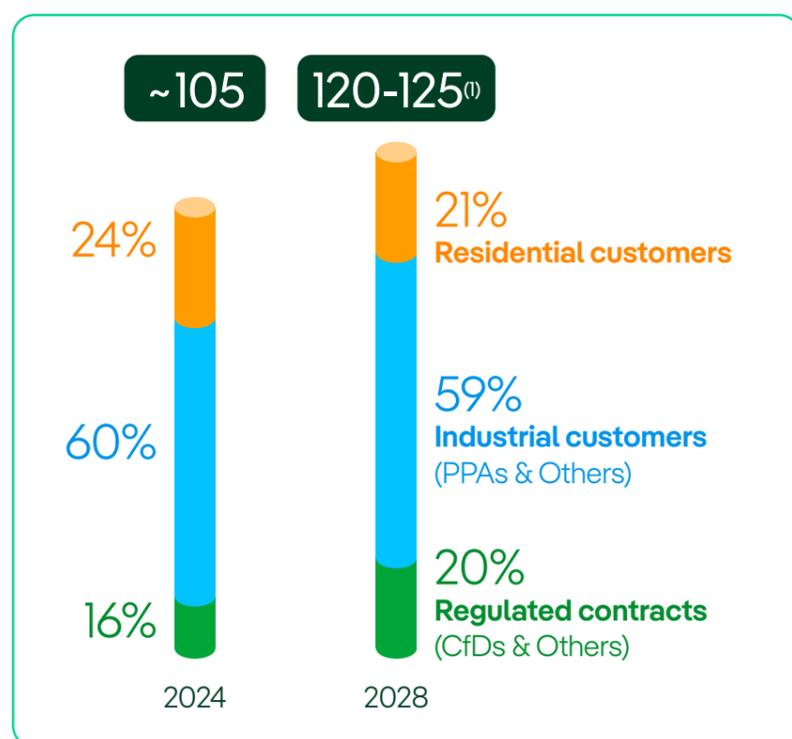
**90% of revenue secured in 2026 and 75% in 2028**

### Customer Business: growth, digitalisation and strategic alliances

Iberdrola will allocate **EUR 2,500 million** to customer **management**, with a view to further diversifying its routes to market beyond 2028 and strengthening its position in higher-growth segments.

The main priorities are:

- **Residential customers and small businesses:** Iberdrola serves more than **11 million customers**, mainly in Spain and the United Kingdom. Investment will focus on operational excellence, digitalisation and *cost-to-serve* improvements.
- **Industrial customers:** The Company has more than 250 Twh **contracted** with industrial customers **through to 2030**, securing stable revenues and long-term relationships with key sectors.
- **Data Centres:** The Data Centre business is one of the fastest-growing sectors in terms of electricity demand. Iberdrola already has **contracts for 11,000 GWh/year** with major operators in the United States, Spain, Portugal, Germany and the United Kingdom, supporting their expansion through highly efficient, renewable and manageable solutions.



(1) Total generation available for sale.



# Finance

## EU Taxonomy for sustainable activities

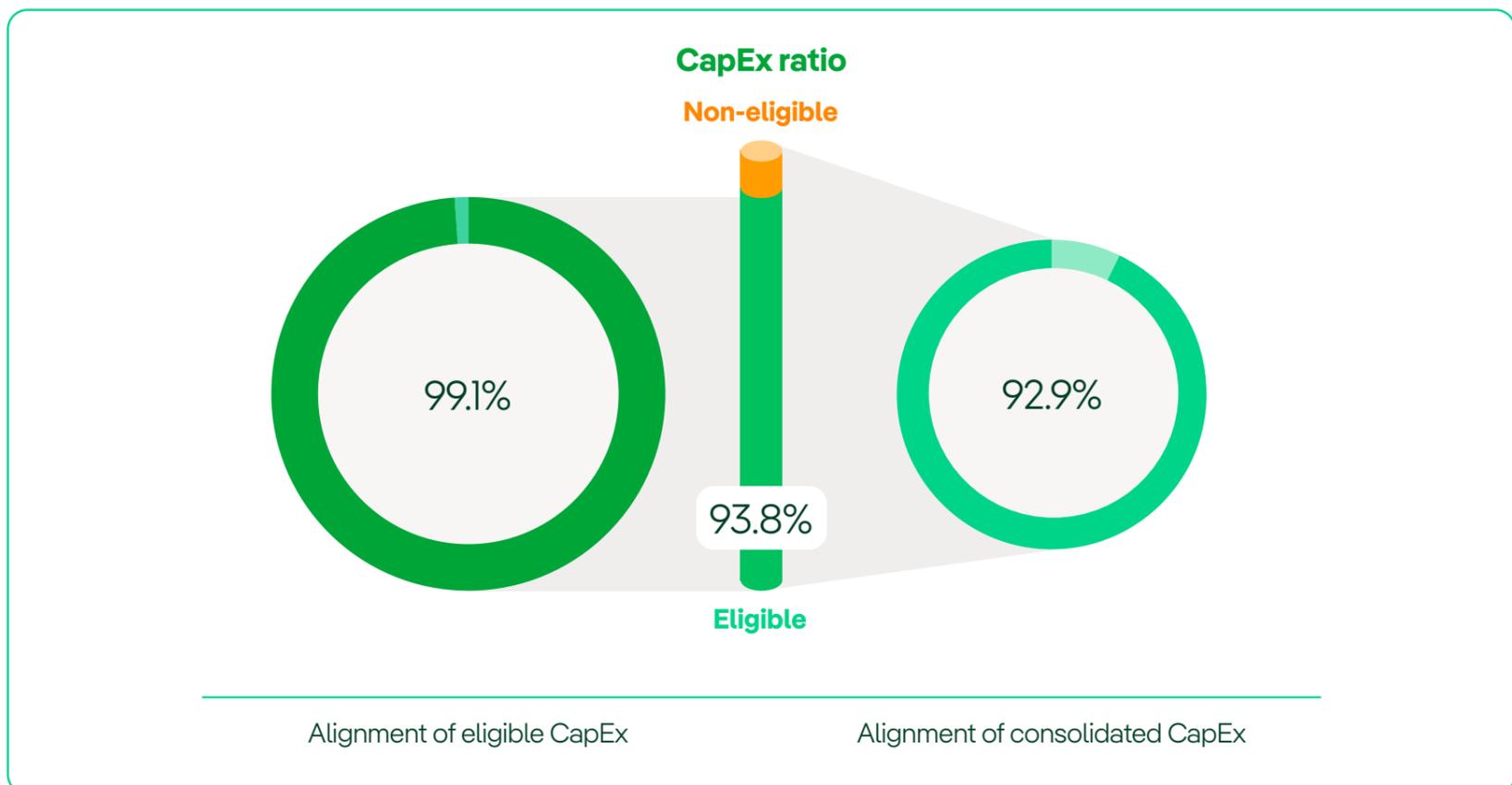
Iberdrola reports the information required by Article 8 of Regulation (EU) 2020/852, which establishes the **European Taxonomy of environmentally sustainable activities**. The **eligible and aligned Turnover, CapEx and OpEx<sup>(1)</sup>** indicators show the extent to which the Group's activities contribute to the environmental objectives defined by the European Union.

For more details, see the *Statement of Non-Financial Information - Sustainability Report 2025 (SNFI-SR)*.



**99%**

of investments for eligible sustainable activities are aligned with the EU taxonomy



(1) An activity is considered eligible if it is included in the Taxonomy, and aligned if it also meets the technical screening criteria and social safeguards established by the regulation.

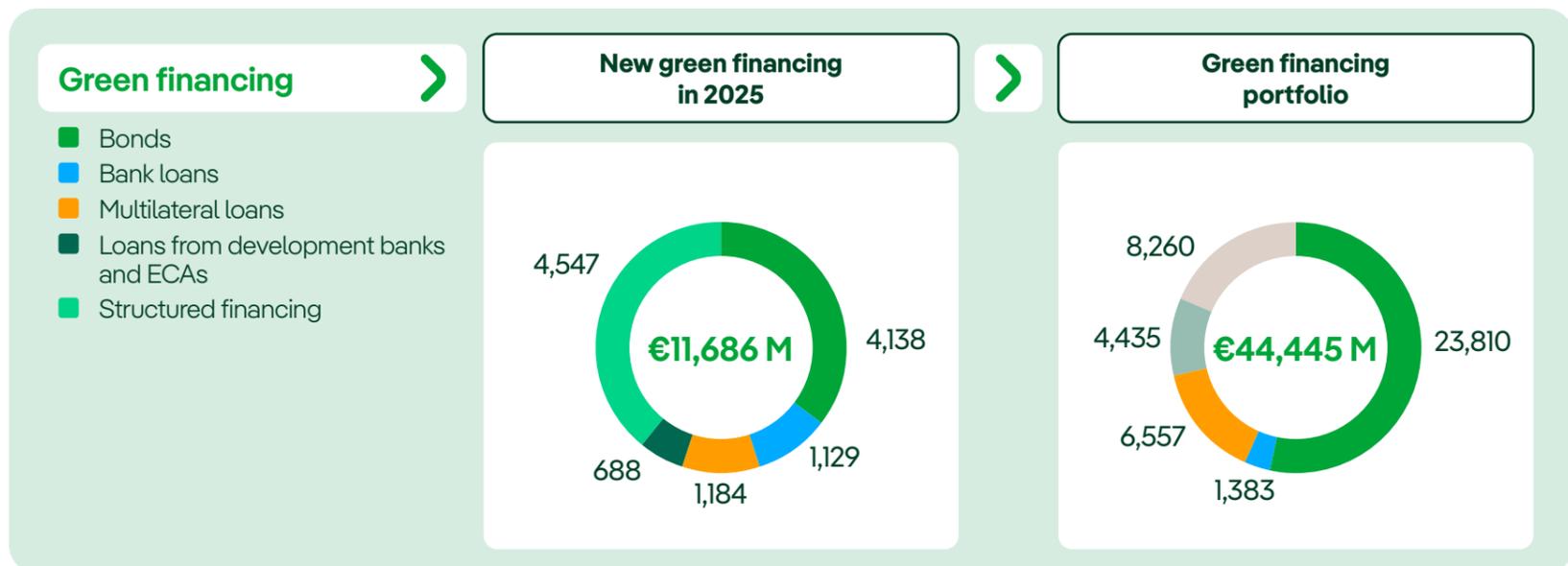
## Sustainable Finance

Iberdrola will continue to **use sustainable financing instruments** in the implementation of its **Strategic Plan 2025-2028**. The Company's aligns its investments — **90% of which are compatible** with the **EU Taxonomy** — with a financing strategy that strengthens its **creditworthiness**, delivers a **positive environmental impact** and supports a **broader and more diversified investor base**. This approach is applied in the various geographical areas and via the various instruments and markets from which the Group is financed.

In **2025**, Iberdrola signed **EUR 15,737 million in sustainable financing**, reaching a **total portfolio of EUR 66,852 million**.

**€44,445 M**  
Green financing

**€11,686 M**  
in new green transactions



**Bonds:** Iberdrola is the world's leading private issuer of green bonds for own financing, and further strengthened its sustainable financing in 2025 with new issuances by the Corporation and its subsidiaries AVANGRID and NEOENERGIA.



Three new green bond issues totalling EUR 2,150 million allocated to electricity networks and renewable energy projects in several countries.



Avangrid issued six green bonds for USD 850 million to finance Networks projects.



Neoenergia's subsidiaries completed 11 green financing transaction, the proceeds of which allocated mainly to Networks projects.

### Bank loans



For **ScottishPower**, Iberdrola formalised a EUR 900 million bank facility as part of a larger financial package.



Neoenergia signed two green bank loans in the amount of USD 92 million for distribution and transmission network construction and automation projects.



Avangrid entered into a bank loan of USD 69 million as part of a sale-and-leaseback arrangement for the Leaning Jupiter wind farm.

### Multilateral loans



Collaboration with the European Investment Bank (EIB) has been strengthened, increasing financing to a total of EUR 884 million allocated to networks, pumped storage, infrastructure reconstruction and wind projects in Europe.

### Loans from development banks and Export Credit Agencies (ECAs)



Iberdrola closed a green financing loan for ScottishPower that also includes a GBP 600 million facility within a broader financing package. The funds support seven priority transmission network reinforcement projects in the United Kingdom aimed at accelerating the integration of renewables, reducing congestion costs and strengthening network resilience.

### Structured financing



Iberdrola has closed GBP 3,614 million of project financing to fund the construction of East Anglia Three, one of the largest green financing transactions in Europe.



At Avangrid two tax credit monetisation transactions were completed under a Tax Equity Investor (TEI) structure in the total amount of EUR 405 million associated with new wind and solar projects.



**€22,407 M**  
KPI-linked financing

**€4,051 M**  
in new KPI-linked transactions

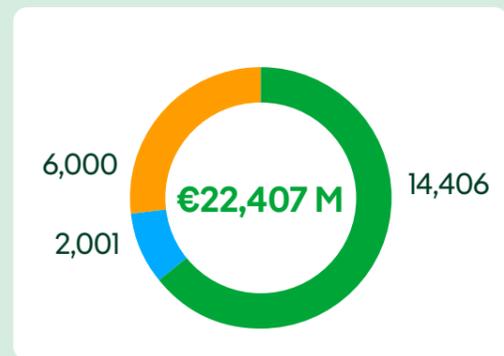
**Sustainable (KPI-linked)**

- Credit facilities
- Bank loans
- Commercial paper programmes

**New KPI-linked financing in 2025**



**KPI-linked financing portfolio**



**Sustainability-linked credit facilities**



Iberdrola has EUR 14,406 million in KPI-linked credit facilities between the Corporation, AVANGRID and Neoenergia, all linked to environmental and social objectives.



AVANGRID added a new USD 1,500 million syndicated sustainability-linked facility tied to energy transition initiatives and sustainable suppliers.



During 2024, Neoenergia converted BRL 1,600 million in sustainable lines with environmental and social KPIs related to the digitalisation of networks and equal opportunities.

**Sustainability-linked bank loans**



Iberdrola has EUR 1,125 million in bilateral bank loans linked to a water consumption KPI, having pioneered the first European loan in the energy sector linked to this indicator in 2021.

**Commercial paper**



In 2024, Iberdrola formalised the renewal of its Euro-Commercial Paper (ECP) programme, the main new features being an increase in the maximum outstanding balance limit to EUR 6,000 million, and the incorporation of the sustainability label, linking it to two sustainability targets included in the Group's sustainability strategy.



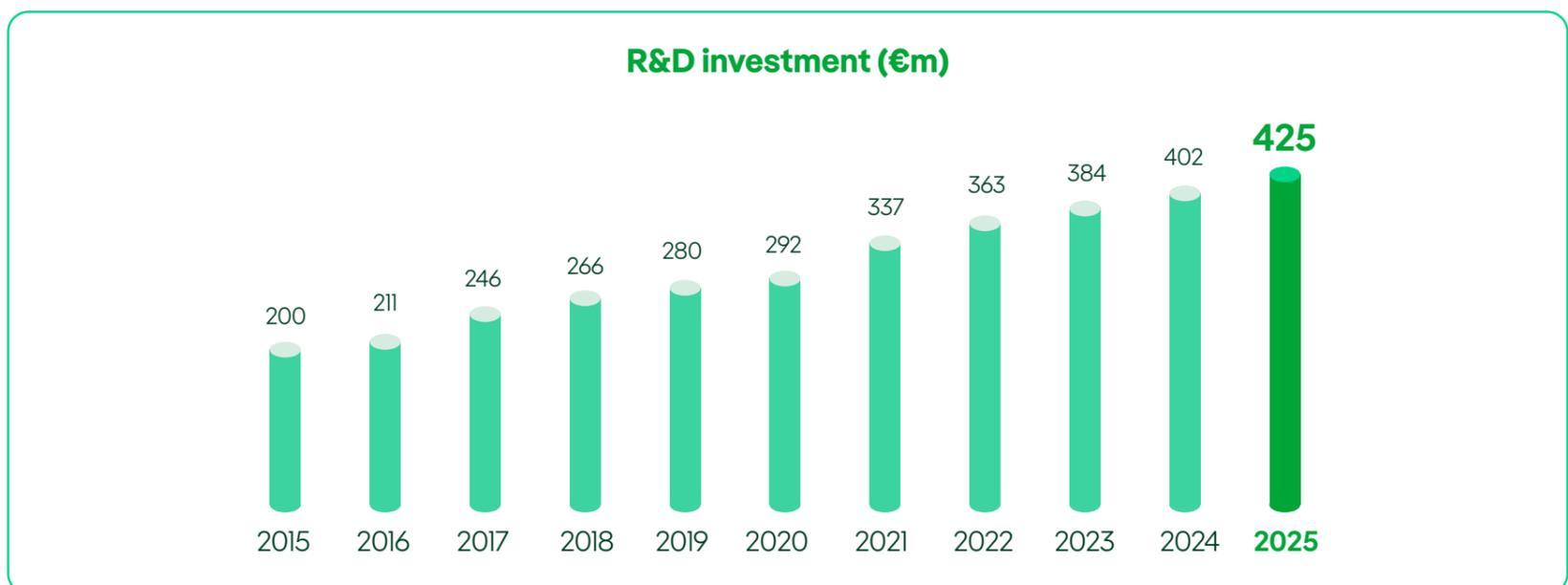
# Innovation



Today, Iberdrola is a global energy leader thanks to its innovative strategy and its commitment to technology as a driver of growth towards a more electrified, efficient and sustainable model.

The Company drives future technologies and integrates innovation throughout the value chain, with more than 300 R&D projects underway.

Recognised for the fifth year in a row as the private utility investing the most in R&D worldwide, according to the 2025 EU Industrial R&D Investment Scoreboard





## Electricity generation



### Wind

Use of Big Data and AI to improve **weather forecasting** and optimise renewable production.

Development of corrosion protection for metal structures and digital solutions to **improve the planning and operation of offshore wind platforms**.



### Solar

Innovative **photovoltaic design** and **operating strategies** supported by advanced simulation to maximise efficiency and profitability.

Advancements in **agrovoltatics**, including the integration of crops such as apple trees.



### Hydroelectric generation

Geotechnical studies and electromechanical **upgrades** for new **pumping projects** and **hybridisation** solutions that increase the manageability of renewable generation.

Initiatives to **extend operating range** and **manage lower water flows** without compromising service life or viability.



### Energy storage and batteries

Advancements in **batteries hybridised** with **solar** and **wind**, as well as in *stand-alone* batteries operating independently.

Assessment of **storage solutions** with different functionalities, including the conceptualisation of new battery concepts such as sodium-based and long-duration options.



### Operation and maintenance

Advancement of **repowering initiatives** that improve efficiency and reduce environmental impact, with recognition received for the Isabela and Molar del Molinar projects.

Development of structural models to enhance **wind turbine robustness** under loads and vibrations.



## Energy distribution and management



### Smart grids

**Bilbao Global Smart Grids Innovation Hub (GSGIH) Project:** A pioneering centre and global benchmark for innovation in smart grids, with several initiatives.

**Innovation Data Space (i-DS)**, including two new environments: i-DS Open Data, which provides enhanced access to network data; and i-DS Research, which enables agile and secure data sharing for R&D and innovation projects.

Projects are being developed to facilitate the electrification of demand (**DEMELEK**), ensure a robust, resilient, cyber-secure and flexible network (**BEFLEXIBLE, S2F regulatory sandbox**), and integrate electronic equipment, technology and information and telecommunications systems.



### GEM-Global Energy Management

**DEFINER and AVANHID projects:** These projects were successfully completed with very good results in 2025 and focused on flexible electricity demand management and the modelling, control and optimised integration of advanced hydropower generation systems.

**FLEXIDERMS project:** an intelligent system for the aggregated management of distributed energy resources, allowing prosumers to introduce flexibility into the system via virtual power plants.

**FEDECOM Project:** Focused on the development of flexibility markets and the smart integration of electrolyzers into the electricity system.



### Digitalisation

**DevIA Project:** A suite of tools to help software developers work more efficiently and streamline all phases of the software development cycle.

**GurIA Project:** Intelligent automation of mailbox and ticket management to improve the efficiency, traceability and response times in employee support processes.

**AI Centric Project:** This project aims to develop a global platform that accelerates the integration of AI, employee upskilling and the transformation of business processes.



## Electrification of demand



### Electrification of transport

**Charging hubs:** Charging hubs Iberdrola is driving the decarbonisation of mobility by providing charging hubs for buses and lorries, together with smart charging solutions with storage, to support the day-to-day operation of electric public transport.



### Electrification of heat

**Industrial electrification:** Projects to replace fossil fuels with efficient electric solutions, such as Green Heat Asturias for the decarbonisation of Bayer's aspirin plant, and Green Heat Tarragona for the decarbonisation of the Tarragona Chemical Complex.



### Self-consumption

**Solar Communities:** Storage systems have been incorporated in shared self-consumption projects and Solar Communities, improving operational efficiency, flexibility and the use of renewable generation.

# Sustainable business

Iberdrola has been integrating sustainability aspects into the Company's strategy and management for more than 20 years.

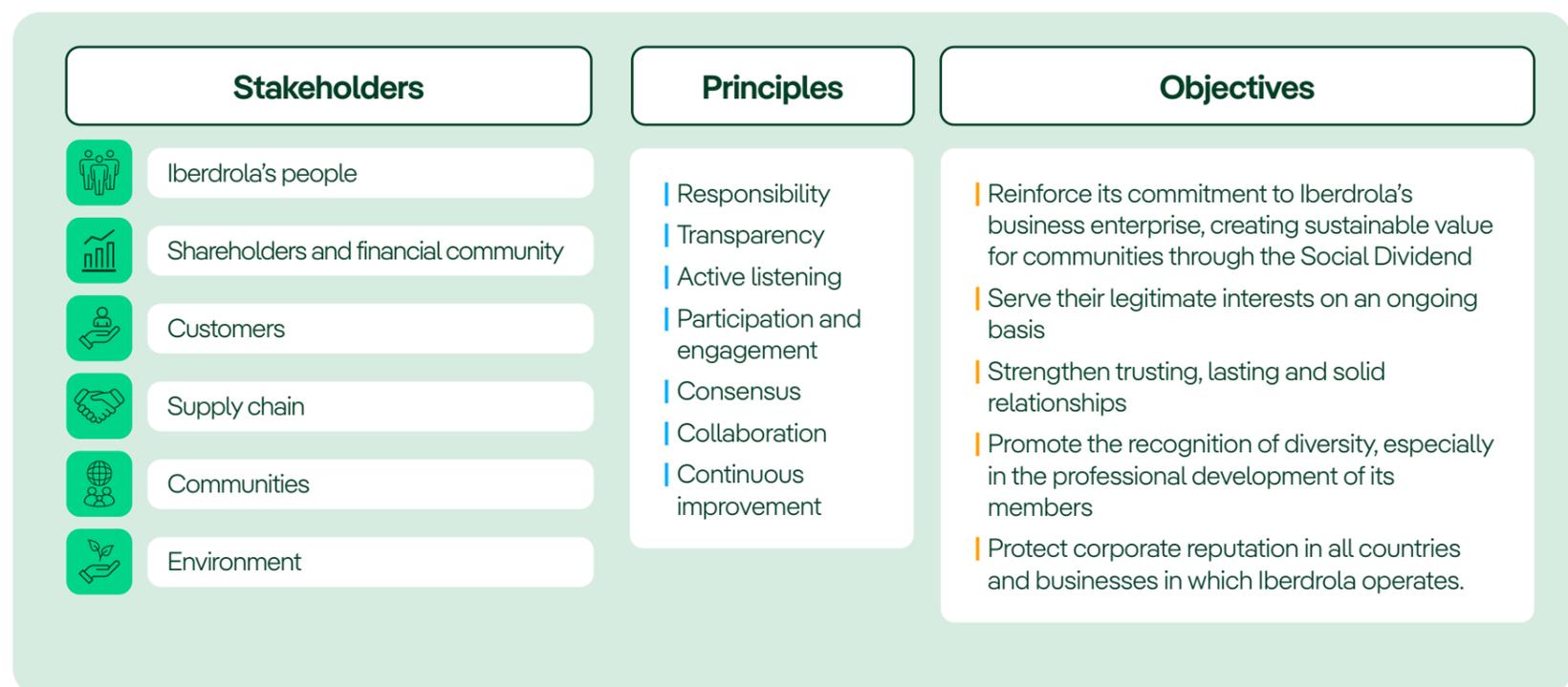
## Stakeholders

The Group's companies continue working to further engage their **Stakeholders** in all of the Company's activities and operations. Iberdrola's **Stakeholder Engagement Policy**, defines the Company's stakeholders as "those groups and entities whose decisions and opinions have an influence thereon and who, at the same time, are affected by the Iberdrola Group's activities".

As a result of a process of reflection involving the Company's various areas and businesses, together with external experts in the field, **six categories of Stakeholders** and a set of **engagement principles and objectives** have been established, as reflected in the following chart:



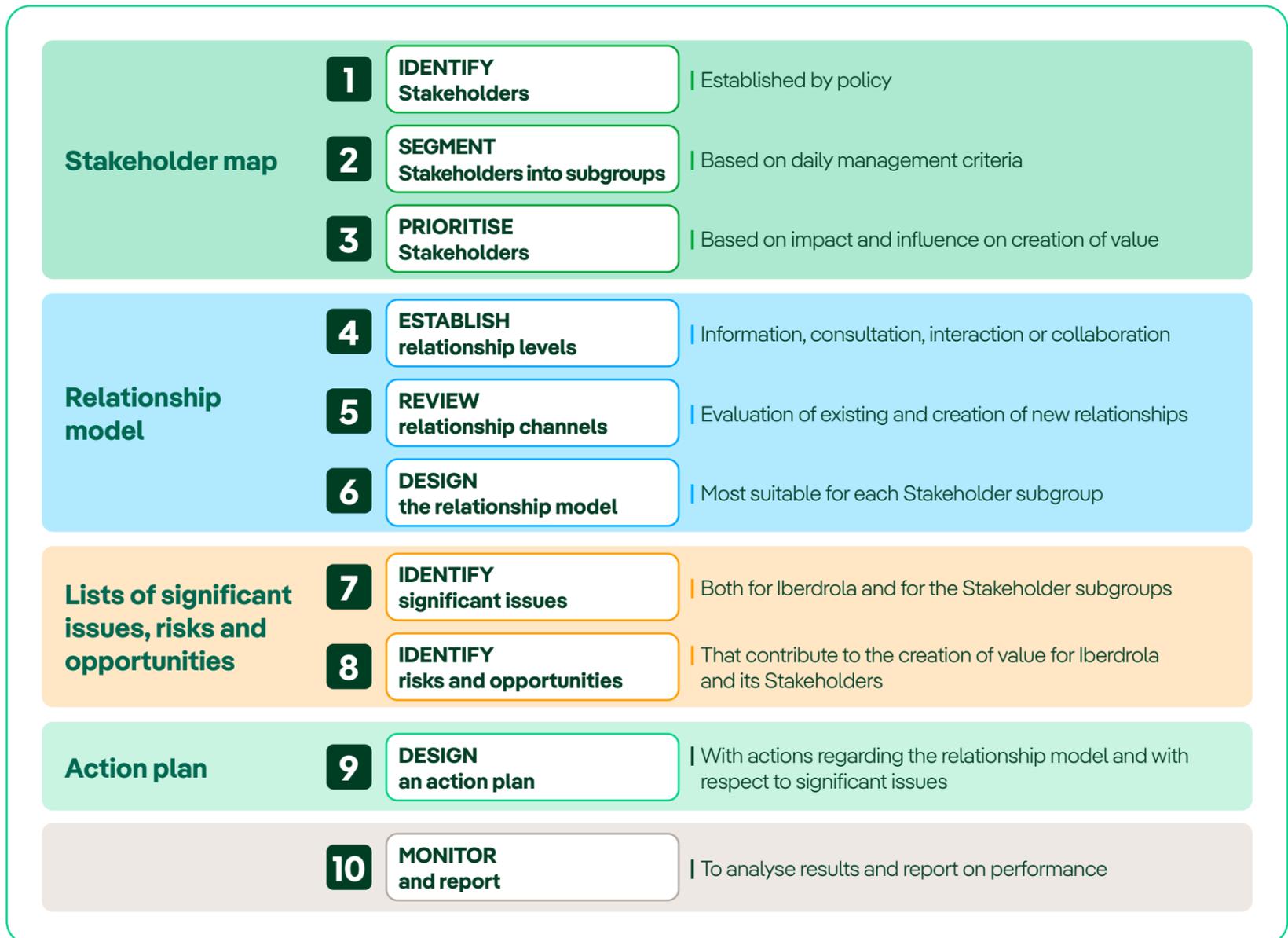
**Continuous improvement of human rights due diligence and systematic integration of best practices in stakeholder engagement.**



Iberdrola has a **Global Stakeholder Engagement Model** in place to meet its goals in this area. The Company's ambition is for the Model to be gradually and effectively implemented at all of the Group's facilities. To this end, the Company has committed to **rolling out** the Model at **90% of its facilities by 2030**.

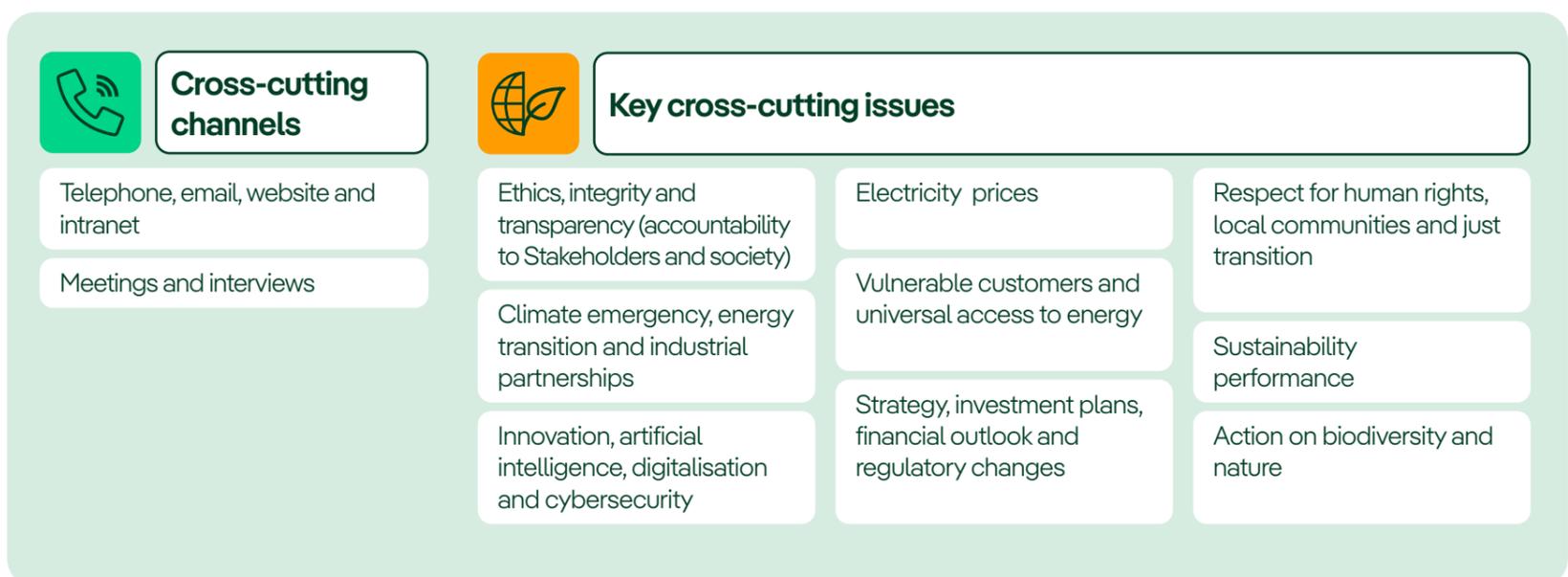
**Iberdrola, awarded best European utility for its investor relations at the IR Impact Awards Europe 2025**

The elements and phases of the Model are described in the diagram below:



## Relationship channels and significant issues

Iberdrola ensures effective communication with its Stakeholders through **constantly evolving channels** that are adapted to their needs and aimed at building **solid, lasting relationships**; thanks to **active listening** and **ongoing dialogue**, the Company identifies the **most significant issues** for these groups, guiding its decisions and actions.



## Iberdrola Stakeholders' Hub

The Company has a Stakeholder coordination hub made up of the parties responsible for all of the areas and businesses. This hub meets on a regular basis to share experiences and best practices in the area of stakeholder engagement. In 2025, in addition to the participation of experts who highlighted the importance of the Social Licence to Operate, various good practices were identified and shared:

### Examples of best practices



#### Spain

##### Il·lumina Plan

Iberdrola's "Il·lumina" plan was created after the October 2024 DANA event, which caused serious damage to the electricity network in the Valencian Community. The plan contemplates an investment of EUR 100 million to rebuild and modernise the infrastructure, incorporating advanced resilience measures. It includes digitalisation, underground cabling, network reinforcement and the mobilisation of technical and engineering teams.



#### United States

##### Annual Nonprofit Network Event

The Annual Nonprofit Network Event initiative at Central Maine Power (Avangrid) strengthens partnerships with non-profit organisations through an annual listening and collaboration event. The event encourages the sharing of needs and best practices, and fosters connections between entities and internal teams. It also encourages corporate volunteering and provides networking spaces and practical demonstrations to strengthen community engagement.



#### United Kingdom

##### Grid Planning Scholarship

This ScottishPower initiative, in collaboration with the University of Glasgow and GRID, aims to provide training for network business professionals in the role of network planner, which is a key area for advancing electrification goals. A pilot project is currently being developed with two students to foster the next generation of planners by providing them with practical, applied experience.



#### Brazil

##### Quilombola Basic Environmental Programme (PBAQ)

Neoenergia's Quilombola Basic Environmental Programme (PBAQ), implemented at the Oitis wind farm supports the Quilombola community of Sumidouro. The programme focuses on promoting social communication, cultural strengthening and income generation. It includes actions such as sponsoring the Kizomba Festival, donating musical instruments and planning the project "Caminhos Quilombolas: Turismo Sustentável" (Quilombola Paths: Sustainable Tourism), aimed at promoting ecological routes, workshops and training to promote the community's socio-economic development.





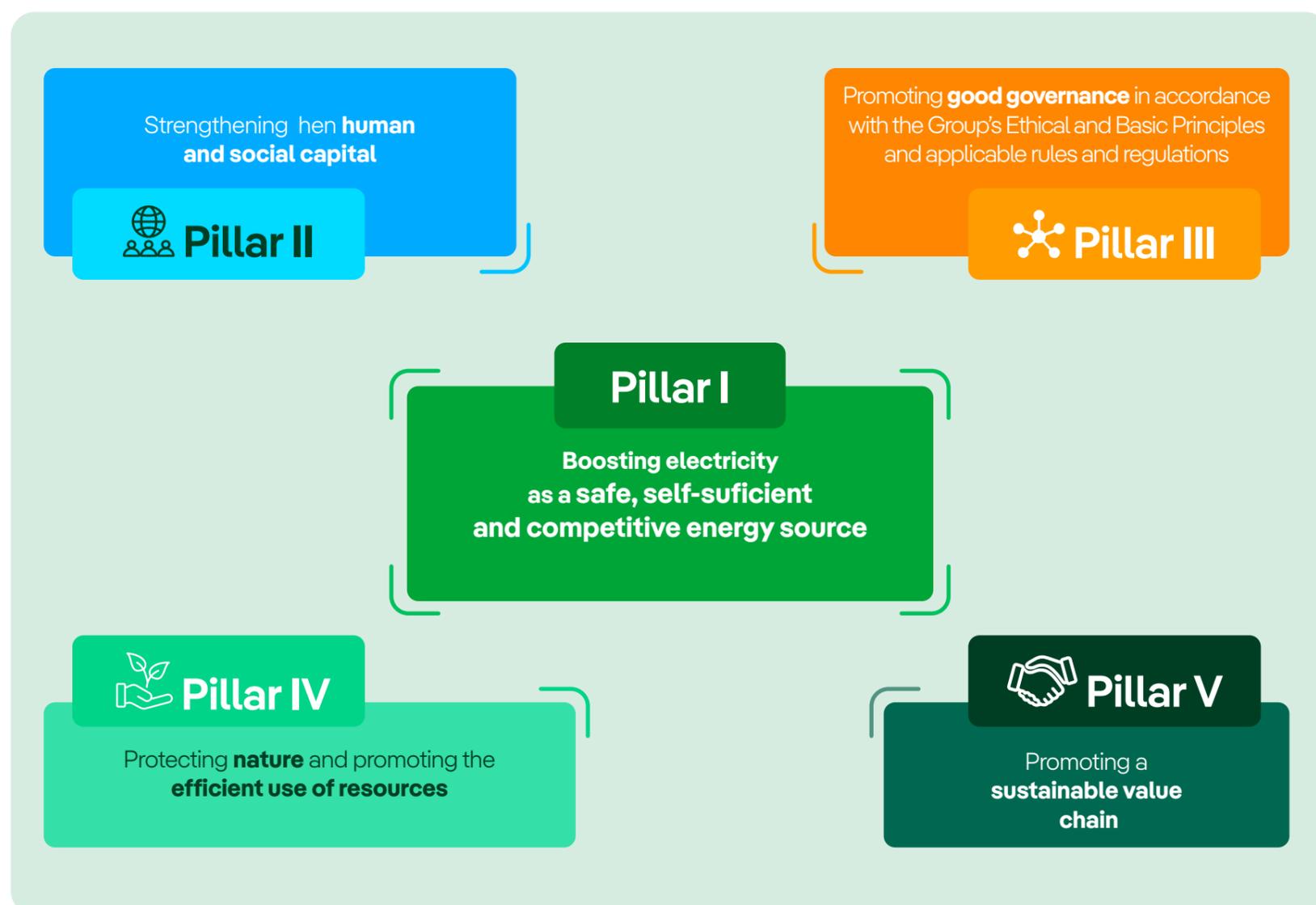
## Sustainability targets

Iberdrola identifies the **material issues** for its Stakeholders, and for the Company itself, by **preparing a double materiality assessment** that takes into account the positive and negative impacts of the Company's activities. As a key player in building an electrified energy model and in creating sustainable value for its Stakeholders, the Company has defined its **sustainability roadmap through its Sustainability Targets**.

These targets are closely linked to the *Group's Ethical and Basic Principles of Governance and Sustainability*, as well as to

the corporate policies that give effect to them. They reinforce the Company's strategy and its commitment to sustainable development, the Social Dividend and the creation of shared value for all stakeholders, which are primarily embodied in the *Purpose and Values* of the Iberdrola Group, as well as in the *Sustainable Development Policy* and the *Stakeholder Engagement Policy*.

The Company updated its **Sustainability Targets** in 2025. These targets are structured around **five pillars**, where **environmental, social, governance and financial aspects** converge, and seek to structure action along the same lines as the *Group's Ethical and Basic Principles of Governance and Sustainability*.



DRIVERS	TARGET AND METRICS	ACTIONS IN 2025	YEAR-END 2025	TARGET 2030
<p><b>Sustainable electrification</b> (Net Zero by 2040)</p>	<p><b>Emission intensity in electricity generation</b> g CO<sub>2</sub>/kWh</p> <p><b>Net Zero Scopes 1, 2 and 3 by 2040</b> Comply with SBTi milestone by 2030 and 2040</p> <p><b>Zero pollutant emissions in electricity generation by 2030</b> (NO<sub>x</sub> + SO<sub>x</sub> + particulates in g/kWh)</p> <p><b>Managed Stored Energy Capacity</b> GWh/year</p>	<p>Bayer recognises Iberdrola for its role as an accelerator of industrial electrification</p> <p>Neoenergia obtains SBTi endorsement and accelerates its goal of net zero emissions by 2039</p> <p>Clean energy drives more than 90% of new global energy capacity</p> <p>Iberdrola makes a commitment to storage and consolidates its key role in electrification</p>	<p>39.2<sup>(1)</sup></p> <p>In progress</p> <p>0.02<sup>(3)</sup></p> <p>10,232</p>	<p><b>Carbon Neutral<sup>(2)</sup></b></p> <p>✓</p> <p>&lt;0.016</p> <p>&gt;11,000</p>
<p><b>Innovation and digitalisation</b></p>	<p><b>Smart Grids</b> % asset automation</p>	<p>Investments of more than €8,900 million in the networks business in 2025</p>	<p>85.8%</p>	<p>&gt;90%</p>
<p><b>Sustainable finance</b></p>	<p><b>CAPEX aligned</b> % CapEx aligned with European Taxonomy<sup>(4)</sup></p> <p><b>Green financing</b> Millions Euros (cumulative)</p>	<p>€5,000m to boost investment in electricity networks in the United States and United Kingdom</p> <p>First in the world to issue a green bond under EU and ICMA standards</p>	<p>92.9%</p> <p>11,686</p>	<p>~90%</p> <p>&gt;30,000 by 2028</p>
<p><b>Equal opportunities</b></p>	<p><b>Equal opportunities</b> EDGE plus certification</p>	<p>Iberdrola Supera Awards 2025: equal opportunities through sport</p>	<p>In process</p>	<p>✓</p>
<p><b>Safety and Health</b></p>	<p><b>Wellbeing Program</b> ISO 45003 Certification</p> <p><b>Occupational safety</b> TRIR</p>	<p>Awarded by ADC, for its campaign to emotionally connect with employees</p> <p>Neoenergia revalidates its Great Place to Work certification</p>	<p>In process</p> <p>In process</p>	<p>✓</p> <p>Improve</p>
<p><b>Community development</b></p>	<p><b>Electrification Access Programs</b> Millions of users covered (cumulative)</p> <p><b>Contributions to society<sup>(5)</sup></b> Number of contributions (&gt; 1,000)</p>	<p>Since 2014, access to electricity has been provided to 15.99 million people in emerging and developing countries</p> <p>The Iberdrola Group's total contribution to the community amounted to €878m under the B4SI model, with €62.7m in 2025</p>	<p>15.99</p> <p>✓</p>	<p>&gt;16</p> <p>✓</p>

(1) Including discontinued activities, which are not part of the consolidated turnover in the year, emissions would stand at 60 gCO<sub>2</sub>/kWh

(2) <10 g CO<sub>2</sub>/kWh.

(3) Including discontinued activities, which are not part of the consolidated turnover in the year, polluting emissions would stand at 0.09 gCO<sub>2</sub>/kWh.

(4) Organic CapEx; according to the European Taxonomy Regulation.

(5) Social contributions verified by an independent third party.

DRIVERS	TARGET AND METRICS	ACTIONS IN 2025	YEAR-END 2025	TARGET 2030
<p><b>Governance, ethics and transparency</b></p>	<p><b>Corporate governance</b> Maintaining best practices</p> <p><b>Percentage of independent directors</b> More than 50%</p> <p><b>Varied composition of the Board of Directors</b> Maintain</p> <p><b>Compliance System</b> Certification</p> <p><b>Cybersecurity objectives</b> Fulfilment</p>	<p>Iberdrola, the Spanish company with the best governance according to World Finance</p> <p>Iberdrola, the company with the best Compliance System in the Ibex 35 at the Diario Expansión Compliance Awards</p> <p>First European energy company to obtain Europrivacy data protection certification</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
<p><b>Human Rights and Stakeholder Engagement</b></p>	<p><b>Human Rights Due Diligence and Stakeholders' involvement</b> Annual review and update</p>	<p>Iberdrola, best European <i>utility</i> at the IR Impact Awards Europe 2025</p>	<p>✓</p>	<p>✓</p>
<p><b>Biodiversity preservation</b></p>	<p><b>Net positive impact in 2030</b> Number of facilities aligned with a biodiversity plan</p>	<p>ScottishPower awarded for its positive impact on the environment</p>	<p>199</p>	<p>~700</p>
<p><b>Efficient use of resources</b></p>	<p><b>Blades and Solar Panels Recycling</b> Number (cumulative)<sup>(1)</sup></p> <p><b>Reduction of water intensity in energy production</b> % (reduction vs. 2025) in m<sup>3</sup>/€M</p>	<p>Inauguration of EnergyLOOP, the first wind blade recycling plant on the Iberian Peninsula</p> <p>EIB and Iberdrola sign two loans for €108m to boost pumping in Spain</p>	<p>947</p> <p>Base</p>	<p>&gt; 5,000 (90%)</p> <p>-40%</p>
<p><b>Sustainable supply chain</b></p>	<p><b>Sustainable suppliers</b> EUR millions (cumulative)<sup>(2)</sup></p>	<p>Committed to the UN Global Compact to promote sustainability among its suppliers</p>	<p>12,430</p>	<p>&gt; 50,000 by 2028</p>
<p><b>Customers</b></p>	<p><b>Quality of supply</b> Reduction in consolidated SAIDI (vs. average 19-21)</p> <p><b>Fast and ultra-fast charging points</b> Number<sup>(3)</sup></p> <p><b>Customer Accessibility Solutions</b> Number</p> <p><b>Digital customers</b> % of total</p>	<p>Avangrid installs 650 smart devices in electricity networks in 2025</p> <p>10,000 public charging points and Madrid's largest fast-charging service station</p> <p>Energy Insights, best technology application for ScottishPower customers</p> <p>Iberdrola strengthens its digital leadership by boosting customer acquisition with AI</p>	<p>-18.3%</p> <p>3,413</p> <p>63</p> <p>75.4%</p>	<p>-15%</p> <p>&gt;10,000</p> <p>66</p> <p>75%</p>

(1) Estimate of recycled blades in 2030 according to the current operational plan and subject to revision depending on the evolution thereof. Target by 2030: 90% recycling of blades and panels

(2) Cumulative value over the period 2025-28; Procurement from sustainable suppliers > 85% total procurement over the period (planned > EUR 65 billion)

(3) Includes the number of charging points of the joint venture formed by Iberdrola and bp pulse

## Climate Action Plan

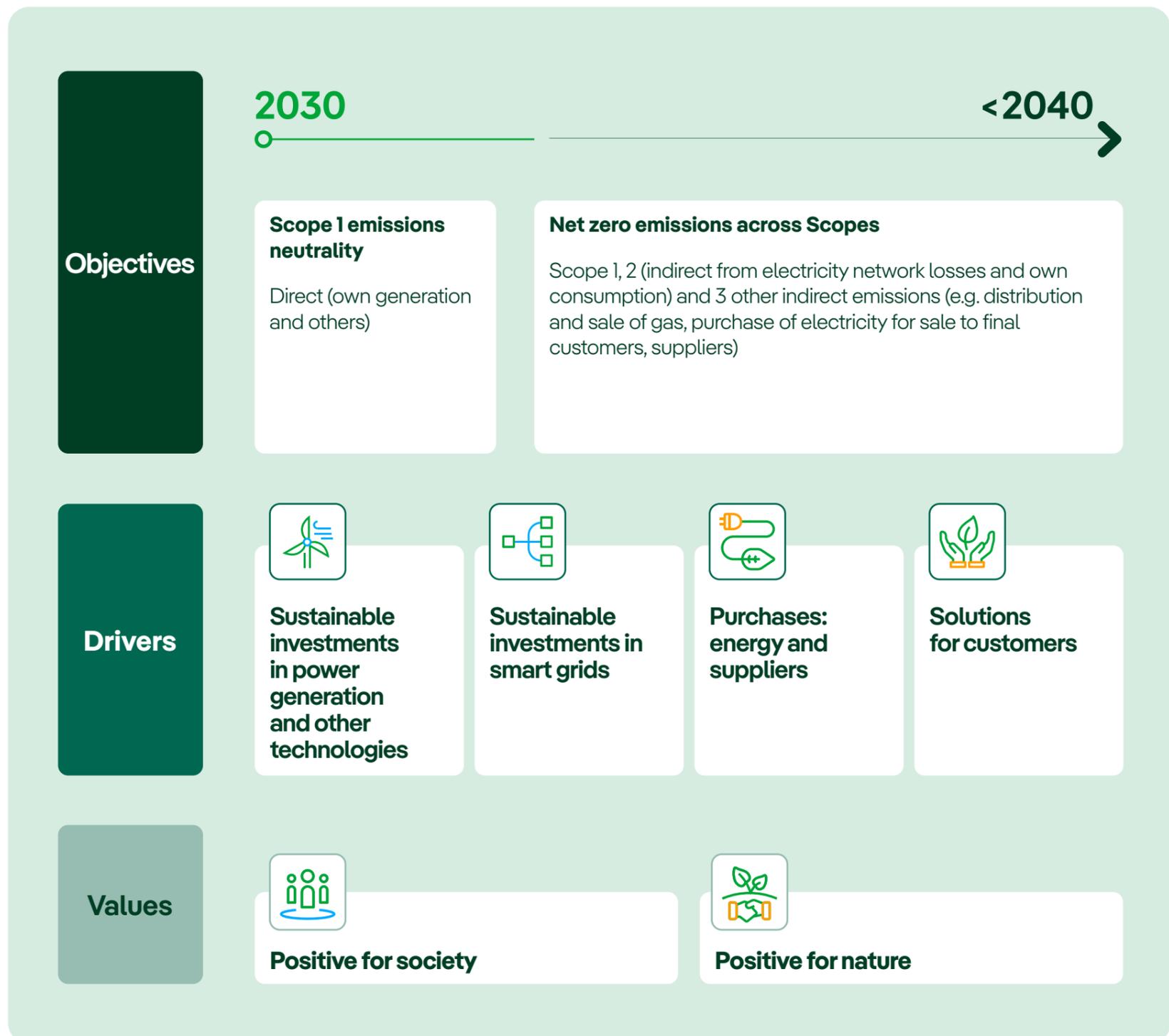
Over the past **two decades**, Iberdrola has invested more than **EUR 170,000 million in networks, renewable energy and storage**, developing a business model that aims to meet people's energy needs by providing **competitive, local energy sources**. This model ensures energy self-sufficiency, growth and employment for those in the communities where Iberdrola operates, while remaining compatible with nature.

Since December 2021, the **Climate Action Plan**, aspirational in nature and most recently approved by the Board of Directors in 2025, has been the Company's transition plan, describing the **levers and associated actions** that contribute to the overall **electrification** of the economy, resulting in **positive consequences** in terms of **competitiveness, energy security and reduced emissions**.

Iberdrola's **Climate Action Plan** sets out a roadmap with the **aim** of achieving **CO<sub>2</sub>eq neutrality for Scopes 1 by 2030**, and **net zero CO<sub>2</sub> equivalent emissions before 2040 in all scopes**. This trajectory has been certified as consistent with the objectives of the Paris Agreement by the Science Based Target Initiative (SBTi).



**SBTi has certified Iberdrola's aspirational emissions reduction targets**



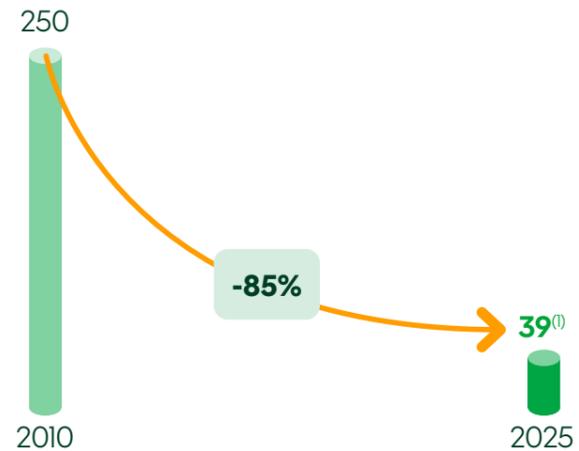
## Values

Due to its cross-dimensional nature, the [Climate Action Plan](#) is based on the aim of making climate action compatible with the general social interest and contributing to sustainable development, so as to contribute to **building** an energy **model** in **harmony** with **nature and human beings**. These two dimensions are the values that underpin the plan, ensuring **positive impacts** on **nature and society**.

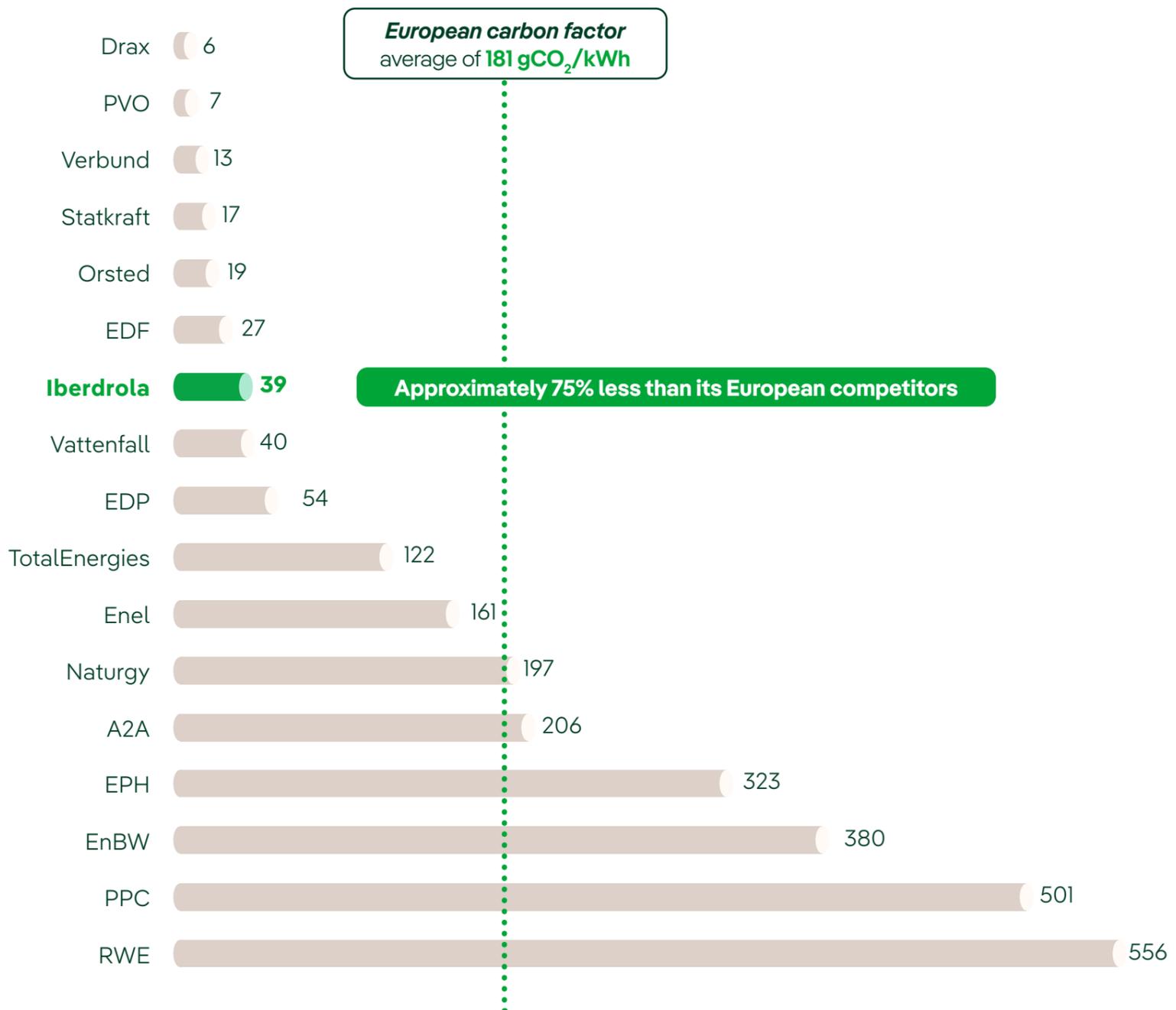
## Reduction of emissions

The deployment of the plan demonstrates a continued strong reduction in the emissions intensity of electricity generation, which **in 2010 amounted to 250 g CO<sub>2</sub>/kWh** and stood at **39 g CO<sub>2</sub>/kWh in 2025<sup>(1)</sup>**, a **reduction of 84%**, and **approximately 75% less than its European competitors<sup>(2)</sup>**.

### Reduction of emissions intensity



### Specific CO<sub>2</sub> emissions from facilities in Europe



(1) Including discontinued activities, which are not part of the consolidated turnover in the year, emissions would stand at 60 gCO<sub>2</sub>/kWh

(2) The European carbon factor average and the data for the other companies were both taken from Climate Change and Electricity: European carbon factor. PwC France. Nov. 2025 and, in the case of companies, include only the European area for 2024.



# Human and social capital

Commitment to human rights

Our people

Support to local communities

Fiscal responsibility

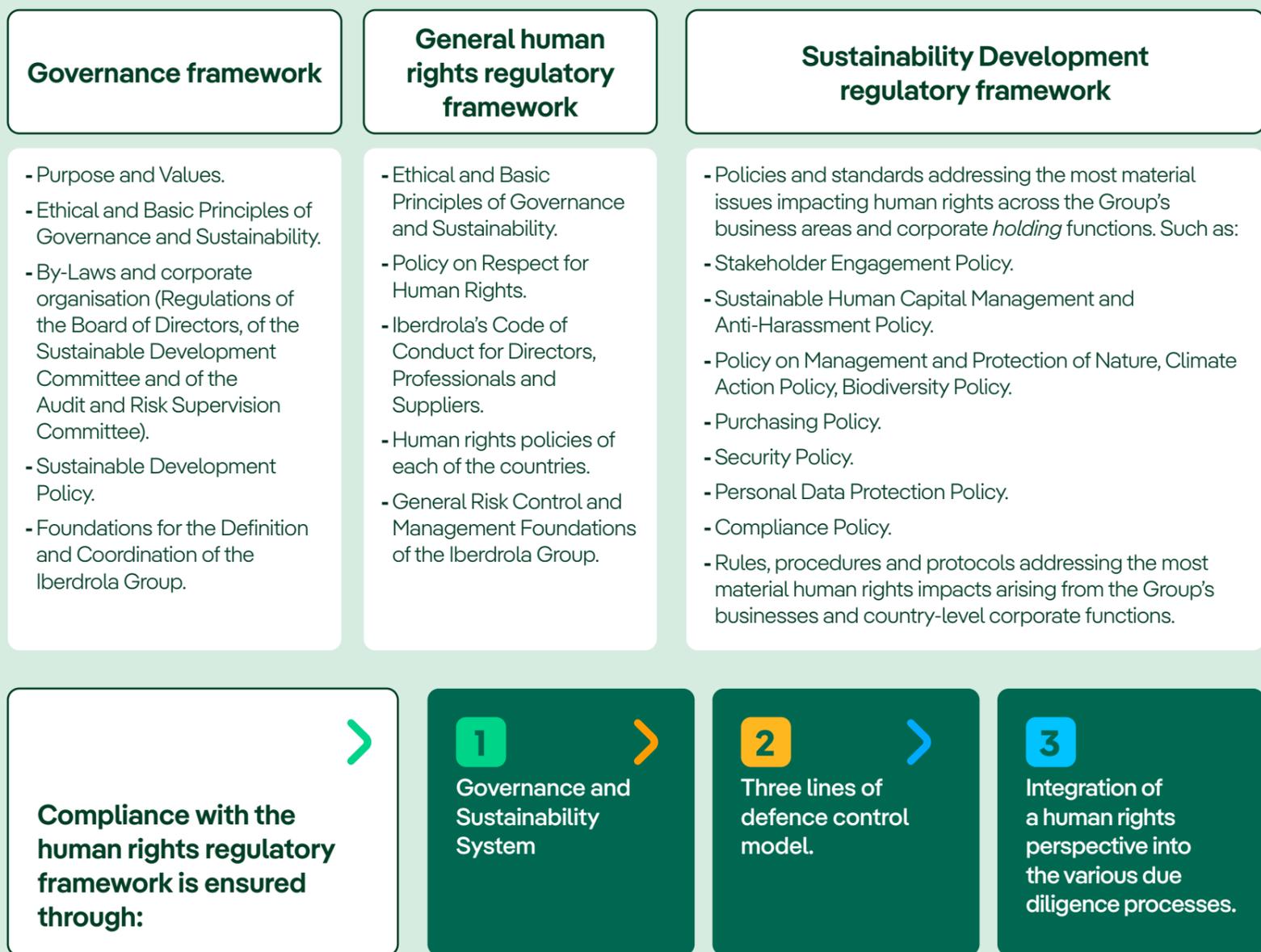
Corporate reputation and brand strength

Iberdrola integrates sustainability into its operations in order to generate shared value, as reflected in its **Social Dividend**, and focuses on the **continuous improvement** of engagement with its Stakeholders and on respect for human rights in its activities and across its supply chain.

The Group promotes community development through its own initiatives and those of its foundations, thereby expanding its positive impact. The quality of this relationship is key to strengthening its reputation and influencing the perceptions and decisions of its Stakeholders.

# Commitment to human rights

## Iberdrola's human rights regulatory and governance framework



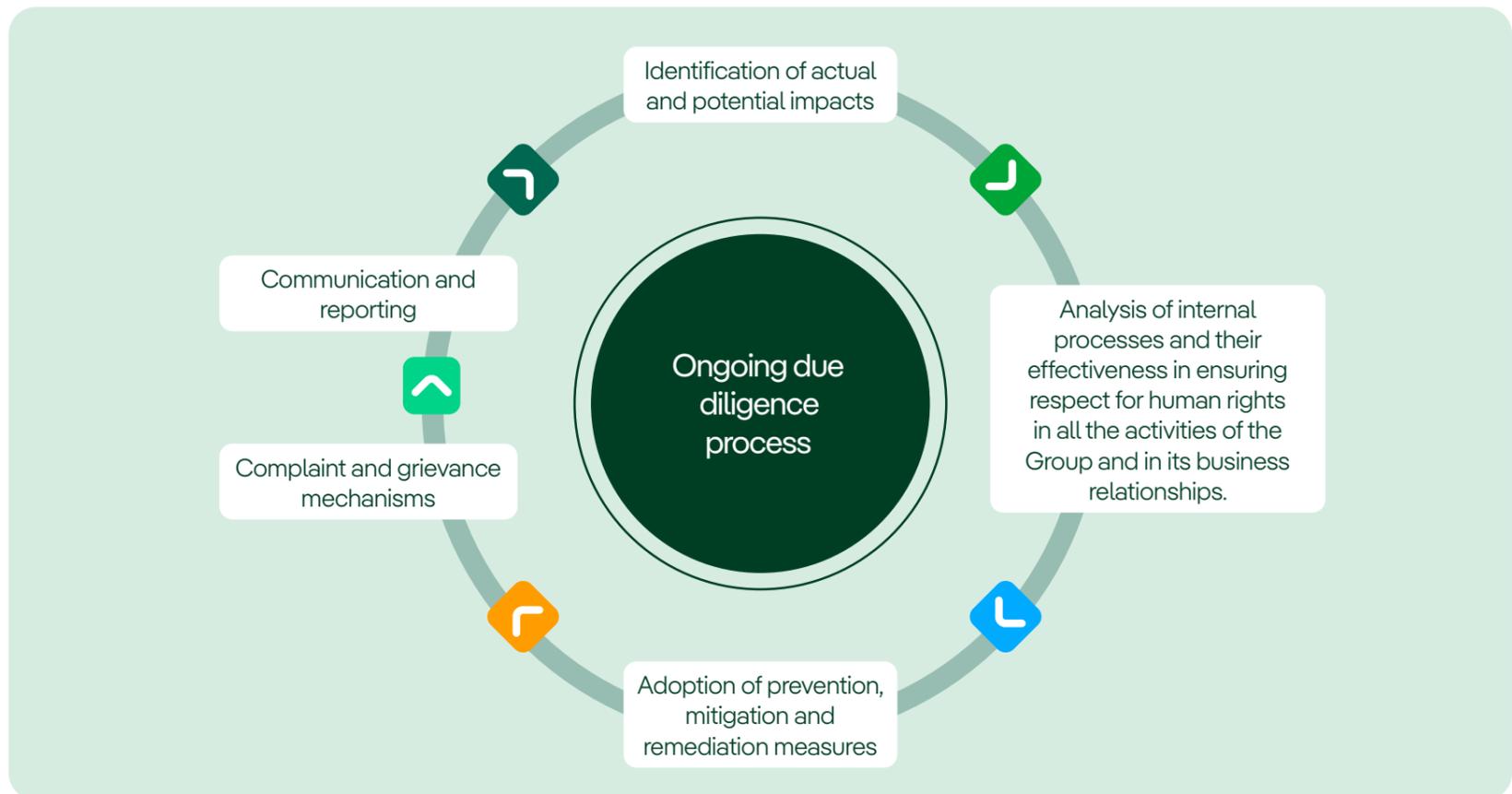
The Company has a **strong commitment to the protection of human rights**, placing them at the heart of its purpose and its Governance and Sustainability System. This approach guides its conduct and supports its **leadership** in a fair and inclusive energy transition.

For more than two decades, the Group has integrated these principles into its decarbonisation and clean electrification strategy, embedding them at all levels of corporate decision-making.

The corporate purpose guides the Group to **generate Shared Value**, increase the social dividend and act responsibly towards all its Stakeholders. This commitment is formalised in two fundamental instruments: the [Ethical and Basic Principles of Governance and Sustainability](#) and the [Policy on Respect for Human Rights](#).

In line with this commitment, **Iberdrola has put in place specific structures and tools to prevent, mitigate and remedy any potential adverse impacts on people**. This forms part of its Human Rights Regulatory and Governance Framework, which is aligned with international frameworks such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD guidelines for Multinational Enterprises, the United Nations Declaration on the Rights of Indigenous Peoples, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, and the conventions of the International Labour Organisation (including Convention 169), among others.

## An ongoing human rights due diligence process



### External recognitions/awards regarding human rights

As a result of the work carried out to date in this area, Iberdrola is a **leader in the sector**, as recognised by sustainability indices such as the Dow Jones **Best in Class Indices** and the Renewable Energy & Human Rights Benchmark.

### Main progress and next steps

- **Continuous improvement of the human rights due diligence processes**, with stronger integration across all phases of activity and throughout the value chain.
- **Strengthening supply chain due diligence** through enhanced oversight in the selection, hiring and monitoring of suppliers, especially in higher-risk sectors and geographies.
- **Enhanced assessment of social impacts in strategic corporate transactions**, together with human rights training and awareness initiatives among employees and third parties.
- **Development of digital tools that improve social management**, documentation and efficiency, incorporating technologies that automate data and facilitate advanced analytics.
- **Further progress in commitment to transparency** through the update of the [Human Rights Report](#) and improvements to communication channels with Stakeholders.

### Human rights and just transition

Iberdrola approaches the **energy transition** as an **opportunity to generate social, economic and environmental value, ensuring that its impacts are just and respectful of human rights**.

With more than two decades of **progress in electrification**, the Company is now focusing its efforts on **strengthening electricity networks and ensuring** that the **benefits of electrification** flow equitably to **communities, workers, customers and the value chain**.

It recognises that the energy transition can lead to impacts on employment, livelihoods, the environment, and the rights of communities, especially in vulnerable contexts. To this end, it integrates **robust mechanisms for identification, prevention and mitigation**, and, where appropriate, remediation, in both the development of new projects and the decommissioning of facilities.

**Iberdrola drives** the economic and industrial development of the territories in which it operates by deploying resources and tools that support communities, and by **strengthening dialogue** through its **Global Engagement Model with Stakeholders and its Social Management and Community Relations Procedure**.

The Company **incorporates just transition principles** into its due diligence processes, its responsible procurement model and its global dialogue, thereby strengthening its governance and monitoring mechanisms to ensure that technological and environmental progress translates into **social progress**, placing **people at the centre**.

# Our people

Iberdrola's **people** are one of the **fundamental pillars** of the **Group's business enterprise**.

Their talent, dedication and ability to drive innovative initiatives make them an **essential strategic asset**, key to the sustainable creation of value over the long-term and to maintaining an organisation that is competitive, efficient and innovative.

To this end, Iberdrola has a **sustainable human capital management model** that seeks to ensure equal opportunity and non-discrimination while fostering a diverse, inclusive and respectful professional environment. This **model** promotes **ongoing training** and the **recognition of merit**, as well as the prevention of harassment and the recruitment and retention of the best talent by acknowledging that each employee's personal and professional growth directly impacts creativity, productivity, and ultimately, the achievement of Group's business objectives. In line with this vision, Iberdrola is committed to the consolidation of its workforce through **stable employment, competitive remuneration conditions, a wide range of training opportunities, and respect for private life and digital disconnection**.

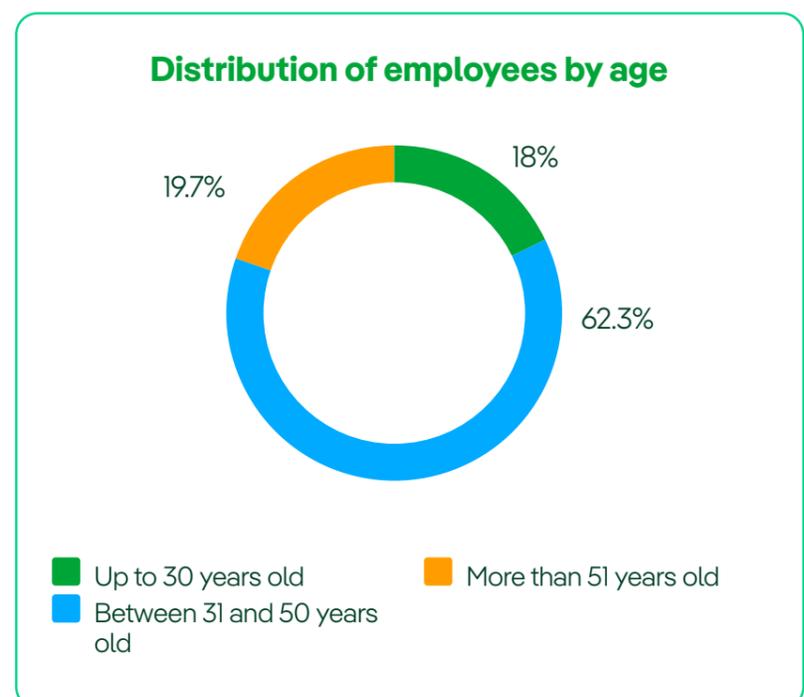
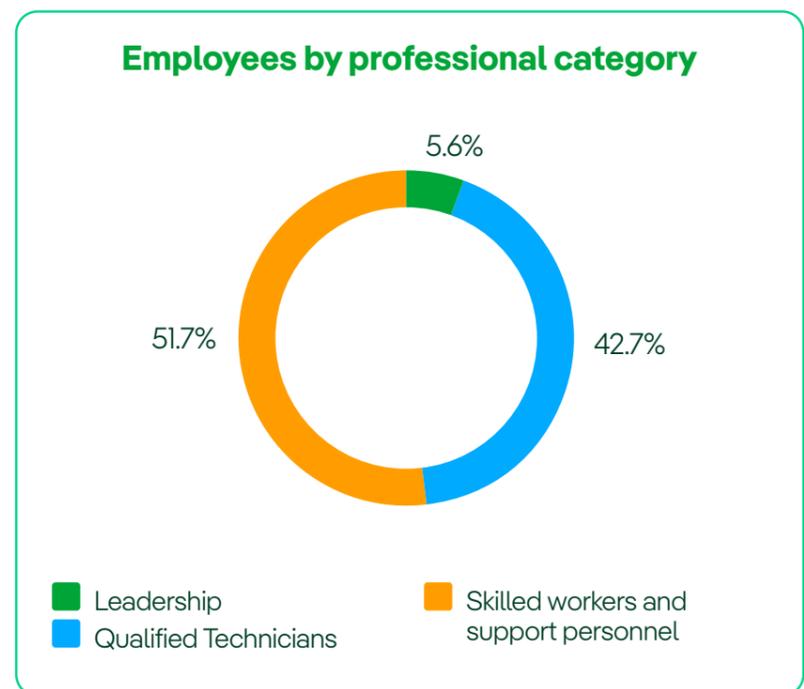
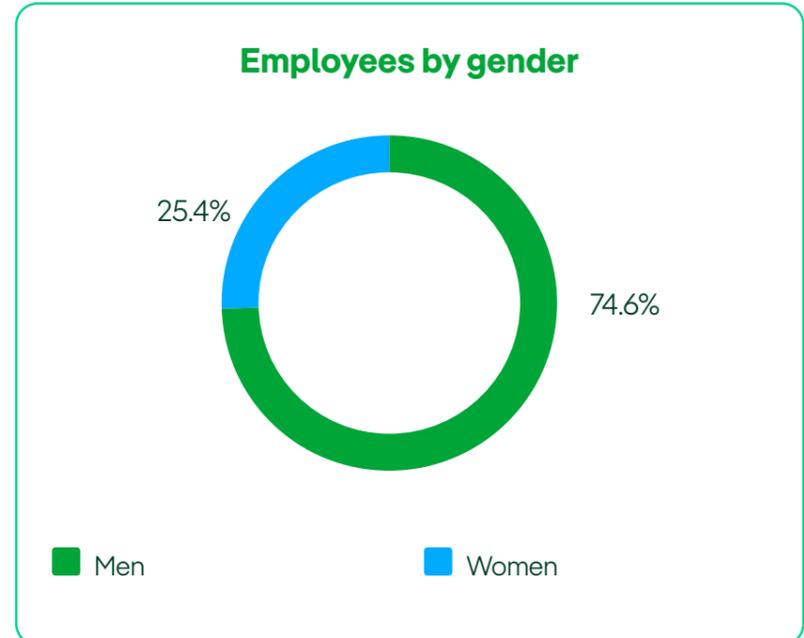
The company has achieved **sustained growth**, in both the scale and the dynamism of its talent pool.

The workforce at year-end 2025, taking into account corporate transactions, amounts to **45,400 professionals**, while **new hires** in 2025 amounted to **>4,500**.

These figures reflect a growing organisation with an increasing ability to attract talent and respond to increased operational and strategic needs, thereby strengthening its position and equipping it to face the challenges of the decade ahead.

**45,400**  
professionals

At year-end 2025, the workforce structure is as follows:



Iberdrola promotes **equal opportunities** through a comprehensive approach, which is reflected in its achievement of EDGE certification at the second level (**EDGE Move**), which reflects Iberdrola's commitment to **equal opportunities** and the **adoption of specific measures to translate that commitment into action**. This certification highlights that **equitable practices** have been sustainably embedded within the organisation and constitute a key strategic area for its future success.

## Improving the employee experience

Iberdrola has consolidated a **comprehensive employee listening and engagement model** that enables it to identify needs, guide decision-making and continuously improve the employee experience. Climate surveys, regular pulse surveys and focus groups —managed by third parties to ensure confidentiality— provide a constant flow of information, which translates into action plans both globally and tailored to each country subholding company. These mechanisms strengthen collaboration with workers' representatives and ensure the agile and transparent management of incidents, particularly in vulnerable situations, promoting an inclusive and participatory environment.

The **Continuous Improvement Plan for the Employee Experience** promotes a proactive approach to addressing employee needs, complemented by internal channels that allow suggestions or issues to be raised with traceability and an appropriate response.

The Company evaluates the effectiveness of its measures using structured tools, such as specific pulse surveys, monitoring of equality plans, and internal mediation protocols. These solutions help prioritise major issues, improve impact management and boost employee confidence in the established processes.

In terms of young talent, the Company maintains a **strong commitment to STEM** and **equal opportunities**, backed by external recognition.

## Training and skills development

The **performance evaluation** process is applied **uniformly** throughout the Group using digital tools that facilitate self-assessment, individual development and the definition of growth plans. This model fosters **meritocracy, continuous learning and responsible management of human capital**.

**Continuous training** is a **key pillar** of the corporate strategy, ensuring equitable access to programmes that develop the skills required to address the energy transition and the evolution of the business. Full coverage of the workforce and balanced distribution of training across categories demonstrate a **commitment to the development of individuals and teams**. The strengthening of internal knowledge management and sharing initiatives, such as masterclasses and new knowledge communities, has fostered a culture of cross-functional collaboration.

In 2025, Iberdrola promoted initiatives to identify potential incidents and strengthen talent management. The **C3 #BreakingSilos Knowledge Communities** promote global collaboration and the development of strategic capacity, while the corporate Masterclasses consolidate an expert-led learning model.

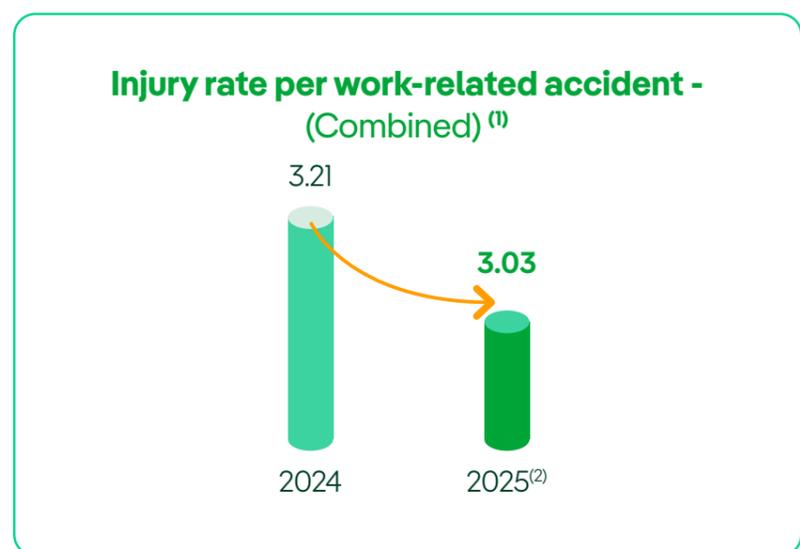
## Occupational health and safety

With regard to occupational health and safety, Iberdrola takes the action needed to provide **safe and healthy working conditions, prevent work-related injuries** and **promote physical, social and mental and emotional health**, appropriate to the purpose, size and context of each organisation and to the specific nature of the risks within the Company and the other companies of the Group, as well as in their respective areas of influence.

The occupational **health and safety management systems** in place across the Group are designed, as far as possible, to **cover 100% of professionals** and ensure that all personnel are governed by the same standards, processes and principles of continuous improvement.

Iberdrola also holds global certifications affirming that its processes, policies and practices comply with international standards, demonstrating its commitment to the comprehensive protection and development of its professionals. In 2025, the percentage of employees covered by an audited or **third-party certified management system**, such as ISO 45001, rose to **84%**.

The Company is also working to improve accident rate indicators. In 2025, specific programmes were developed across the various businesses to **strengthen risk identification, improve communication, and enhance occupational health and safety standards**, allowing for the establishment of stricter preventive controls.



All of this demonstrates the Company's commitment to the **well-being and development** of those **who form part of the Group**, recognising that it is its professionals who make possible **Iberdrola's leadership, continuous evolution and long-term outlook**.

(1) Rate of work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [1,000,000]. Includes employees and contractors.

(2) Does not include ENW

# Support to local communities

Iberdrola recognises and pursues the achievement of a **Social Dividend** that is consistent with the direct, indirect or induced value that its activities generate for all Stakeholders.

The contribution by the Group's companies to local communities in 2025 can be quantified from various points of view. In addition to its **tax contribution** (see Chapter *Fiscal responsibility*) and the **creation of employment and economic activity**, Iberdrola contributes through **non-profit contributions**, and initiatives that promote entrepreneurship and innovation, as described below:

## Contributions certified by B4SI

According to the international B4SI model, Iberdrola has generated a **cumulative non-profit contribution of EUR 878 million** since 2007, of which **EUR 62.7 million** corresponds to 2025 and is the result of more than **1,000 activities**.

This amount represents approximately 1% of the net profit for the year.



## Key international programmes

### Global

As part of its commitment to **social action** at a global level, Iberdrola promotes various international projects that generally provide cross-cutting support to all its Stakeholders, particularly the most **vulnerable communities**.

These programmes stand out for promoting **education** and **knowledge** for future generations, addressing **needs of the communities and their environment** and facilitating **access to electricity** as a universal basic resource.

#### "Electricity for All" Programme

This programme aims to provide electricity access for people in emerging and developing countries, as well as vulnerable groups in developed countries.

From 2014 to the present day, it has enabled **14 million people** in different countries in Latin America and Africa **to access electricity** through projects it has implemented.

#### "Iberdrola U" University Programme

- The Programme represents a commitment to **knowledge transfer with the academic world**, talent and social contribution.
- It strengthens the university-business link, aimed at training young talent to develop innovative solutions to the challenges facing the energy sector.

#### Iberdrola Volunteering Programme

- The Iberdrola group has offered **volunteering opportunities** since the programme began in 2006.
- The goal is to harness employees' spirit of solidarity and encourage participation in social projects aimed at the inclusion of vulnerable groups.

## Key programmes in each country



### Iberdrola España

#### Social Action Programme

Investment programme that provides aid of up to EUR 40,000 prioritising three lines of work: poverty and social exclusion, support for women, and health and well-being projects.

#### “Convive” Programme

A continuous improvement programme that integrates initiatives and partnerships to develop renewable energy, promoting socio-economic development, the protection of biodiversity and collaboration with various other actors.



### Avangrid

#### Neighbourhood Assistance Act Tax Credit Program

Almost USD 450,000 was allocated to improve the energy efficiency of more than 70 non-profit organisations, reducing operating costs and strengthening their community work.

#### Power Community Sponsorship

Throughout 2025, libraries, schools and fire services received support through a programme that allows employees to recommend local organisations for funding.

#### United Illuminating (UI)

Funding was provided to the creative community of Greater New Haven, Connecticut, through its flagship “*Lighting Up the Arts*” programme.



### Neoenergia

#### “Energizar” Programme

Promoting social development in vulnerable communities through health, education and income-generating activities, and emphasising the establishment of productive hubs that empower women economically and foster sustainable community relations.

#### Cultural Lighting Programme

This programme showcases the historical heritage of Mossoró by lighting and revitalising the Lauro da Escóssia Museum, incorporating educational and cultural activities that strengthen the local identity and reach more than 136,000 people.



### ScottishPower

#### Cancer Research UK

ScottishPower collaborates with Cancer Research UK to advance lung cancer research by funding the Lung Cancer Centre of Excellence and developing new cellular models to enhance detection and treatment methods.

#### ScottishPower Renewables

In partnership with the Aberdeen Science Centre and STEMPOINT East, this initiative delivers hands-on wind energy workshops for students, inspiring STEM vocations and showcasing opportunities in the offshore wind sector.



## Iberdrola Energía Internacional

### Iberdrola Australia

In 2025, Iberdrola Australia supported the operational readiness and well-being of Rural Fire Service brigades during the bushfire season by donating rations and essential equipment, thereby strengthening their response capacity and the resilience of local communities. It also worked with the community to restore Tantanoola railway station, a key regional heritage asset in south-eastern South Australia.

### Iberdrola Italia

As part of Pianeta Iberdrola, which brings together initiatives aligned with the commitment to sustainability, Iberdrola Italia implemented the educational project “*Esplorare l'Energia*” in public secondary schools in 2025. The initiative aimed to promote renewable energy and STEM disciplines, engaging more than 300 students and teachers through training, a national awards ceremony and the adoption of beehives as a symbol of commitment to biodiversity.

**We promote the Social Dividend in all the communities in which we have a presence**

**The Group's foundations complement corporate action** with initiatives that strengthen human and social capital, promote education, protect biodiversity and contribute to the sustainable development of vulnerable communities.

Adopting a **transparent, socially innovative** approach based on the **values of the Governance and Sustainability System**, the foundations promote projects that generate a direct and measurable impact.



**Education, Culture, Nature, Equal Opportunities**



Fundación Iberdrola España

**Response to the DANA**

A comprehensive programme for recovering the affected areas, involving community infrastructure, psychosocial support, and educational activities for children and young people, to help restore secure and functional environments.

**Training and Research**

Scholarship programmes and support for researchers that promote young talent and the generation of knowledge in key areas such as biodiversity, electrification and energy efficiency.

**Heritage and Culture**

Sustainable lighting solutions for historic spaces that combine preservation with efficiency and the enhancement of local cultural heritage.

**Social Action – Future with Energy**

An initiative that partners with social entities to support children, young people, women in vulnerable situations and people with disabilities, favouring processes of inclusion and personal autonomy.



Avangrid Foundation

**Biodiversity and green spaces**

Initiatives aimed at conservation, environmental education, and collaboration with scientific institutions to bring nature closer to local communities and promote the protection of their environment.

**Accessible culture**

Programmes that guarantee the participation of vulnerable groups in cultural and artistic activities, promoting more inclusive and participatory spaces.



ScottishPower  
Foundation

**STEM education and careers**

Programmes that bring energy, science and sustainability closer to students, fostering new careers and reinforcing skills.

**Social action**

Collaboration with organisations that work with vulnerable families, focusing on training, development, health and well-being

**Culture and heritage**

Initiatives that preserve collective memory, promote access to the arts and contribute to strengthening the cultural identity of communities.

**Environment and biodiversity**

Projects aimed at ecosystem conservation and sustainability education.



Neoenergia  
Institute

**Economic and social development**

Programmes that strengthen indigenous and Quilombola communities through training and structural support in health, education and welfare.

**Cultural identity and heritage**

Initiatives to revitalise the cultural and community value of various regions, combining educational, artistic and citizen participation activities.

**Transformative education**

Projects that incorporate Afro-descendant and Quilombola perspectives in education plans, strengthening local institutions and reducing inequalities.

**Biodiversity and Socio-environmental Sustainability**

Actions focused on species conservation and ecosystem regeneration, as well as the use of digital tools to strengthen the climate resilience of coastal and indigenous communities.

# Fiscal responsibility

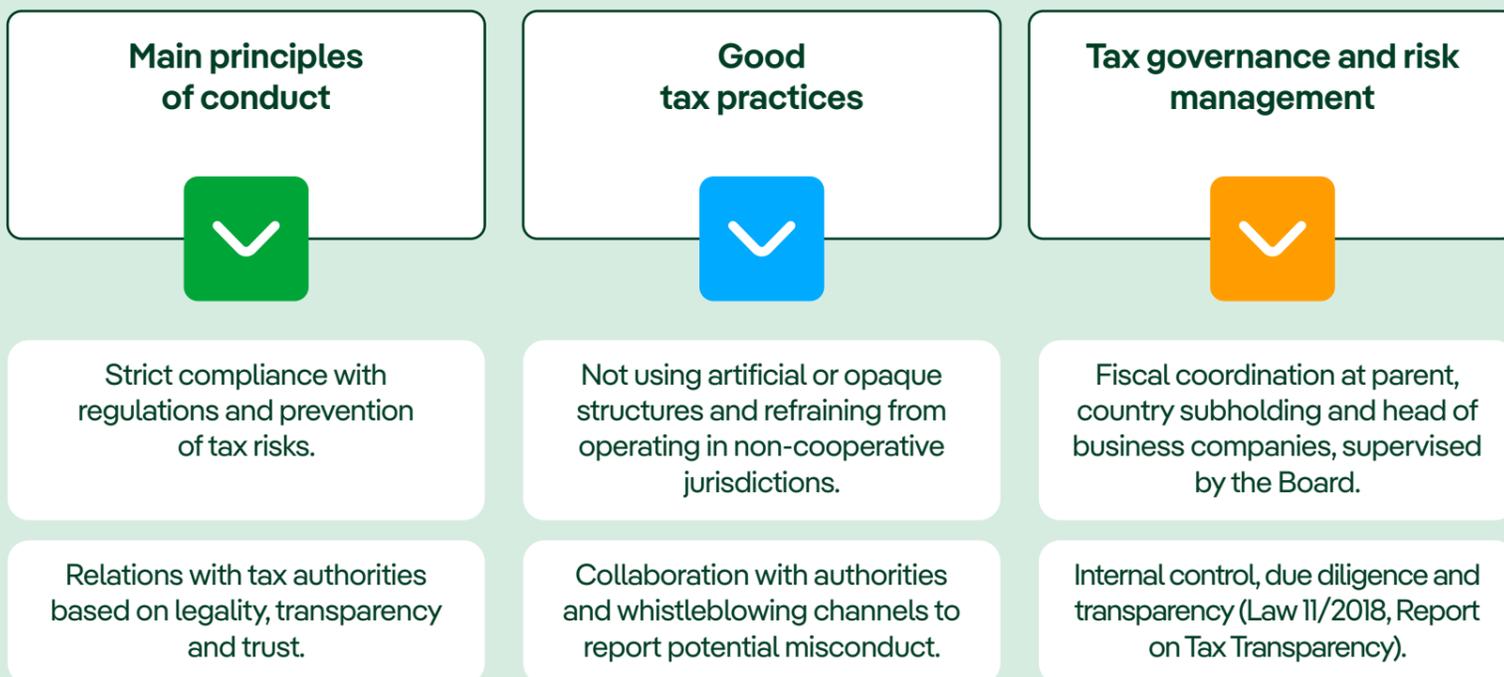
**Fiscal responsibility** is one of the **principles of Iberdrola's Governance and Sustainability System** and a **key element of its contribution to economic and social progress**. The Corporate Tax Policy of Iberdrola establishes the basis for defining the Company's tax strategy, which is founded on three fundamental pillars: **compliance with tax obligations, ongoing cooperation with the tax authorities and transparency, thereby ensuring that the Group's conduct is consistent with its ethical principles and its commitment to creating sustainable value.**

This framework is consistently applied across all levels of the organisation —parent company, country subholding companies and head of business companies— under the coordination of the Global Tax Division and the supervision of the Board of Directors and its specialised committees.

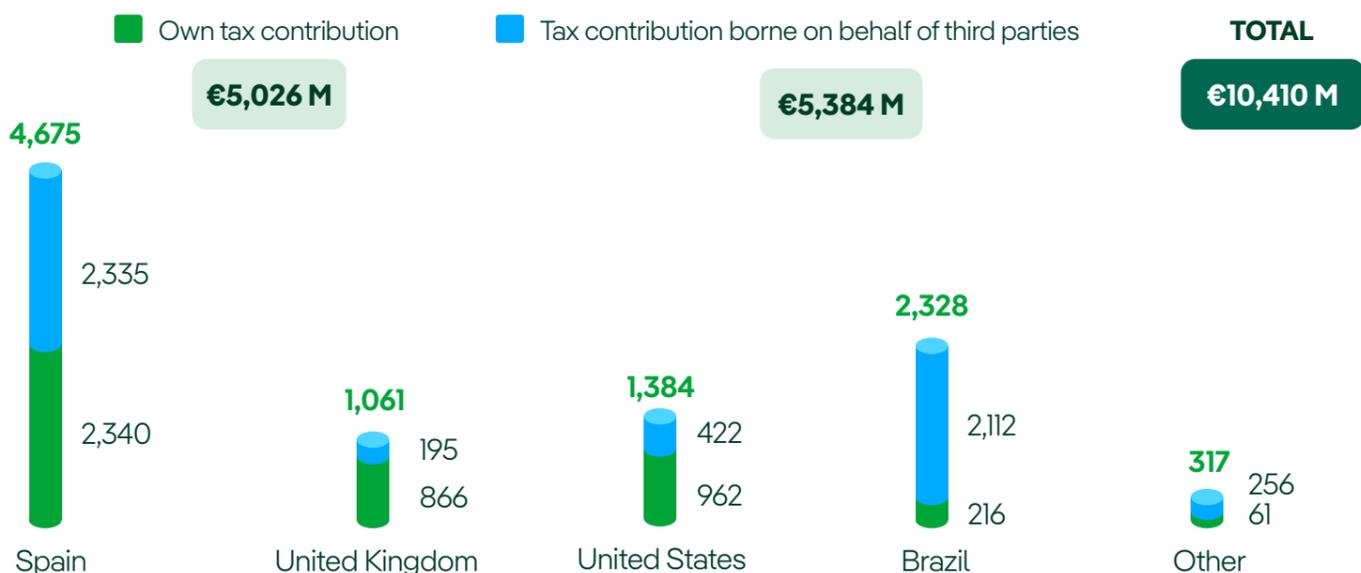


**In 2025, the Group's tax contribution amounted to EUR 10,410 million, representing a fundamental expression of its commitment to the general interest and forming an integral part of the Group's Social Dividend.**

## Implementation and coordination of the tax strategy within the Group



## Global tax contribution of €10,410 M in 2025 (€m)



# Corporate reputation and brand strength

The **reputation of the Iberdrola Group** is built on what it does, what it communicates and how it engages with its Stakeholders, generating perceptions that influence attitudes and behaviours towards the Company. It is an **intangible asset of great value**, key to attracting talent, strengthening customer relationships, improving valuation in the capital markets and facilitating integration into communities, thus contributing to long-term sustainability and resilience.

Reputation is monitored through *rankings*, surveys and sustainability indices. Each year, Iberdrola reviews and updates its Corporate Reputation Policy and the Reputational Risk Guidelines and Limits for tracking and managing risks.

The Company also has internal crisis management procedures that define models, processes and responsibilities, ensuring a swift, coordinated and transparent response to potential reputational impacts.

<p><b>Reputation is managed with a two-fold objective:</b></p>	<p><b>Reputation management is performed by all of Iberdrola's areas and businesses, relying especially on the following:</b></p>
<p>To drive opportunities and favourable behaviour of Stakeholders.</p>	<p>The Global Stakeholder Engagement Model, which allows expectations, needs and impacts to be identified and risks to be analysed.</p>
<p>To reduce and mitigate the reputational risks associated with its business activities.</p>	<p>The Communication Plans, Sustainability Targets and specific actions aimed at Iberdrola's six Stakeholder groups.</p>



## The brand

Iberdrola manages its brand to ensure that it conveys the essence of the Group's Purpose and reflects the Company's strategy and commitment to sustainability. This consolidates a **brand with international reach and relevance**, strengthening communication and alignment under a single brand positioning strategy in all countries in which the Group operates.

In 2023 the brand evolved to better reflect its commitment to the planet and its focus on digitalisation. As a result, the **brand identity became more sustainable**, with a logo designed to reduce energy consumption by 50%. An identity that preserves its essence while strengthening its association with the values of sustainability.

As a result of all the above activities, based on the firm commitment to increasingly engage its Stakeholders in all of the Company's activities and operations, Iberdrola is one of the most highly valued Spanish brands.

**Iberdrola Brand Value <sup>(1)</sup>**



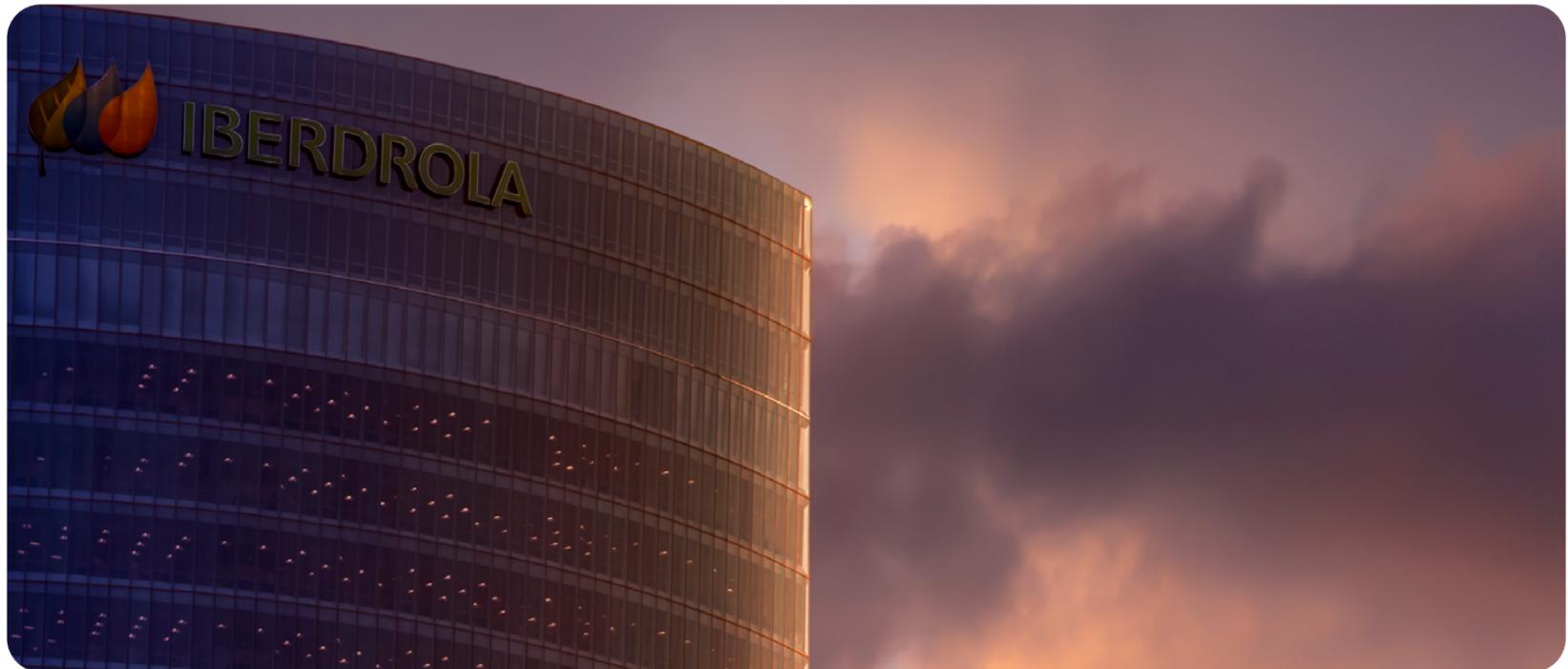
**USD 8,715 M**  
according to Kantar BrandZ in 2025

(1) Latest available data from Kantar BrandZ and corresponding to 2025.

# Ethics, transparency and good governance



Governance and Sustainability System  
Corporate governance  
Risks  
Internal Audit  
Ethics and integrity  
Cybersecurity and information privacy



# Governance and Sustainability System

The Governance and Sustainability System is the **Company's own regulatory framework which defines its identity and ensures the application of its Purpose and Values, focused on the creation of value and the generation of the Social Dividend**. It is a living framework that evolves to adapt to new needs and challenges while at all times preserving Iberdrola's commitment to sustainability, as set out in the rules and policies that comprise the System itself, structured around four blocks:



**Introductory book**

General introduction, Purpose and Values of the Iberdrola Group, and Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group.



**Book One**

By-Laws, Regulations for the General Shareholders' Meeting, rules of the corporate decision-making bodies and Foundations for the Definition and Coordination of the Iberdrola Group.



**Book Two**

Corporate Policies on transparency and good governance, human and social capital, natural capital and the sustainable value chain.



**Book Three**

Risk, corporate control and compliance rules, including the Code of Conduct for Directors, Professionals and Suppliers

The Board of Directors is the body responsible for approving and updating the policies and guidelines governing the Iberdrola Group, establishing the principles and guidelines that serve as the basis for the regulatory development of all the companies through their respective governance and sustainability systems.

On this basis, the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group guide the sustainable creation of value for all Stakeholders and reinforce the Group's common identity, in line with the highest standards in transparency, good governance, human and social capital, natural capital, value chain, internal audit, risk management, corporate control and compliance.

This **structure of the Governance and Sustainability System** ensures consistency between the different legal systems of the Group, respecting the autonomy of the respective management bodies and, in particular, the framework of enhanced autonomy of the listed country subholding companies.



**Iberdrola, the Spanish company with the best corporate governance according to World Finance**

# Corporate governance

The composition of the **Board of Directors** is a key element of good corporate governance, as it has a direct impact on the effectiveness of the body and the quality of its decisions.

For this reason, the Company promotes an **independent, pluralistic and balanced Board, with a regular and staggered renewal and diversity and complementarity to enrich its deliberations and resolutions.**

## Composition of the Board of Directors

As of 31 December 2025, Iberdrola's Board of Directors consists of 14 members, 2 of whom are executive.

The body comprises 86% external directors, and 79% of all its members are independent directors, including the two vice-chairs, the lead independent director and the chairs of all consultative committees.

It is also gender balanced, with 43% women and 57% men. The strong presence of independent directors and the committee structure of the Board make for a **robust system of checks and balances and good governance.**

The governing bodies are evaluated annually by an independent expert, which helps to enhance the quality and effectiveness of their operations. Detailed information on these bodies and each of their members is set out in the [Annual Corporate Governance Report](#).

## Corporate and governance structure

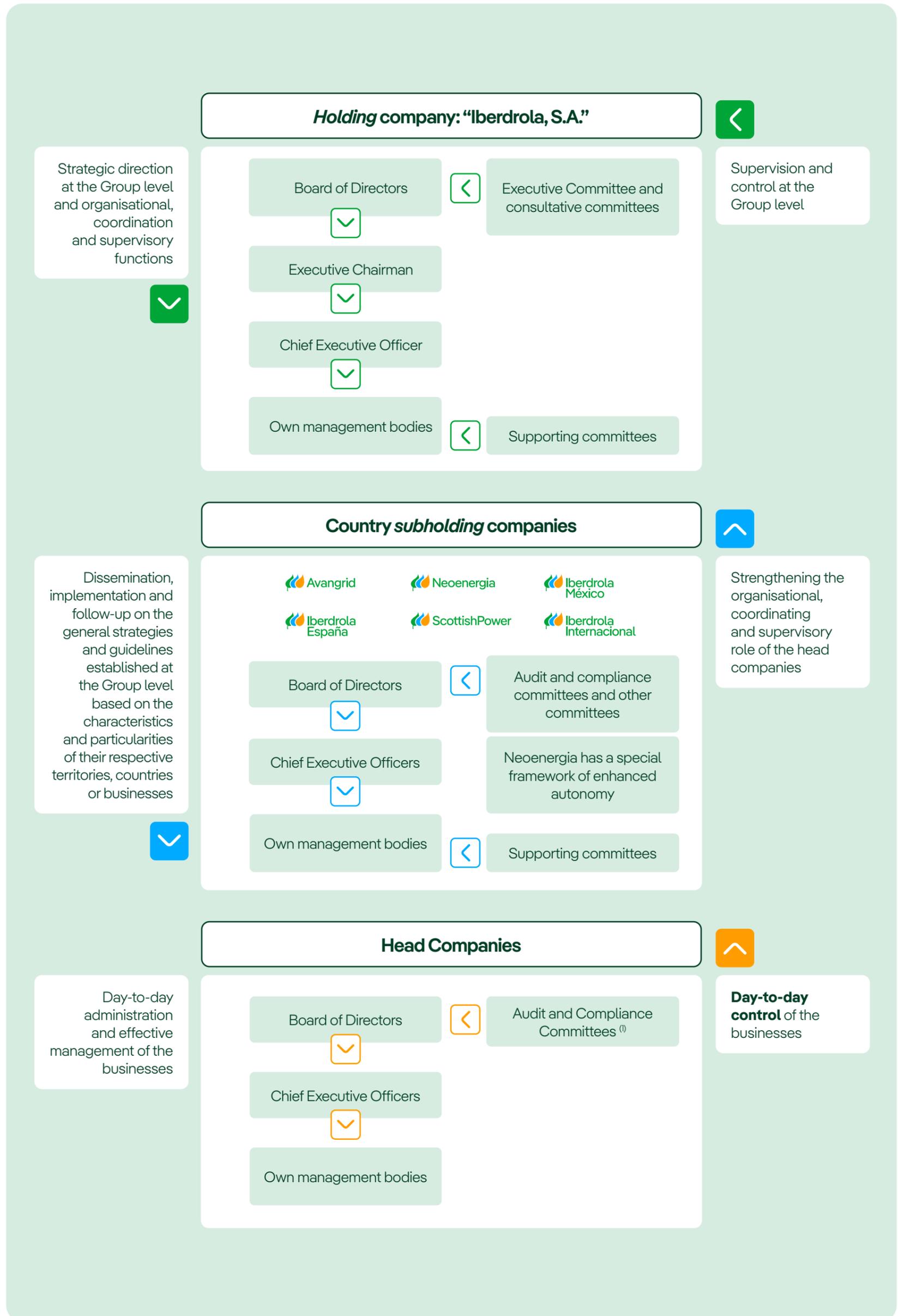
The **corporate structure of the Iberdrola Group** follows a decentralised model, combining the principle of "subsidiarity" with effective coordination.

Iberdrola, S.A., as the holding company, exercises the functions of strategic definition, organisation, coordination, and supervision at the Group level, relying on its Board of Directors, the Executive Committee, and the consultative committees.

Based on this strategic unit, the country subholding companies transfer and implement the corporate policies and guidelines in their respective territories or businesses, while the head companies assume, on a decentralised basis, the effective management and operation, as well as the day-to-day oversight of each activity.

This model combines operational autonomy with strategic consistency, ensuring a robust system of controls, oversight and the creation of value throughout the Group.



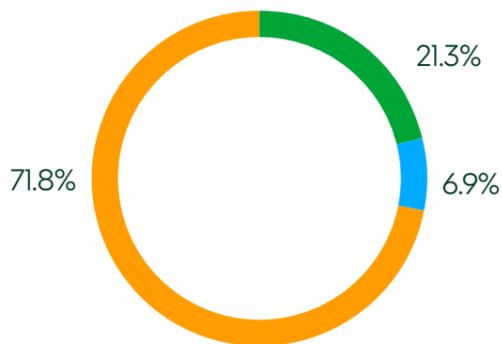


(1) In the case of regulated head companies.

## Ownership structure

The shareholder base is characterised by a strong presence of international institutional investors, who represent more than 70% of the share capital, and more than 350,000 small investors, reflecting confidence in the Group's business model, financial strength, and sustainability leadership.

### Shareholder structure at year-end 2025<sup>(1)</sup>



- Domestic individual investors
- Domestic institutional entities
- International institutional investors

## Iberdrola at the forefront of governance and sustainability

**The Board formulates, reviews and continuously updates the Governance and Sustainability System, which structures the activities of the entire Group and guides the fulfilment of the Company's purpose, values and goals.**

This system is deployed through specific corporate policies on good governance, human rights, climate change, biodiversity, human capital, procurement, compliance and transparency, among others.

In **climate-related matters**, since 2021 the Board approves and oversees the Climate Action Plan, last updated in December 2025 and aligned with the objectives of the Paris Agreement and the goal of climate neutrality in all scopes by 2040.

## Governance and Sustainability Strategy

The **strategic pillars that make up Iberdrola's vision** on governance and sustainability include:

- A system for the **separation of functions**, checks and balances, and controls.

- **Ongoing shareholder engagement**, not just at the General Shareholders' Meeting.
- Active listening to the legitimate interests of the stakeholders.
- **Social Dividend** and **respect for human rights**.
- **Environmental performance**.
- **Zero tolerance of corruption and fraud**.
- **Prudent and balanced management of risks**.
- **Transparency**.

## Continuous improvement of corporate governance and training of the Board

Iberdrola promotes an **ongoing process of updating and strengthening its corporate governance rules and practices**, taking as a reference the Good Governance Code of Listed Companies and applicable international standards.

This approach translates into the **regular review of its corporate policies**, the continuous improvement of the compliance system, and the updating of frameworks for oversight in key areas such as sustainability, reputation, cybersecurity and human rights due diligence.

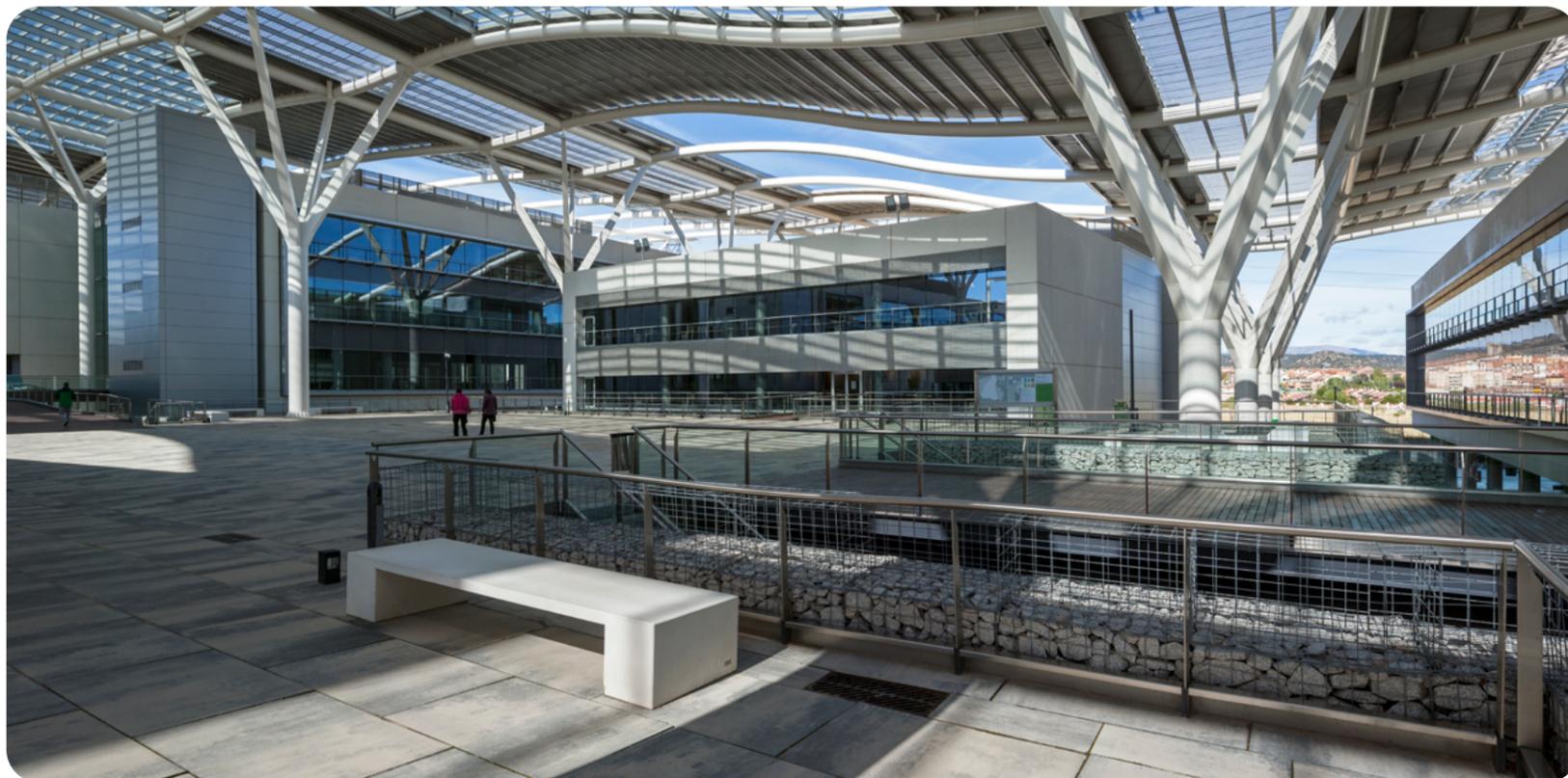
The **Company also continuously strengthens the capabilities of its management team and its Board** by providing them with development and succession plans, as well as continuous training with content that encompasses the Group's businesses, its operating environment, and other relevant topics related to their duties. Training is supported by specific materials and resources that are available on the directors' website, and each consultative committee also has its own training plans for the areas within its purview.

**This comprehensive review, training and updating process ensures sound governance, enabling the anticipation of risks, response to an evolving regulatory environment, and the creation of long-term value.**

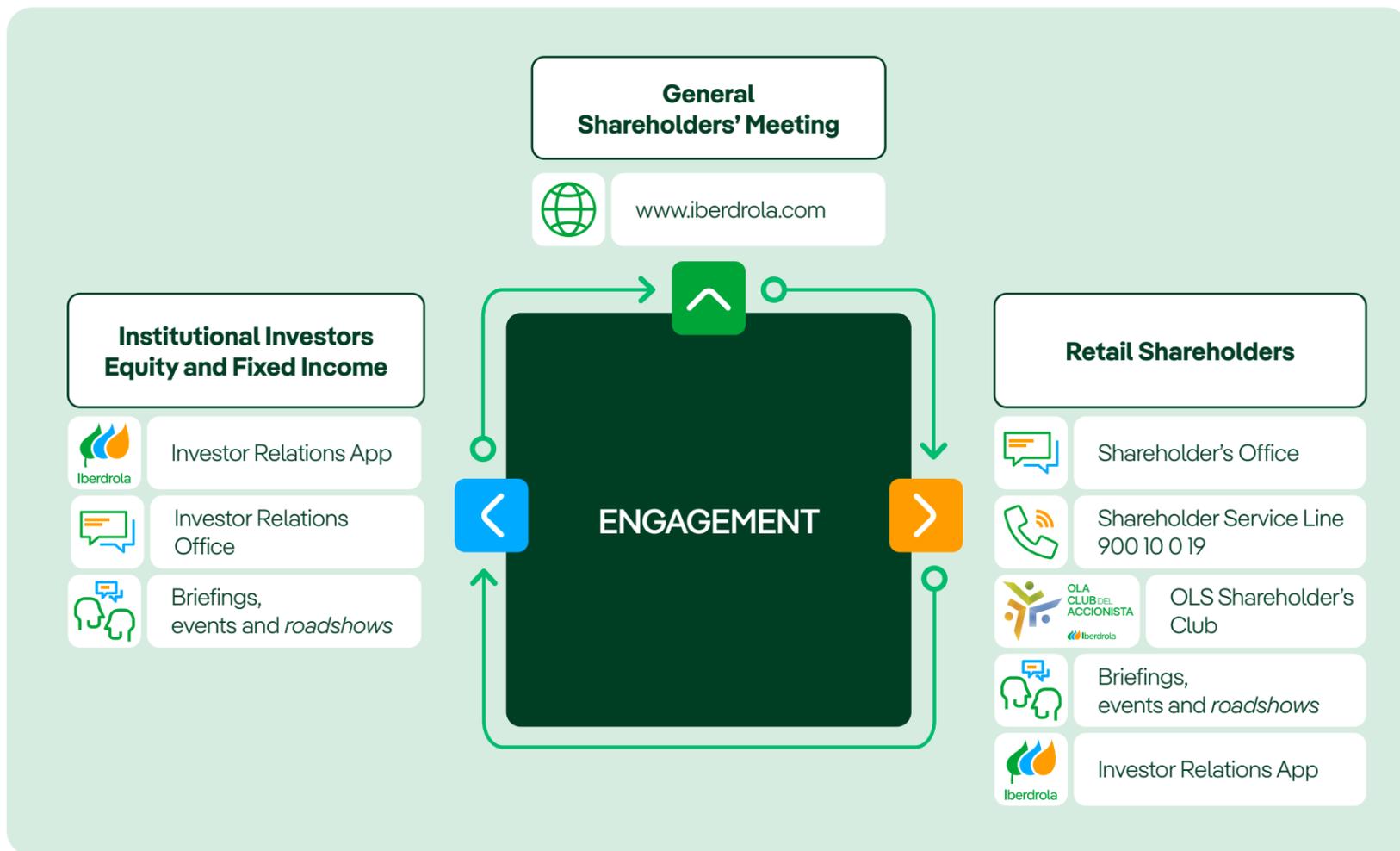
## Supporting committees

- A **second line of governance** was implemented in 2025, comprising the Risk Committee, the Security, Resilience and Digital Technology Committee, and the **Sustainability and Reputation Committee**.
- Functionally reporting to the head of each area, they act as **permanent internal bodies** and perform supervisory, management, and coordination functions, ensuring a more specialised, cross-functional, and consistent management.
- To this end, they coordinate with the counterpart committees at the country *subholding* companies, ensuring an efficient flow of information and an aligned implementation of corporate guidelines.
- There are also other supporting committees of a purely consultative nature.

(1) Shareholder structure at year-end 2025. Data taken from the Annual Corporate Governance Report 2025, published in February 2026.



## Ongoing engagement with shareholders and investors



## Ongoing and proactive contact with our shareholders

Iberdrola maintains a **transparent and proactive framework of engagement with its shareholders** based on its [Ongoing Shareholder Engagement Policy](#), which has been in place for more than ten years.

This policy encourages continuous, constructive and sustainable interaction beyond the General Meeting, fostering informed and responsible participation and strengthening a stable and long-term relationship between the Company and its shareholder base.

The Company promotes open **communication channels** throughout the year and reinforces the active participation of shareholders in the **General Meeting**, ensuring that shareholder expectations, interests and contributions are taken into account in corporate decision-making.

This model complements the Group's industrial and financial strategy, which focuses on achieving sustainable growth by integrating economic, environmental and social objectives within the context of the energy transition.

# Risks

As Iberdrola operates across multiple businesses and countries, it is exposed to risks that could impact the achievement of its objectives and the implementation of its strategy.

**The Board of Directors ensures that the Group's significant risks are adequately identified, measured, managed and controlled; and annually approves the risk appetite, consistent with the multi-year investment plan and budget, with the support of the Audit and Risk Supervision Committee (ARSC).**

The **Comprehensive Risk Control and Management System** (the "System") provides the Group with an overarching operational framework for identifying, assessing, controlling and monitoring relevant risks.

It is based on the General Risk Control and Management Foundations of the Iberdrola Group and on the specific guidelines and limits for certain corporate or business risks. A full description of the System is provided in the [Annual Corporate Governance Report 2025](#).

The **design of the System** follows international best practices, based on the COSO framework (*Committee of Sponsoring Organisations of the Treadway Commission, May 2013*) and structured according to the Three Lines Model of the Institute of Internal Auditors (2020), integrating operational, specialised and independent functions to ensure robust and coordinated risk management.

## Taxonomy

The risk types to which the Group's companies are subject are generally those listed below:

- Governance and Sustainability
- Business and Market
- Credit and Financial
- Strategic, Regulatory, Tax and Legal
- Operational
- Technological and Comprehensive Security

There is an assessment of not only the likelihood and severity of the impact, but also reputational variables. The system also includes the identification of emerging risks.

Detailed information on the **Group's risks**: [see Section 4 of the consolidated management report in the Annual Financial Report 2025](#)

For **sustainability risks** of the Group, and particularly climate change, see the [Consolidated Non-Financial Information Statement \(NFIS\)](#) and the [Sustainability Reporting](#).

Some of the most significant risks are listed below (source: CMD Sept-2025, section "Financial Management", where sensitivities are also provided):

### Risk factors

- Foreign currencies
- Interest rates
- Regulatory
- Supply chain
- Energy prices, margins and competition
- Energy and gas demand
- Cybersecurity

## Participants in the day-to-day operation of the System

The Group establishes an appropriate allocation of duties and responsibilities at both operational and oversight levels in relation to the various major risks and threats.

- **Risk owners:** the corporate and business areas, which are primarily responsible for identifying, managing and controlling the risks within their purview.
- **Specialist areas:** responsible for developing the standards, policies, guidelines and limits of the System and overseeing the control frameworks for cross-cutting risks.
- **Risk Division:** an independent function, organisationally reporting to the Internal Audit and Risk Division, responsible for leading the design and implementation of the System.

The model is also complemented by Internal Audit and the external auditors and sustainability assurance providers, who provide an additional review of the operation and effectiveness of the System.

## Risk Committee

The **Risk Committee** is a permanent internal body of a cross-functional nature, composed of representatives from the various corporate and business areas.

Its function is to ensure that the Group's main risks are properly identified and managed within the risk appetite established by the Board, and that the information and internal control systems are functioning properly.

# Internal Audit

**Internal Audit is an independent internal unit that oversees the proper functioning of the internal control and risk management systems.**

The **Internal Audit Division**, which is part of the Internal Audit and Risk Division, **provides independent and objective assurance and advisory services to add value and improve the Company's operations.**

Its activity is based on a systematic approach aimed at assessing and strengthening the effectiveness of the Group's risk management, internal control and corporate governance processes.

The function acts in accordance with the [Basic Internal Audit Regulations](#) of IBERDROLA, S.A., which are part of the [Governance and Sustainability System](#) and regulate its nature, organisation, competencies and framework for conduct within the Group.

## Internal Audit independence

**The independence of the function is essential to ensure its objectivity, authority and credibility.**

To this end, the director of the Area reports hierarchically to the chairman of the Board of Directors and functionally to Iberdrola's Audit and Risk Supervision Committee (ARSC), with unrestricted access to the necessary information and without interference in rendering their services.

**An equivalent model operates at the country subholding companies**, whereby the Audit and Compliance Committees (ACCs) and Internal Audit divisions are coordinated under a common methodological and quality framework that is aligned with the International Professional Practice Framework (IPPF).

## Internal Audit activities

The **annual Internal Audit plans** are prepared by considering the most relevant risks and in coordination with other assurance

functions, providing an independent view of the effectiveness of the Group's risk management system and internal controls, in accordance with the requirements of the ARSC and the ACC.

**The function oversees the operation of the integrated risk management and control system**, the **systems for internal control** over financial reporting (**ICFRS**) and sustainability reporting (**ICSRs**), the **Compliance System** and the **mechanisms for deployment of the policies of the Governance and Sustainability System**. It also verifies that investment and divestment processes comply with risk guidelines and limits and that adequate internal controls are in place.

In addition, **it provides support to the Committee** in overseeing the internal control and risk management system, among other things.

## Commitment to professional and quality standards

The activities of the **Internal Audit function** adhere to the International Framework for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors (IIA) and setting out the Global Internal Audit Standards. This Framework guarantees a professional practice of Internal Audit that is homogenised, rigorous and quality-oriented throughout the Group.

The commitment to these Standards is reflected in the **Quality Assurance certification** awarded by the Institute of Internal Auditors, which confirms that the function complies with the highest professional standards. This certification was **successfully renewed in 2025** by all the internal audit functions of the country subholding companies.

The Internal Audit teams hold the most widely recognised professional certifications in the sector, which reflect their technical qualifications and continuous training, most notably: *Certified Internal Auditor (CIA)*, *Certified Information System Auditor (CISA)*, *Certified Fraud Examiner (CFE)*, *Certified in Risk Management Assurance (CRMA)*, among others.

Furthermore, in line with its commitment to continuous improvement, **Internal Audit has defined a strategic plan aimed at broadening its activities and strengthening its contribution to achieving the Group's objectives**. This plan is based on three strategic pillars:



### Innovation and technology

Driving innovation to adopt and use new technologies and digital tools to optimise processes, improve operational efficiency and add value to the organisation.



### Forward-thinking and driving force

Ability to anticipate trends, risks and opportunities, providing relevant *insights* at the right time and driving the organisation's continuous evolution.



### Integrating force

Collaborative approach, based on integration with the business and with other assurance functions, favouring coordination, alignment of objectives and generation of synergies that reinforce overall effectiveness.

# Ethics and integrity

## Compliance System

Iberdrola has a **Compliance System** that **combines rules, procedures and actions to ensure that the entire organisation acts in accordance with ethical principles, applicable law, and internal regulations**, and particularly the [Group's Ethical and Basic Principles of Governance and Sustainability](#).

This system contributes to the successful achievement of the [Purpose and Values of the Group](#) and to the prevention, management and mitigation of risks arising from possible breaches by directors, professionals or suppliers.

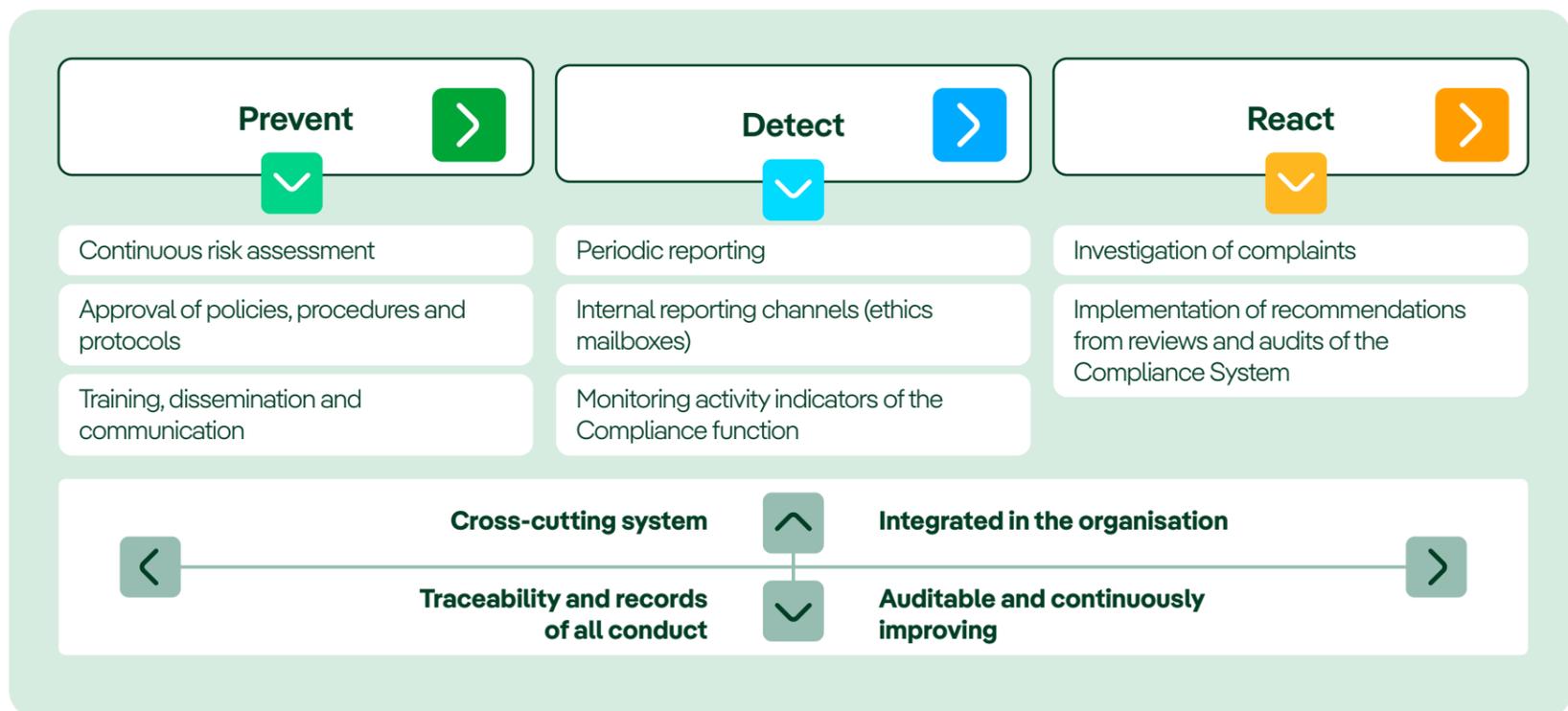
The [Compliance System](#) incorporates the Crime Prevention Programme and the Internal Reporting and Whistleblower Protection System, key elements to ensure responsible conduct throughout the organisation.

Iberdrola, S.A. and the companies of the Group regularly submit their compliance systems to independent audits, maintaining a firm commitment to external validation and ongoing improvement.

**The Compliance Unit plays an independent and proactive role in ensuring the implementation and effectiveness of the Compliance System**, complementing the work of the Company's other bodies.

The country subholding companies and head of business companies also have their own units, coordinated at the Group level and endowed with independence, transparency and appropriate resources.

Their **responsibilities** include ensuring the effectiveness of the Compliance System, managing the internal reporting system, preventing crime (including fraud and corruption), ensuring compliance with securities market regulations, and ensuring the separation of activities, and performing any other duties assigned to them by the governance bodies.



### Main elements of the Compliance System

- Continuous assessment of compliance risks across all corporate functions and businesses.
- Development and implementation of regulations and controls for the prevention of crime, including fraud and corruption.
- Crime prevention programmes.
- Measures to guarantee compliance with legal provisions on market abuse and separation of activities.
- Training and communication aimed at all professionals.
- Continuous monitoring through governance bodies, internal audits and independent third party reviews.
- Management of internal information channels.

### Main recognitions/awards

- Compliance Leader Verification (Ethisphere), obtained in 2018 and renewed in 2023 and 2025, for a strong ethical culture and an effective compliance system.
- One of the "World's Most Ethical Companies 2025", a distinction it has received for the twelfth consecutive year.
- Renewal in 2025 of the AENOR UNE-ISO 37001 (anti-bribery) and UNE 19601 (criminal compliance) certifications.
- First place in the Ibx 35 in the *Compliance 2025 ranking*, prepared by the Haz Foundation in collaboration with ASCOM, reaffirming the position achieved in 2023 and 2024.
- Recognised in 2025 as "Ibx 35 Company with best practices in *Compliance*" in the Expansión Compliance Awards.

# Cybersecurity and information privacy

At Iberdrola, cybersecurity is a strategic pillar that protects our operations, critical infrastructure and data, guaranteeing secure and reliable supply through comprehensive risk management and centralised supervision at the global level.

The Company has established a [cybersecurity strategy](#) for the Group that focuses on **integrating cybersecurity into operations and decision making with appropriate focus, coordination and control**, and which is based on six pillars:

<b>Governance</b>		Unified global framework with clear rules, roles and responsibilities, and integrated coordination processes in decision-making.
<b>Culture</b>		Promoting a strong cybersecurity culture, with continuous training and awareness at all levels of the organisation.
<b>Proactive risk management</b>		Early identification and treatment of risks through robust risk assessments, threat intelligence and protection of critical information and assets.
<b>Cyber-Resilience</b>		Development of capabilities to detect, withstand, respond to and recover from incidents, ensuring continuity and minimum business impact.
<b>Supervision</b>		Continuous monitoring of critical controls and cyber assets to manage risks in real time and ensure regulatory compliance.
<b>Collaboration</b>		Working together with regulators, supplies and ecosystem actors to strengthen the collective resilience of the digital environment.

## Organisational structure and coordination and decision-making bodies

- The Group has a **cybersecurity governance structure** with CISOs at the corporate country subholding company levels and BISOs in businesses and areas, with formalised roles. The cybersecurity strategy is integrated into the decision-making process via coordination committees and a quarterly committee chaired by the CEO, where key frameworks, models, and initiatives are reviewed and approved.
- The **Audit and Risk Supervision Committees** and the **Boards of Directors** receive regular reports on risks, strategic progress and mitigation plans.
- Furthermore, the **Audit and Risk Supervision Committees and the Boards of Directors** receive regular reports on risks, strategic progress and mitigation plans.
- With regard to privacy, the Group applies a [Personal Data Protection Policy](#) aligned with the GDPR and the Binding Corporate Rules, supported by a management system that ensures continuous compliance.



**Iberdrola, first European energy company to obtain Europrivacy data protection certification in digital contracting processes**

# Nature and efficient use of resources



Nature and efficient use of resources  
Resource use and circular economy  
Biodiversity

# Nature and efficient use of resources

Iberdrola develops a sustainable **business model** that contributes to the well-being of people, **integrating the protection of nature and the responsible use of resources.**

By pursuing activities based on smart grids, the generation of clean energy, storage as a key technology that ensures accessibility to markets, and the development of *smart* products for our customers, the Company contributes to the creation of environmental, social and economic value.

The Company works on **three strategic pillars, deployed using a cross-cutting approach:**

- Climate Action.
- Biodiversity.
- Circular Economy.



**Innovation is the lever that enables Iberdrola to approach all these challenges and implement the relevant action plans in order to seize opportunities as they arise.**



**1**

**Generation of electricity from renewable energy**

**2**

**Smart grids and efficient energy storage**

**3**

**Electrification of demand**

**Acting on:**



**Climate Action Plan**

Sets out a roadmap with the aim of achieving CO<sub>2</sub>eq **neutrality** for **Scope 1 by 2030**, and **net zero CO<sub>2</sub>eq emissions before 2040** in **all scopes**.

This Plan describes the levers and associated actions that contribute to the electrification of the economy as a whole.



**Biodiversity Plan**

Establishes the mechanisms and tools used by the Group to measure and act against biodiversity loss, with the specific objective of generating a **net positive impact** in the territories where Iberdrola operates **by 2030**.



**Circular Economy Plan**

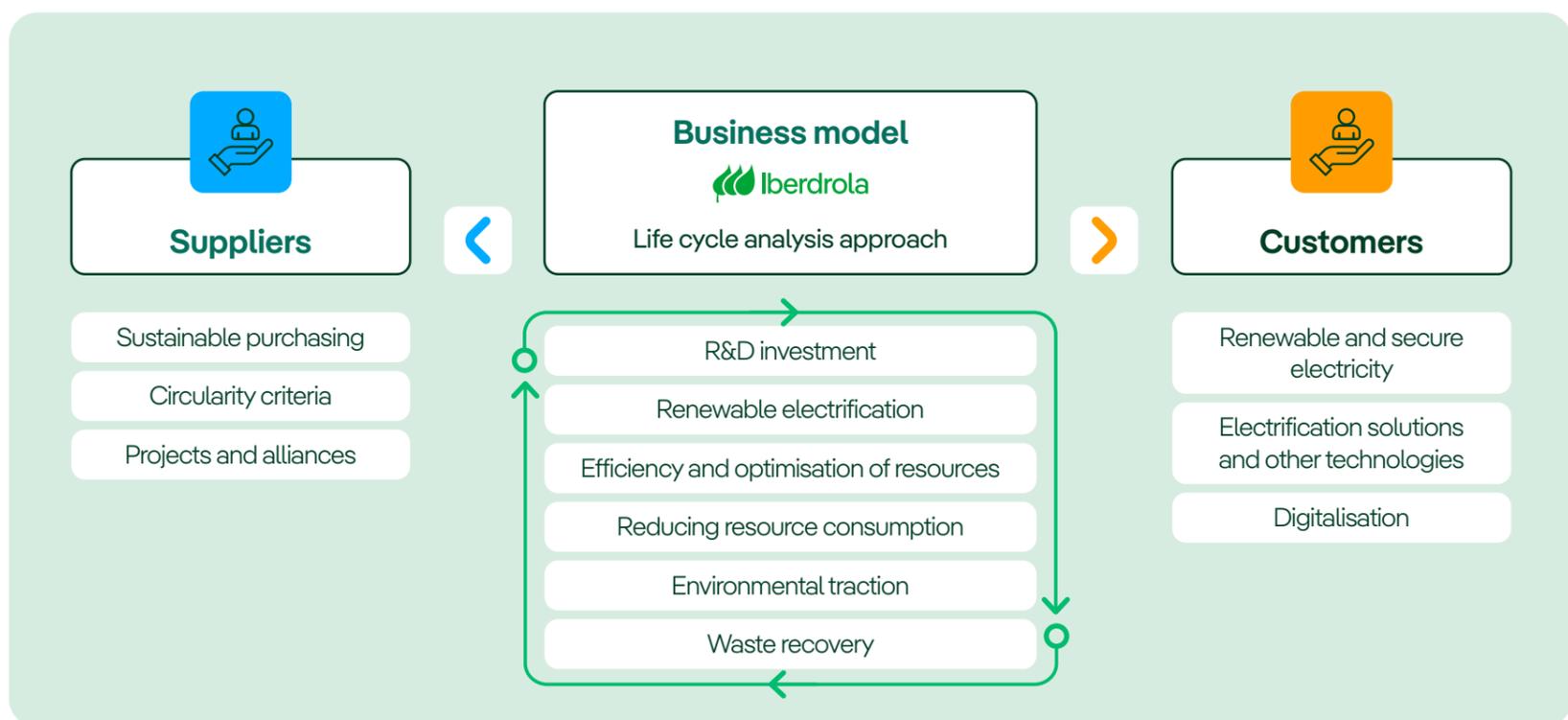
Defines lines of work aimed at the sustainable use of resources, improving the efficiency of our processes, using water more efficiently and increasing the use of secondary materials throughout our value chain. A **specific target for recycling wind turbine blades and solar panels** has been set for **2030**.



# Resource use and circular economy

Iberdrola addresses the challenge of the circular economy based on: **promoting the efficient use of resources, using secondary materials**, together with circular design and improved efficiency in processes and services and **minimising the generation of waste**, always applying the principle of waste hierarchy.

These principles are applied using an approach that considers both the activities that comprise the business model and the entire value chain, as shown in the following diagram.



Further details on resource management and circular economy initiatives and results can be found in section SNFI E5 – Resource Use and Circular Economy of the [Consolidated Non-Financial Information Statement \(NFIS\)](#) and the [Sustainability Reporting](#).

# Biodiversity

**Iberdrola conducts its activities by integrating the sustainable management of natural capital into its policies, procedures and investments.**

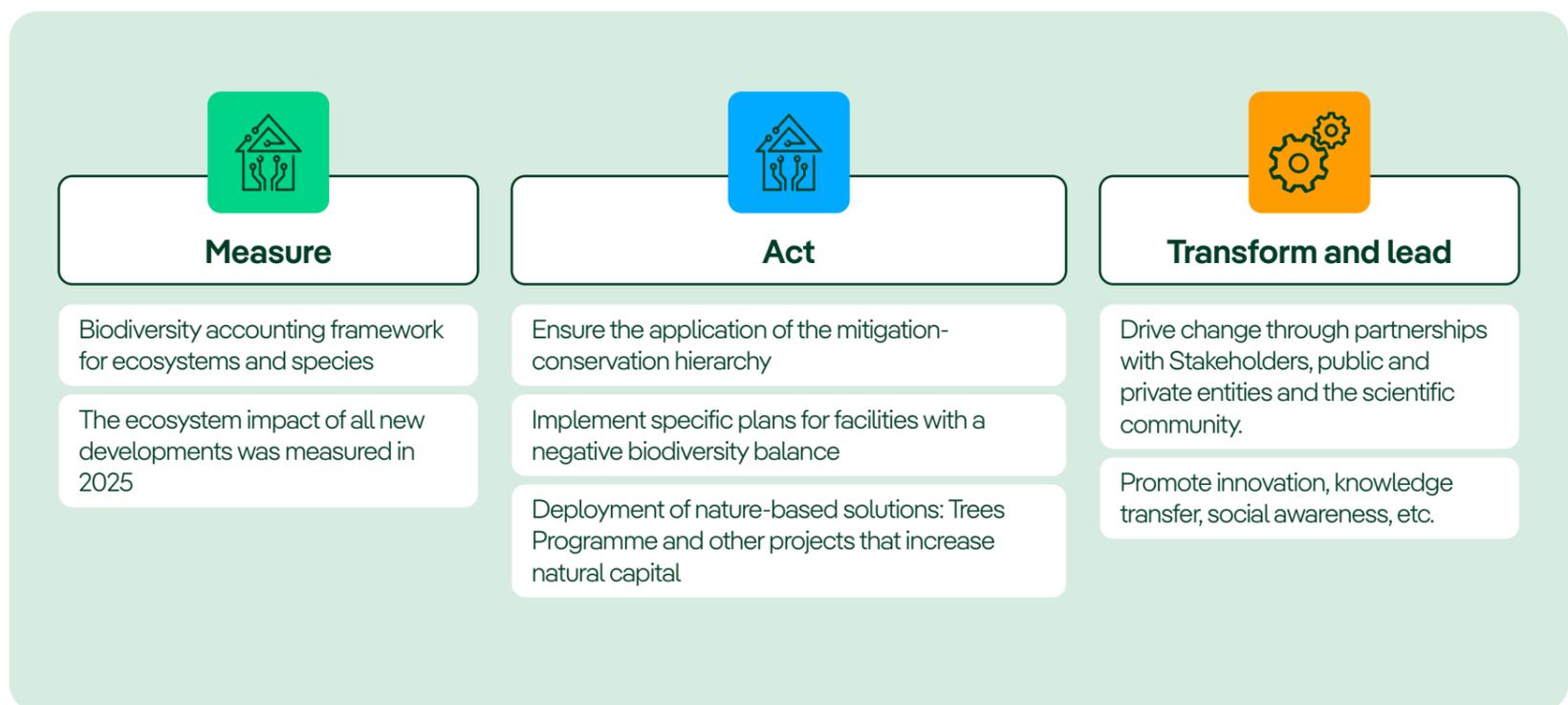
In line with its commitment to a Nature-Positive vision, the Company is incorporating nature and biodiversity considerations into all its decision-making processes.

In 2022, Iberdrola defined its **Biodiversity Plan 2030**, the central objective of which is to achieve a **net positive impact on biodiversity** within this timeframe. This plan outlines the mechanisms and tools required to achieve this objective, and is divided into three priority lines of conduct applicable to all the Group's facilities and activities (as shown in the following chart).

Its implementation is based on the mitigation-conservation hierarchy, which provides guidance on responsible management throughout the life cycle of projects.

Iberdrola upholds the ambition of achieving no net deforestation and has promoted the planting of around eight million trees since 2020.

In 2025, standout initiatives include the creation of ecological corridors in the United States for the conservation of monarch butterflies, EConcrete solutions for creating marine habitats, and the conservation of gliding possums in Australia. **This is in line with the Biodiversity Plan 2030, aligned with the TNFD and Nature Positive 2030**, which guides the Company's response to regulatory expectations and those of its Stakeholders.



~700 facilities aligned with the Biodiversity Plan in 2030





# Supply chain

Sustainability in the supply chain

# Sustainability in the supply chain



Presentation of the 2025 Global Supplier Awards

At Iberdrola, the **Purchasing function** is a **strategic lever for accelerating the energy transition, driving innovation and generating shared value.**

In a year marked by geopolitical tensions, volatility in commodity markets, the increase in tariff measures and the rapid emergence of artificial intelligence, Iberdrola has reinforced its commitment to the electrification of the economy and to building a sustainable and resilient value chain focused on operational excellence.

Based on this vision, Iberdrola strives to ensure responsible supply, foster innovation and strengthen a robust and global network of suppliers. The commitment is clear: anticipate, collaborate and lead. It is only by working together with the entire supply chain that we can continue to build a more competitive, inclusive and sustainable future.

The Company promotes a sustainable value chain and helps its suppliers to continuously improve their sustainability performance. Iberdrola's commitment extends to and takes the form of an **ambitious goal** (see section on [Sustainability targets](#)):

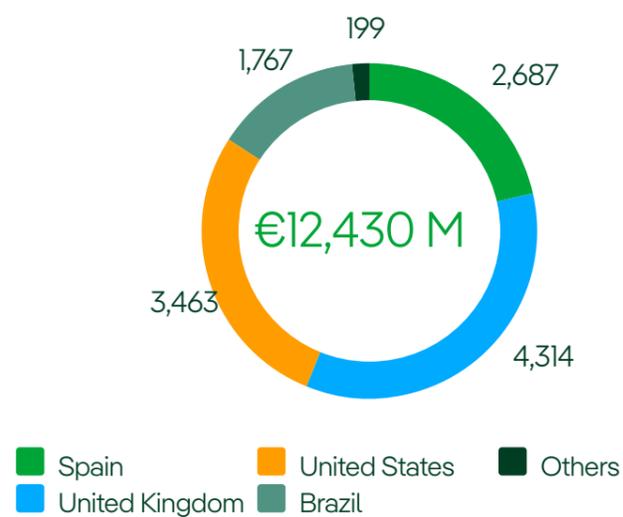
- By 2028, ensure that at least **EUR 50,000 million in purchases are made from sustainable suppliers during the 2025–2028 period.**

This objective is supported by a standardised global supplier assessment system that identifies potential impacts and monitors sustainability risks, enabling the deployment of improvement and remediation actions as well as collaborative processes to prevent potential impacts on workers in the value chain and the environment.



**This year, Iberdrola awarded contracts for more than EUR 13,000 million to close to 20,000 suppliers, of which over EUR 12,400 million went to sustainable suppliers, consolidating a responsible procurement model**

### Cumulative purchases from sustainable suppliers in 2025 (€m)



## Sustainability as a supplier selection criterion

Iberdrola has institutionalised sustainability within the purchasing process through **evaluation systems applied to suppliers**. These systems analyse multiple dimensions: environmental impact, climate management, human rights, business ethics and labour practices. By being embedded in supplier qualification and ongoing evaluation processes, sustainability ceases to be merely a reputational criterion and becomes an operational requirement for competing within the Company's supply chain.

## Preventive processes in the field of occupational health and safety

The Purchasing procedure calls for a **pre-procurement technical assessment** of compliance with occupational safety and health requirements. During the term of the contract, internal and external audits are carried out, with continuous monitoring of suppliers.

## Value chain performance and continuous improvement

Iberdrola uses its **own supplier assessment model** to **analyse the performance and positioning of each key supplier** in three core sustainability areas: environmental, social and governance (ethics and compliance). This model allows potential risks to be systematically identified and assessed, and to detect the need for early action to reinforce the supplier's alignment with the Company's standards and principles.

Rather than dispensing with suppliers that fail to fully comply with the sustainability criteria, Iberdrola promotes a **continuous improvement approach**. Suppliers receive guidance and support through specific improvement plans to strengthen their environmental, social or governance performance.

This approach prioritises supply chain stability and contributes to raising the sustainability level of the entire supplier ecosystem over time. From a strategic standpoint, this policy enables not only individual companies, but entire industrial sectors, to make a sustainable transition.

## Digitalisation of the purchasing process enables large-scale sustainability management

The **global supplier assessment and management model is fully digitalised** and ensures a standardised approach to responsible supply chain management, regardless of the geographical location, economic activity or territorial scope from which purchases are made. This system incorporates an initial screening process during supplier registration, enabling suppliers that are potentially critical or significant to be identified in accordance with the criteria established in the Purchasing Policy.

The platform streamlines sustainability risk assessments, daily monitoring of indicators and the management of classification, follow-up and continuous review processes. Thanks to this digitalisation, the shift from one-off audits to continuous monitoring has been made possible, improving the capacity to anticipate and the effectiveness of risk mitigation measures. It also contributes decisively to improving traceability and transparency throughout the supply chain.

## Communication, consultation and grievance mechanisms

The Company provides **accessible and confidential internal channels** for reporting information and grievances that ensure the absence of retaliation, in accordance with applicable law. These mechanisms facilitate the reporting of any conduct that may constitute improper conduct or conduct contrary to law or behaviour that contravenes the law or internal rules or procedures.



**Iberdrola has obtained the Sustainable Procurement Strategy certificate awarded by Aenor (ISO 20400:2017)**





# About this report

About this report  
Iberdrola's public information  
Glossary of terms and abbreviations

# About this report

## Integrated Report

- This report has been prepared taking into consideration the separate annual financial statements of Iberdrola, S.A. and the consolidated financial statements of Iberdrola, S.A. and its subsidiaries prepared by the Board of Directors, audited and pending approval by the shareholders at the General Shareholders' Meeting of Iberdrola, S.A.
- To prepare the report, a multi-disciplinary team made up of corporate businesses and areas was created in order to provide a complete view of the group of companies making up the Iberdrola Group, their business model, the challenges and risks they face, and their social, environmental, financial and governance performance. The participating organisations guarantee the integrity of the information included.
- The main operating and financial figures were also approved by the Company's Board of Directors at a meeting held on 24 February 2026, after a favourable report from the Sustainable Development Committee and the Audit and Risk Supervision Committee.

## Disclaimer of liability

- The purpose of this document is to provide a detailed explanation of the Group's activities in 2025 and its future outlook, at all times linking the operating and financial parameters to Iberdrola's contribution to sustainability. As a result, it cannot be disclosed, made public or used, in whole or in part, by any other individual or company for a purpose other than as stated above except with the express written consent of Iberdrola, S.A.
- "Iberdrola, S.A." does not assume any liability for the content of the document if it is used for a purpose other than the one described above.
- By reading this document, the reader acknowledges and accepts this legal disclaimer.
- The content of this document has not been subject to a process of independent external verification, although a significant portion of the information contained herein is taken from the Annual Financial Reports and Statements of Non-Financial Information (Sustainability Report) of "Iberdrola, S.A." published in previous financial years, all of which have been subject of an external audit or assurance. The rest of the information comes primarily from other public reports or presentations. However, there are no express or implied representations or warranties as to the impartiality, accuracy, completeness or correctness of the information or the opinions and statements expressed in this document, and the contents of this document should not be relied upon under any circumstances.
- Neither "Iberdrola, S.A." nor its subsidiaries or other companies of the Iberdrola Group or the companies in which "Iberdrola S.A." has an interest (investees) assume any liability, regardless of any negligence or any other circumstance, for any loss or damage that might arise from any use of this document or the disclosures hereof or from any reliance placed thereon.

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## Important information

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of: (i) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, and the delegated and implementing acts adopted thereunder; or (ii) the Public Offers and Admission to Trading Regulations 2024 (United Kingdom).

Furthermore, this document does not represent an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange securities, or for the solicitation of any vote or approval in any other jurisdiction.

The shares of "Iberdrola, S.A." may not be offered or sold in the United States of America unless such offer or sale is made pursuant to an effective registration statement under the Securities Act of 1933 or in reliance on a valid exemption from the registration requirements.

The shares of "Iberdrola, S.A." may not be offered or sold in Brazil, unless "Iberdrola, S.A." is previously registered as a foreign issuer of transferable securities and a public offer is registered for the securities that its shares represent (depository receipts), in accordance with the provisions of the Securities Market Act 1976 (Federal Law number 6,385 of 7 December 1976, in its current form), or pursuant to an exemption from registration of the offer.

This document and the information contained here in are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

## Alternative performance measures

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRS), this document includes certain Alternative Performance Measures (“APMs”) for the purpose set out in Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 and as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415en). The APMs are financial performance measures prepared on the basis of financial information regarding “Iberdrola, S.A.” and the companies of its Group but are not defined or described in the applicable financial reporting framework. These APMs are used to contribute to a better understanding of the financial performance of “Iberdrola, S.A.”, but they should only be considered as additional information and in no case do they replace the financial information prepared in accordance with the IFRS. In addition, the manner in which “Iberdrola, S.A.” defines and calculates these APMs may differ from that of other entities using similar measures, meaning that they may not be comparable. Finally, it should be taken into account that some of the APMs used in this document have not been audited. For more information on these issues, including their definition and a reconciliation between the relevant management indicators and the consolidated financial information prepared in accordance with the IFRS, see the relevant information included in this document and the information available on the corporate website ([www.iberdrola.com](http://www.iberdrola.com))

This document does not contain, and the information included herein does not constitute, an announcement, statement or notice regarding the profits of “Neoenergia, S.A.” (“Neoenergia”) or its financial results. Neither Neoenergia nor its subsidiaries assume any liability whatsoever for the information contained in this document. For information on Neoenergia’s financial results, see the investor relations section of its corporate website (<https://ri.neoenergia.com/>) and the website of the Brazilian National Securities Market Commission (Comissão de Valores Mobiliários, CVM) ([www.cvm.gov.br](http://www.cvm.gov.br)).

## Forward-looking statements

- This document contains forward-looking information and statements about “Iberdrola, S.A.” Such statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, investments, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

- Although “Iberdrola, S.A.” believes that the expectations reflected in such statements are reasonable, investors and holders of shares of “Iberdrola, S.A.” are cautioned that forward-looking information and statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the control of “Iberdrola, S.A.”, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents filed by “Iberdrola, S.A.” with the National Securities Market Commission and which are available to the public.
- Forward-looking statements speak only as of the date on which they were made, are not guarantees of future performance, and have not been reviewed by the auditors of “Iberdrola, S.A.” You are cautioned not to place undue reliance on the forward-looking statements. All the forward-looking statements made by “Iberdrola, S.A.” or any of its directors, officers, employees or representatives are expressly qualified by the foregoing cautionary statements. The forward-looking statements included in this document are based on information available on the date of approval of this communication. Except as required by applicable law, “Iberdrola, S.A.” undertakes no obligation to publicly update any statements or revise forward-looking information, whether as a result of new information, future events or otherwise.
- “Iberdrola, S.A.” undertakes to use its best endeavours to meet its goal of achieving carbon neutrality for its Scope 1 and Scope 2 emissions by 2030. It will align its strategy, investments, activities and public positioning accordingly. “Iberdrola, S.A.” is also committed to addressing the energy transition while ensuring the creation of value for its shareholders, employees, customers, suppliers and the communities in which it does business. “Iberdrola, S.A.” therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as the value of “Iberdrola, S.A.”, quality of supply, socio-labour conditions, and just transition. The commitments described above are aspirational in nature.



# Iberdrola's public information

Iberdrola provides its Stakeholders with all relevant information regarding the Company's performance in a systematic and accessible manner.

Scan the following QR codes for direct access to Iberdrola's public information:

**Corporate website:**



**Annual reports:**



# Glossary of terms and abbreviations

Term	Definition
<b>ACC</b>	Audit and Compliance Committee
<b>ADC</b>	Association of Communication Consultancies (Asociación de Consultoras de Comunicación)
<b>AENOR</b>	Spanish Association for Standardisation and Certification (Asociación Española de Normalización y Certificación)
<b>AI</b>	Artificial intelligence
<b>APRETC</b>	Asia Pacific Renewable Energy Training Centre
<b>ARSC</b>	Audit and Risk Supervision Committee
<b>B4SI</b>	Business for societal impact
<b>BISO</b>	Business Information Security Officer
<b>Bn</b>	Billions
<b>BRL</b>	Brazilian real
<b>CapEx</b>	Capital Expenditures
<b>CEO</b>	Chief Executive Officer
<b>CfD</b>	Contract for Difference
<b>CFE</b>	Certified Fraud Examiner
<b>CI</b>	Customer interruptions per 100 connected customers
<b>CIA</b>	Certified Internal Auditor
<b>CISA</b>	Certified Information System Auditor
<b>CISO</b>	Chief Information Security Officer
<b>CMA</b>	United Kingdom Competition and Markets Authority
<b>CMD</b>	Capital Markets Day
<b>CML</b>	Customer minutes lost per connected customers
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>COSO</b>	Committee of Sponsoring Organisations of the Treadway Commission
<b>CRMA</b>	Certified in Risk Management Assurance
<b>DANA</b>	Isolated high altitude depression
<b>DEC</b>	Equivalent Interruption Duration per Consumer Unit (Duração equivalente de interrupção por unidade consumidora)
<b>EBIT</b>	Earnings Before Interest and Taxes
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortisation
<b>ECA</b>	Export Credit Agencies
<b>ECP</b>	Euro Commercial Paper Programme
<b>EDGE</b>	Economic Dividends for Gender Equality
<b>EIB</b>	European Investment Bank
<b>EMEA</b>	Europe, the Middle East and Africa
<b>ENW</b>	Electricity North West
<b>EPS</b>	Earnings Per Share
<b>ESRS</b>	European Sustainability Reporting Standards
<b>EU</b>	European Union
<b>FEC</b>	Equivalent Interruption Frequency per Consumer Unit (Frequência equivalente de interrupção por unidade consumidora)
<b>FFO</b>	Funds From Operations
<b>g</b>	Gram
<b>GDPR</b>	General Data Protection Regulation

Term	Definition
<b>GGE</b>	Global Green Employment
<b>GRI</b>	Global Reporting Initiative
<b>GW</b>	Gigawatt
<b>GWh</b>	Gigawatt hour
<b>i-DS</b>	Innovation Data Space
<b>ICFRS</b>	Internal Control over Financial Reporting System
<b>ICMA</b>	International Capital Market Association
<b>IEI</b>	Iberdrola Energía Internacional
<b>IIA</b>	Institute of Internal Auditors
<b>IR</b>	Investor relations
<b>ISO</b>	International Organisation for Standardisation
<b>kg</b>	Kilogram
<b>Km</b>	Kilometre
<b>KPI</b>	Key Performance Indicator
<b>kt</b>	Kilotonne
<b>kWh</b>	Kilowatt hour
<b>M</b>	Millions
<b>MW</b>	Megawatt
<b>NECEC</b>	New England Clean Energy Connect
<b>NOx</b>	Nitrogen oxides
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OpEx</b>	Operating Expenses
<b>PBT</b>	Profit Before Tax
<b>PER</b>	Price-to-Earnings Ratio
<b>PPA</b>	Power Purchase Agreement
<b>PREVI</b>	Pension fund for Banco do Brasil employees
<b>RAB</b>	Regulatory Asset Base
<b>RCF</b>	Retained Cash Flow
<b>ROE</b>	Return on Equity
<b>R&amp;D</b>	Research and Development
<b>R&amp;D&amp;I</b>	Research, Development and Innovation
<b>S.A.</b>	Public Limited Company (Sociedad Anónima)
<b>SAIDI</b>	System average interruption duration index
<b>SAIFI</b>	System average interruptions frequency index
<b>SBTi</b>	Science Based Targets initiative
<b>SGA</b>	Smart Grids Academy
<b>SGI</b>	Stakeholders sub-groups
<b>SHs</b>	Stakeholders
<b>SNFI</b>	Statement of Non-Financial Information
<b>SOx</b>	Sulphur Oxides
<b>STEM</b>	Science, Technology, Engineering & Mathematics
<b>TEI</b>	Tax Equity Investor
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>TRIR</b>	Total Recordable Incident Rate
<b>TWh</b>	Terawatt hour
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNE</b>	Una Norma Española (a Spanish standard)
<b>US</b>	United States of America
<b>VNI</b>	Victoria to New South Wales Interconnector

