Report on **Tax Transparency** of the Iberdrola Group

Financial Year 2025
Our commitment to society

Iberdrola

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Letter from the Chairman

In 2026 Iberdrola celebrates 125 years of history, an anniversary that invites us to look back with pride, and, above all, to reaffirm our commitment to people and to the economic and social progress of the communities we serve through increasingly secure, competitive and sustainable energy.

Thanks to our business model—based on grid infrastructure in countries with stable and incentive-based regulatory frameworks, selective growth in renewables and prudent risk management—Iberdrola continued to deliver balanced growth in financial year 2025, fully aligned with the creation of tangible, positive and lasting impacts across all our markets.

One of the most significant of these impacts is undoubtedly our tax contribution, which exceeded €10.4 billion during the year (€4.7 billion of which was generated in Spain) as part of our firm commitment to the general interest.

As Europe's leading electricity utility and one of the world's two largest by market capitalisation, Iberdrola is entering a new phase marked by rising electricity demand driven by industry, electric mobility and climate control, together with the growth of data centres and artificial intelligence. This will require more investment than ever in transmission and distribution networks, renewable generation and energy storage.

This electrification process will be decisive for economic and social progress in the coming decades, enhancing energy security and self-sufficiency, generating more stable energy prices and high-quality employment, while enabling further progress towards a more sustainable and environmentally responsible model.

To make this possible, stable regulatory frameworks and sound energy policies are essential. This necessarily entails reforming electricity taxation—particularly in Europe—to make it more balanced and to remove barriers to electrification, competitiveness and long-term investment. The European Union urgently needs investment to advance decisively towards greater energy self-sufficiency based on domestic resources, modern infrastructure and a resilient electricity system.

Against this backdrop of growth and investment, our Tax Transparency Report 2025 highlights Iberdrola's firm commitment to transparent and responsible tax management, positioning the Group today as an international leader in this field, because we promote a tax governance model based on integrity, responsibility and exemplary conduct that goes beyond mere regulatory compliance.

We are firmly convinced that this culture strengthens trust-based relationships with society, regulators and investors, and represents a key element of our contribution to the economic development of the countries in which we operate.

Accordingly, we will continue to build on these foundations, with a long-term perspective and a strong service-oriented approach, convinced that only through public–private cooperation, regulatory stability and mutual trust can we build an energy system capable of addressing today's major challenges and contributing to the well-being of present and future generations.

Ignacio S. Galán

Chairman of Iberdrola

I. Iberdrola: 125 light-years

We promote energy self-sufficiency, competitiveness and security through a business model that integrates smart grids, renewable generation and efficient energy storage systems

A light that began to shine 125 years ago

The Iberdrola Group is a global leader in networks, energy storage and clean energy. Today, we operate in dozens of countries under an innovative, efficient and sustainable business model.

In just the past quarter of a century, our growth and international expansion have reinforced Iberdrola's position as a global Group supplying energy to 100 million people. Today, our investments and procurement activities support 120,000 jobs in Spain and more than half a million worldwide, acting as a driving force for progress, modernisation and commitment that fosters global growth.

In 2025 the Group reached a total installed capacity of 58,343 MW, representing an increase of 3.2% compared to the previous financial year. Of this total, 40.5% corresponds to onshore and offshore wind power, 22% to hydroelectric power and 15% to solar energy. Iberdrola also had total net electricity generation of 129,043 GWh at year-end 2025.

Furthermore, in the first months of 2026 Iberdrola achieved a record market capitalisation exceeding EUR 135,000 million, ten times higher than at the beginning of 2001 (EUR 12,000 million). This milestone confirms the robustness of our sustainable energy model and the continued confidence of investors.

Overview of the Iberdrola Group. A year of transformation

Improving the business profile

Net profit
€6,285m. ▲ 12% compared to the previous FY

Adjusted EBITDA
€15,680m. ▲ 3% compared to the previous FY

Growth in networks
€14,460m of total investment in 2025. 62% allocated to networks

Asset rotation
Full consolidation of ENW
Acquisition of minority interests in Avangrid and Neoenergia

Dividend
€4,500m. ▲ 12% compared to the previous FY

Net debt
Decrease of €1,500m. Cash generation of up to €12,811m

Social dividend

Tax contribution 2025
€10,410m. ▲ €110m compared to the previous FY

New hires
4,500 reaching a total of 45,400 employees

Procurement
€13,200m which supports 500,000 jobs

R&D investment 2025
€425m. World's leading private electric utility by investment, according to the European Commission

And achieving 25 years of sustained growth

Key figures 2001 - 2025

Total assets
€20,000m ➡ €161,000m

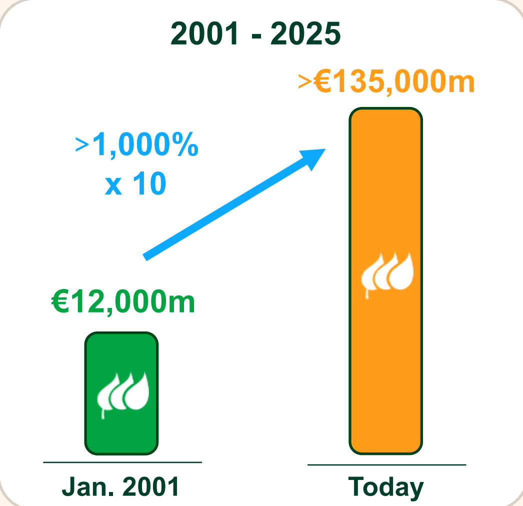
Regulated asset base
<€5,000m ➡ €51,000m

Installed capacity
16 GW ➡ 58 GW

Storage*
12 month energy contribution capacity
3,000 GWh ➡ 10,200 GWh

% International business**
<1% ➡ ~65%

Market capitalisation



Dividends
+ €47,000m paid during the period

* Energy contribution capacity based on installed capacity and the daily cycle throughout the year for each storage technology.
** Expressed as a percentage of EBITDA.

The best is yet to come

Strategic Plan 2025–2028: our challenge is to go beyond what we have set out to achieve

In 2025 we updated the Strategic Plan for the 2025–2028 period, announcing investments amounting to EUR 58,000 million to drive the electrification of the economy and address the new requirements of electricity networks. Two-thirds of this investment will be allocated to transmission and distribution networks, primarily in the United Kingdom and the United States. These investments represent an increase of 30% compared to the 2021–2024 period.

Iberdrola plans to create 15,000 jobs worldwide over the next four years and to carry out procurement activities amounting to EUR 65,000 million with thousands of suppliers, thereby supporting more than 500,000 jobs across the value chain.

We will contribute more than EUR 40,000 million to public finances through 2028, strengthening the development of the communities in the countries in which we operate.

Continuous investment in R&D also underpins our strategy and enables us to anticipate the challenges facing the energy sector. Accordingly, the Strategic Plan reinforces our commitment to innovation, allocating investments of EUR 1,600 million to R&D over the period.

We will continue to advance our commitment to accelerating the electrification of the planet, while seeking to reconcile growth with the objective of achieving carbon neutrality in Scope 1 CO_2-equivalent emissions by 2030, which largely correspond to emissions from electricity generation.

II. *Corporate Tax Policy* guidelines: the Iberdrola Group's tax strategy

Leading with integrity: a robust tax framework to ensure trust, compliance and sound decision-making

Corporate Tax Policy

Commitment to ethics, excellence, transparency and leadership in best tax practices

The Board of Directors of Iberdrola, S.A. is vested with the authority to design, evaluate, approve and continuously review the *Corporate Tax Policy* of Iberdrola, S.A. In addition, the Board is responsible for defining the Group's tax strategy and approving investments or transactions which, due to their amount or characteristics, are of particular relevance from a tax perspective.

The fiscally responsible conduct of the companies within the Iberdrola Group forms part of the *Sustainable Development Policy*. Group companies share the principles set out in the *Purpose and Values of the Iberdrola Group* and in the *Ethical and Governance Principles of the Iberdrola Group*, and understand that the taxes paid by the Group's companies in the countries and territories in which they operate constitute their primary contribution to public finances and, therefore, one of their main contributions to society.

The *Corporate Tax Policy* of Iberdrola, S.A. is public and available on the Company's corporate website. The content of the *Corporate Tax Policy*, together with its application and implementation, is set out throughout this Report.

Scope of application

The *Corporate Tax Policy* applies to Iberdrola, S.A. Without prejudice to the foregoing, the *Policy* provides that the companies of the Group may adopt principles and rules that must be consistent with the principles set out in the *Policy.*

Purpose

The purpose of the *Corporate Tax Policy* is to establish the foundations for defining the Company's tax strategy, based on excellence and a firm commitment to the application of best tax practices, within the framework of the Group's corporate and governance structure.

In this respect, the tax strategy is based on three fundamental pillars: compliance with tax obligations, ongoing cooperation with the tax authorities, and transparency.

Implementation and monitoring of the *Corporate Tax Policy*. Tax risk management model

The implementation and monitoring of the tax strategy established for the Group by the Board of Directors of the Company is the responsibility of the various companies forming part of the Group.

In accordance with the corporate and governance structure defined in the *Governance and Sustainability System*, this responsibility is structured across three levels: Parent company, country subholding companies, and head of business or country companies:

- For the implementation and monitoring of the provisions of the *Policy*, the Board of Directors of Iberdrola, S.A. is supported by the Global Tax Department, which, acting as the body responsible for tax compliance within the Company, ensures—proactively and independently, and in coordination with the Company's Compliance Unit—the observance of the principles and best tax practices set out in the *Policy*. In addition, the Global Tax Department approves and periodically reviews guidelines for assessing and managing tax risk, applicable to all companies of the Group. These guidelines include objective criteria for classifying transactions according to their tax risk, as well as specific approval procedures depending on the level of risk identified.
- The head of business or country companies report annually to the corresponding country subholding companies on the level of compliance with the tax strategy established at Group level.
- In turn, the audit and compliance committees of the country subholding companies report to the Audit and Risk Supervision Committee of Iberdrola, S.A. on the level of compliance with said tax strategy.
- Finally, the Audit and Risk Supervision Committee of the Company provides the Board of Directors of Iberdrola, S.A. with annual information on the tax practices and criteria applied by the Company and on the level of compliance with the tax strategy by the companies of the Group during the financial year.

Ongoing review of the *Corporate Tax Policy*

The *Corporate Tax Policy* is subject to a continuous review process aimed at incorporating best practices on an ongoing basis, adapting to constant changes in the environment, and particularly to the increasing tax requirements arising from globalisation, and to the high standards of tax excellence that the Group has set for itself in order to meet the highest levels of tax transparency.

The Global Tax Division must explicitly approve and regularly review guidelines for the evaluation and management of tax risks, which are applicable to all companies of the Group.

In this regard, since financial year 2018, on occasion of the approval of Council Directive (EU) 2018/822 as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, the management of Iberdrola's tax risks has included the establishment of objective standards to classify the Group's transactions based on the tax risk thereof, as well as different procedures for the approval thereof.

The most recent amendment to the *Corporate Tax Policy* approved by the Board of Directors of Iberdrola, S.A. was adopted on 25 March 2025, in order to adapt the *Policy* to the structure of the *Governance and Sustainability System*.

Level of compliance with the *Corporate Tax Policy* and the tax standards applied by the Group in 2025

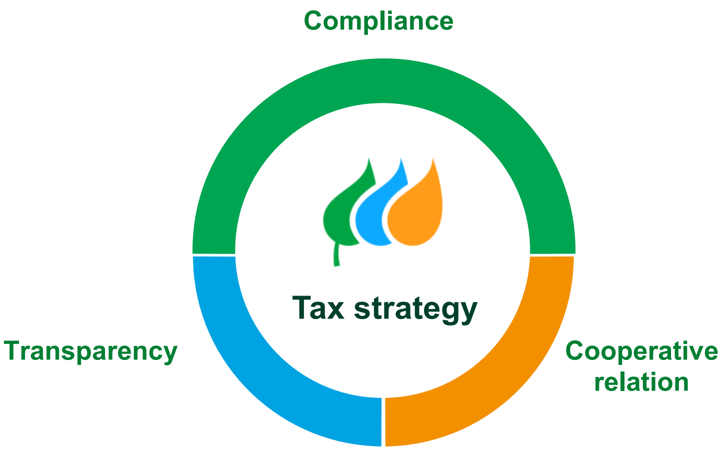
In compliance with the *Regulations of the Audit and Risk Supervision Committee*, the Head of Global Tax has confirmed, when appearing before Iberdrola's Audit and Risk Supervision Committee on 21 July 2025 and 23 February 2026, that the Company and its group rigorously applied the principles and good practices set out in the *Corporate Tax Policy* during financial year 2025.

Thus, all tax decisions made by the Group's companies were made in accordance with a reasonable interpretation of applicable legal provisions and in close connection with their business activities, and steps continue to be taken to facilitate and improve tax risk management.

III. Tax governance: tax compliance, cooperative relations and transparency

Principles of tax governance of the Iberdrola Group

The *Corporate Tax Policy* of Iberdrola, S.A. establishes the foundations for defining the Company's tax strategy. This strategy is based on excellence and a firm commitment to the application of best tax practices, within the framework of the Group's corporate and governance structure, and is built upon three core pillars: compliance with tax obligations, ongoing cooperation with the tax authorities, and transparency.



In this context, the principles of conduct set out in the *Corporate Tax Policy* of Iberdrola, S.A. are as follows:

Compliance	• Strict compliance with tax obligations in respect of all applicable taxes, paying the taxes due in accordance with the applicable tax regulations
Decision-making	• Respect for both the letter and the spirit of tax regulations in all jurisdictions in which the Group operates, adopting reasonable criteria to interpret legislative intent and to apply tax rules in a manner consistent with those objectives
Risk control and management	• Prevent and mitigate the significant tax risks, ensuring that taxation maintains an appropriate relationship with economic substance • Maintenance of a robust tax risk control and management model aimed at preventing and mitigating tax risks

Cooperative relationship	• Promotion of a relationship with tax authorities based on the principles of legality, transparency, loyalty, trust, professionalism, collaboration, reciprocity and good faith
Reporting to governing bodies	• Adequate reporting to the governing bodies on the main tax implications of transactions or matters submitted for their approval, where such implications constitute a relevant factor in forming their decision

In addition, the Iberdrola Group has an appropriate structure of human and material resources, supported by the recruitment of top talent and the use of technology to optimize tax compliance processes. The Group promotes operational and management excellence and considers knowledge management and continuous training to be key elements in ensuring the proper operation of the tax function.

1. Tax governance and tax compliance

1. Iberdrola, S.A.'s Board of Directors

The Board of Directors of Iberdrola, S.A., acting through its Chairman and the Chief Executive Officer, and with the technical support of the various committees and the management team, along with their respective support committees, supervises, organises, coordinates and monitors the principles of conduct and good tax practices set out in the *Corporate Tax Policy* among those Group companies whose activities accrue a significant amount of tax.

In this regard, the Head of Global Tax appeared before the Board of Directors of Iberdrola, S.A. on 25 February 2025 to present the *Report on Tax Transparency of the Iberdrola Group – Our commitment to society* for financial year 2024. In addition, the Report corresponding to financial year 2025 and the public Country-by-Country Report were presented on 24 February 2026.

2. Audit and Risk Supervision Committee of Iberdrola, S.A.

Iberdrola's Audit and Risk Supervision Committee has the following duties, among others, relating to tax matters:

- Prior to the preparation of the annual accounts and to the filing of the corporate income tax return, obtain from the Iberdrola's tax director, for submission to the Board of Directors of Iberdrola, S.A., information on the tax guidelines used during the financial year and, in particular, on the level of compliance with the *Corporate Tax Policy*.

- Based on the information received from Iberdrola's chief tax officer, report to the Board of Directors on the tax policies applied and, in the case of transactions or matters that must be submitted to the Board of Directors for approval, regarding the tax consequences thereof when such consequences represent a significant issue.

  In order to comply with the provisions of the *Governance and Sustainability System* in this regard, in financial year 2025 the Head of Global Tax appeared before the Iberdrola's Audit and Risk Supervision Committee on 24 February and 21 July to report on the level of compliance with the *Corporate Tax Policy* and tax standards applied during financial year 2024 and during the first half of 2025, respectively. The Head of Global Tax also appeared on 23 February 2026 to report on the 2025 financial year.

3. Audit and compliance committees of country subholding companies and of companies engaged in regulated business

The country subholding companies assume responsibility for compliance with tax obligations and for implementing in their respective countries, territories or businesses the global tax strategy established at the Group level, while respecting the principles and best tax practices set out in the *Corporate Tax Policy* of Iberdrola, S.A.

The audit and compliance committees of the country subholding companies and companies engaged in regulated business have a duty to report to Iberdrola, S.A.'s Audit and Risk Supervision Committee on the level of compliance with the *Corporate Tax Policy* during each financial year within their respective purviews.

For these purposes, the head of each Tax Division appears before his or her respective committee, ensuring that information flows upwards to the parent company.

4. Management bodies of the Head Companies

The governing bodies of the head of business or country companies are responsible for ensuring compliance with their own tax obligations in accordance with the principles and best tax practices set out in the *Corporate Tax Policy* of Iberdrola, S.A., as well as for ensuring compliance with such principles by the Group companies through which they conduct their activities.

These companies report annually to the corresponding country subholding companies on the level of compliance with the tax strategy established at Group level.

Without prejudice to the applicable provisions and as described above, the management body of each company of the Group is responsible for ensuring that the information such company provides to comply with the tax obligations of the tax group to which it belongs complies with applicable tax provisions as well as the principles and rules set forth in the *Corporate Tax Policy* of Iberdrola, S.A. Said information must in all cases be prepared in accordance with the standards set by each country subholding company pursuant to the provisions established by the tax divisions of each country, jurisdiction or business.

In addition, and for purposes of complying with the provisions of the *Governance and Sustainability System*, the Global Tax Division also appears before other committees and offices when requested to do so.

5. **Sustainable Development Committee**

The Sustainable Development Committee, created by the Board of Directors of Iberdrola, S.A., is a permanent internal advisory body without executive duties providing information and advice and making proposals on matters that fall within its purview.

The Committee is primarily responsible for sustainable development and corporate responsibility, corporate reputation and corporate governance of Iberdrola.

The Committee is responsible, inter alia, for periodically evaluating and reviewing the *Governance and Sustainability System* and scrutinising Iberdrola's degree of compliance with generally recognised good governance recommendations.

In compliance with the *Regulations of the Sustainable Development Committee*, the Head of Global Tax appeared on 24 February 2025 to present the *Report on Tax Transparency of the Iberdrola Group – Our commitment to society* for financial year 2024, and 23 February 2026 to present the same report for financial year 2025.

Main tax issues addressed during the various presentations

The main tax-related issues covered during the relevant presentations are as follows:

Corporate Tax Policy

- Level of compliance with the *Corporate Tax Policy* and tax standards applied during financial year 2024 and during financial year 2025. Effectiveness of control systems.

Risk control and operations

- Tax liabilities and procedures / Contingent assets / Corporate income tax expense.
- Tax audit procedures by the tax authorities. Tax litigation.
- Analysis of the Group's transactions during financial years 2024 and 2025. Tax rating of transactions based on tax risk.

Tax transparency

- Review of the information set out in the *Report on Tax Transparency of the Iberdrola Group – Our commitment to society* for financial years 2024 and 2025. Analysis of new developments and key figures.
- Reference to the *Relatório de Transparência Fiscal: Nosso compromisso com a sociedade* published by Neoenergia.
- Global tax contribution of the Iberdrola Group. Analysis.

Tax governance and best practices

- Monitoring and updating of the *Corporate Tax Policy* of Iberdrola, S.A.
- Cooperative relations:
  - Voluntary submission to the Spanish Tax Agency of the *Annual Tax Transparency Report for companies adhering to the Code of Good Tax Practices* for financial years 2023 and 2024. Refence to the meeting held with the Spanish State Tax Administration Agency (*Agencia Estatal de la Administración Tributaria*) to review the reports. Acknowledgement of the letter of commendation received from the Central Delegation of Large Taxpayers of the Spanish State Tax Administration Agency for financial years 2023 and 2024.
  - Voluntary submission of documentation on related party transactions to the Tax Agency under the Code of Good Tax Practices regarding financial years 2023 and 2024, on 24 January 2025 and 23 January 2026, respectively.
  - Voluntary participation in the International Compliance Assurance Programme (ICAP) promoted by the OECD. Completion of the programme in 2023, with an overall risk rating of “low”. Acknowledgement of the letter of appreciation from the Spanish tax administration for having voluntarily participated in the programme, received on 16 November 2023. Meeting held on 28 January 2025 with the heads of the OECD and the various tax administrations taking part in Iberdrola’s ICAP Programme, along with representatives of other jurisdictions participating in the programme, to exchange views on how the project is developing.
  - Participation in the working groups of the Large Companies Forum of the Spanish State Tax Administration.
  - Progress of the Cooperative Tax Compliance Programme (*Programa de Conformidade Cooperativa Fiscal*) *(Confía)*, including Neoenergia’s participation in the programme
  - HMRC Business Risk Review programme.
  - Membership to the *Fórum de Grandes Empresas* (Large Companies Forum) of the Portuguese *Autoridade Tributária e Aduaneira* (AT).
  - Inclusion of Iberdrola in Australia’s Top 1,000 Assurance program of the Australian Taxation Office (ATO).

  - Participation in the *Relation de confiance* cooperative compliance programme promoted by the French tax authority (*Direction Générale des Finances Publiques*) (*DGFiP*)
- Tax compliance management systems. UNE 19602 standard:
  - Announcement of the satisfactory result of the audit for the 2024 and 2025 financial years carried out by AENOR. Renewal of the certification for a new three-year period.
  - Internal evaluation reports on the System's effectiveness.
  - Acknowledgement of satisfactory independent expert reports prepared by an external consultant.
  - Planning of the audit of the System for the 2026 financial year.
- Tax transparency seal awarded by Fundación HAZ.
- First Spanish company to earn the international "Fair Tax Mark" certificate in 2024 from the Fair Tax Foundation, as a company that pays its taxes responsibly throughout the world. Renewal of the accreditation in 2025. Improved score achieved.
- First-time voluntary participation in the Tax Responsibility and Transparency Index, developed by CSR Europe in collaboration with the Fair Tax Foundation. First Spanish company in the sector to participate in the index. Result: first place in the ranking.
- Favourable outcome of the Internal Audit and Risk Division's verification of the tax function processes carried out in 2024 and 2025.

Other particularly significant matters

- Significant tax regulations at the global level
  - Global minimum taxation.
  - Public Country-by-Country Report (CbCr).

2. Prevention and management of tax risks

Iberdrola has an internal tax risk control and management system aligned with international best practices, based on structured processes designed to identify, assess and mitigate tax risks, supported by internal controls and periodic reviews that ensure its effectiveness and continuous updating.

Likewise, Iberdrola's *Tax Compliance System* constitutes a robust and mature model for the prevention of tax risks, aligned with best practices in corporate governance and with applicable legal provisions, and is duly certified.

Iberdrola's tax processes are subject to regular independent reviews carried out by the Internal Audit and Risk Division. In 2025 the review of risks, controls and information relating to the tax module of the Internal Control over Financial Reporting System concluded with a favourable outcome, with no material recommendations.

3. Cooperative relations

An honest partnership that strengthens institutional trust.

The cooperative relationship with tax authorities constitutes one of the fundamental pillars of Iberdrola's tax strategy. This approach, based on the highest standards of transparency and the application of best tax practices, fosters ongoing and constructive dialogue with the tax authorities in the countries in which the Group operates.

The tax strategy reflected in Iberdrola's *Corporate Tax Policy* establishes **cooperation with tax authorities** in all territories where the Group operates as a guiding principle of conduct, by **promoting a relationship based on the principles of legality, transparency, fidelity, trust, professionalism, collaboration, reciprocity and good faith.**

Furthermore, in application of these principles of conduct, the *Corporate Tax Policy* sets out a commitment to the application of best practices in relations with tax authorities:

Relations with tax authorities

Cooperate with the competent tax authorities in the detection of and search for solutions regarding fraudulent tax practices of which Iberdrola may become aware that could arise in the markets in which the Group's companies operate.

Provide, as promptly as possible and with the appropriate scope, significant tax-related information and documentation requested by the tax authorities in the exercise of their powers.

Disclose and discuss with the competent body of the tax authorities all relevant factual matters of which Iberdrola is aware, for the purposes of initiating, where appropriate, the corresponding proceedings, and to promote, to the extent reasonably possible, agreements and settlements in the course of tax audit procedures.

In accordance with best practices and the highest standards of tax transparency, Iberdrola adheres to the Code of Good Tax Practices and has complied with its provisions since its approval by the full Forum of Large Businesses (*Foro de Grandes Empresas*) of the Spanish Tax Administration Agency on 20 July 2010.

Among the programmes and initiatives in which the Iberdrola Group participates in order to promote and preserve a cooperative relationship at a global level, the following are particularly noteworthy:

Initiatives for engagement with tax authorities

Jurisdiction	Initiative
Global	• International Tax Compliance Assurance Programme (ICAP)
Spain	• Code of Good Tax Practices • Forum of Large Businesses • Tax Transparency Report • Submission of transfer pricing documentation
United Kingdom	• Risk review
Brazil	• *Programa Confia*
France	*Relation de confiance*
Portugal	• *Código de Boas Práticas Tributárias* • *Fórum dos Grandes Contribuintes*

Forum of Large Businesses of the Spanish Tax Administration Agency

The *Foro de Grandes Empresas* (Forum of Large Businesses) is a framework for collaboration between large enterprises and the Spanish tax administration, based on the principles of transparency and mutual trust, through the exchange of knowledge.

The Forum was created on 10 July 2009 at the behest of the Spanish State Tax Administration Agency ("AEAT" or "Tax Agency") and Iberdrola has been a member since it was launched. Since then, Iberdrola has aligned itself with the highest standards governing this relationship, fully complying with all the agreements and recommendations adopted within this framework:

1. **Participation in the working groups and the Plenary Session of the Forum of Large Businesses**

   In financial year 2025 Iberdrola attended the general meetings of the Forum of Large Businesses held on 18 June and 19 November, as well as all meetings of the working groups convened during the year.

   Likewise, throughout financial year 2025, the Iberdrola Group's Head of Global Tax continued to act as a business collaborator within the Technical Secretariat of the Forum of Large Businesses.

2. **Voluntary submission of the "Annual Tax Transparency Report for companies adhering to the Code of Good Tax Practices"**

   Since 2015, Iberdrola has voluntarily submitted the "Annual Tax Transparency Report for companies adhering to the Code of Good Tax Practices" as the **highest expression of tax transparency with the Spanish tax authorities.**

   As regards recent Reports, Iberdrola submitted the Annual Tax Transparency Report relating to financial year 2023 on 24 October 2024, and the corresponding report for financial year 2024 on 23 October 2025.

   In this respect, on 28 October 2025 a meeting was held with representatives of the Spanish Tax Administration Agency in order to enhance the understanding and assessment of the content of the reports relating to financial years 2023 and 2024.

   On 30 October 2025 Iberdrola received a letter from the Central Delegation of Large Taxpayers of the Spanish Tax Administration Agency certifying the submission of the aforementioned reports, and which highlighted the tremendous willingness and availability offered in voluntarily sending information for financial years 2023 and 2024 and thanking it for the transparency provided.

   The voluntary submission of the Iberdrola Group's report has been publicly acknowledged on the Tax Administration's website, expressly mentioning Iberdrola as a company that submits its transparency report.

3. **Documentation on related-party transactions under the Code of Good Tax Practices**

   In 2023, the Forum of Large Businesses approved a proposal for the voluntary submission of transfer pricing documentation within the framework of the Code of Good Tax Practices. Iberdrola has participated voluntarily in this initiative since its inception.

   On 24 January 2025 Iberdrola voluntarily submitted the corresponding transfer pricing documentation for financial year 2023, in due time and form, in accordance with the requirements established by the tax authorities.

   Moreover, on 23 January 2026 Iberdrola submitted the transfer pricing documentation for 2024.

Multilateral cooperative procedure: International compliance assurance programme (ICAP)

The ICAP is a voluntary risk evaluation programme launched by the OECD aimed at greater cooperation between tax authorities in the supervision of tax risks within multinational groups relating to transfer pricing, and represents **the most advanced element of the cooperative relationship between multinational enterprises and tax authorities.**

Iberdrola joined this programme in 2022, in coordination with the Spanish Tax Administration Agency and the Biscay Regional Treasury, with the participation of the government administrations of the United Kingdom, the United States, Germany, Italy and Ireland.

The programme concluded in 2023. **On 16 November 2023 the Spanish tax administration sent a letter of appreciation for having voluntarily participated in the programme, including multilateral evaluation letters from the tax authorities in Spain (State Tax Administration Agency and Biscay Provincial Treasury), Germany, the United States of America, Ireland, Italy and the United Kingdom, with an overall risk rating of "low".**

On 28 January 2025 Iberdrola's Tax Division held a meeting with the heads of the OECD and the various tax offices taking part in Iberdrola's ICAP Programme, as well as representatives of other jurisdictions participating in the programme, to exchange views on how the project is developing. At the meeting, Iberdrola was thanked for its involvement by those responsible for the programme and expressed its willingness to take part in similar future initiatives.

Risk review by the United Kingdom tax authorities (HMRC)

As a member of the group of large taxpayers in the United Kingdom, Scottish Power actively participates in the collaborative relationship programme with HMRC, based on the figure of a Client Relationship Manager (CRM) as the liaison between the tax authorities and the taxpayer, and on the annual rating of the taxpayer's risk profile.

In this regard, in the review carried out for the 2023–2026 period, HMRC maintained the low-risk rating for the Scottish Power Group. The next risk review will be conducted within three years; however, HMRC may review specific tax areas at any time during that period.

Programa de Conformidade Cooperativa Fiscal (*Confia*)

In application of the highest standards of cooperation and tax transparency, Neoenergia participates in the *Receita Federal* (Brazilian tax authorities) programme.

As part of the collaboration framework, Neoenergia was invited by *Receita Federal* to voluntarily participate in setting up a programme to establish new parameters for the interaction between taxpayers and the tax authorities, focusing on voluntary cooperation and mutual trust, called the Cooperative Tax Compliance Programme (*Programa de Conformidade Fiscal Cooperativa*) (*Confia*).

In 2024 Neoenergia joined the Confía pilot programme, which involves the participation of 20 companies, and was successfully certified in November 2025 in respect of all matters addressed within the project, as a result of the work carried out.

This certification represents a significant step forward in the Programme, within the process of establishing a new model of cooperative relationship between taxpayers and the Brazilian tax authorities.

Código de Boas Práticas Tributárias of the Portuguese tax authorities

On 19 March 2021, Iberdrola adhered to the Code of Best Practices of the Portuguese tax administration, expressly stating its intention to be bound by the principles, recommendations and guidelines set out therein.

In addition, in 2022 an application was submitted for Iberdrola Clientes Portugal and the other companies forming part of the Group to join the Large Companies Forum of the Autoridade Tributária e Aduaneira (AT), and was ultimately admitted in 2024 by unanimous decision of its members.

Trust-based relationship programme (*relation de confiance*) with the French tax administration

The French tax administration has an enhanced cooperation programme known as *Relation de confiance*, the principles of which are transparency and clarity in information sharing, availability and an understanding of the constraints facing the other party.

On 1 December 2023, Iberdrola's Tax Division held its first meeting with the French tax administration to discuss its participation in this collaborative programme. The outcome of the meeting was positive, with Iberdrola ultimately signing the accession protocol in 2024, thus making it party to the *Relation de confiance* programme.

4. Tax transparency

Accountability as a principle for strengthening trust in the Company.

Iberdrola believes that transparency is fundamental for generating trust and credibility, both in the markets and among investors, as well as among individuals and other Stakeholders. That is why, as established in the *Sustainable Development Policy*, Iberdrola undertakes to:

Main principles of conduct in relation to transparency

- **Disseminate information that is truthful**, sufficient, relevant, complete, clear, reliable and useful regarding its performance and significant activities
- **Ensure honesty in the communication** of information and to refrain from disseminating incorrect information, information arranged in a misleading manner, or information that may be confusing to its recipients.
- **Encourage transparency** through the annual preparation and publication of the Company's financial and non-financial information
- **Publish the information required by applicable regulations** or voluntarily assumed by the Company
- **Facilitate information regarding the taxes that it pays in the countries and territories in which it operates.**

Iberdrola voluntarily prepares and publishes each year this *Tax Transparency Report – Our commitment to society*, which contains global tax information relevant to all Stakeholders, in keeping with the highest good governance standards. The report is public and can be consulted on the Iberdrola Group's corporate website.

Furthermore, in 2022 Neoenergia published for the first time, on a voluntary basis, its own tax transparency report titled *Relatório de Transparência Fiscal: Nosso compromisso com a sociedade*, a ground-breaking report in Brazil that includes information on the company's tax activity and performance. In addition to providing detailed information on the tax contribution in Brazil, the publication reinforces Neoenergia's commitment towards society by ensuring ethical principles of corporate governance in compliance with Brazilian law and international best practices. The Report is also being prepared for 2025.

Iberdrola's Tax Division takes into account the GRI (Global Reporting Initiative) Consolidated Standards for the reporting of relevant tax information, particularly the standards set out in GRI 207: Tax.

Compliance with GRI 207: Tax and its application at Iberdrola are set out below:

Content of the GRI 207 standard: Tax, and its application at Iberdrola

GRI 207-1: Approach to tax

Requirement	Application
i. Whether the organisation has a tax strategy, and if so if publicly available	Iberdrola S.A.'s *Corporate Tax Policy* sets out its tax strategy and is public and accessible through the corporate website
ii. Governance body or executive-level position that formally reviews and approves the tax strategy and the frequency of reviews	The *Corporate Tax Policy* of Iberdrola, S.A. establishes the foundations for defining the Company's tax strategy and is subject to continuous review. The authority to approve and review the *Policy* is vested in the Board of Directors.
iii. The approach to regulatory compliance	Tax compliance is a fundamental principle of the *Corporate Tax Policy*. To ensure a responsible tax approach, Iberdrola strives to ensure that taxation bears an appropriate relationship with the structure and location of its activities, human and material resources, and business risks. It also fosters a relationship with the tax authorities that is predicated on the principles of legality, transparency, fidelity, trust, professionalism, cooperation, reciprocity and good faith. Iberdrola is certified in Spain under the Spanish UNE 19602 quality standard for tax compliance management systems
iv. How the approach to tax is linked to the business and sustainable development strategies of the organisation	In addition to the provisions of the preceding section, the responsible tax practices of the companies of the Iberdrola Group are enshrined in the *Sustainable Development Policy*. The companies of the Group share the principles reflected in the *Purpose and Values of the Iberdrola Group* and the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola* Group, and conceive of the social dividend as the direct, indirect or induced contribution of value of their activities for all Stakeholders.

GRI 207-2: Tax governance, control, and risk management

Requirement	Application
a) Tax governance and control framework	The Global Tax Division approves and regularly reviews guidelines for the evaluation and management of tax risks, to be applied to all companies of the Group. It also proactively and independently monitors compliance with the tax principles and best practices enshrined in the *Corporate Tax Policy*. **Implementation of the Iberdrola Group's *Governance and Sustainability System* in the tax area** The Board of Directors of Iberdrola, S.A. has the power to formulate the tax strategy and approve investments and transactions that are particularly important from a tax standpoint because of the high amount or special characteristics thereof. The implementation and monitoring of the tax strategy established at the Group level by the Board of Directors of Iberdrola, S.A. is the responsibility of the various companies of the Group. The tax strategy is structured around three levels: (i) parent company; (ii) country subholding companies; and (iii) head of business or country companies. **Group-level implementation and coordination of the *Corporate Tax Policy* of Iberdrola, S.A.:** i. The head of business or country companies report to the country subholding companies regarding the level of compliance with the tax strategy established at Group level. ii. The audit and compliance committees of the country subholding companies report in turn to Iberdrola's Audit and Risk Supervision Committee on the level of compliance with the tax strategy. The regulated companies have audit and compliance committees that are responsible for this reporting. iii. Iberdrola S.A.'s Audit and Risk Supervision Committee provides the Board of Directors of Iberdrola, S.A. with information on the tax practices and standards applied by the Company, and on the Group's level of compliance with the tax strategy during the year. iv. In addition, Iberdrola's Head of Global Tax appears before the Operating Committee on a regular basis in order to report on all matters arising from any day-to-day activities considered relevant.
b) Mechanisms for reporting concerns about unethical or unlawful behaviour	Iberdrola makes specifics whistleblowing channels available to its Stakeholders, which constitute tools to report conduct that may involve the commission of an improper act or an act contrary to law or the internal rules of conduct, including with respect to taxes.
c) Assurance process for disclosures on tax	Review by internal experts and independent external third party experts.

GRI 207-3: Stakeholder engagement and management of concerns related to tax

Requirement	Application
A description of the approach to taxation and stakeholder engagement: (i) the approach to engagement with the tax authorities. (ii) The approach to public policy advocacy on tax. (iii) The processes for collecting and considering the views and concerns of stakeholders.	Iberdrola, S.A. adheres to the Code of Good Tax Practices of the Spanish Tax Administration Agency (*Agencia Estatal de Administración Tributaria*) (*AEAT*). Iberdrola's commitment to compliance with and the further development and implementation of the Code extends to any other good tax practices that stem from the recommendations set out in the code, even if not expressly set forth in the *Corporate Tax Policy*. The Group is also committed to compliance with the OECD Guidelines for Multinational Enterprises on tax matters. The main initiatives in this regard are as follows: i. Voluntary submission to the Spanish Tax Administration Agency of the Annual Tax Transparency Report for companies adhering to the Code of Good Tax Practices (*Código de Buenas Prácticas Tributarias*) (CBPT). ii. Voluntary submission of documentation on related-party transactions to the Spanish Tax Administration under the CBPT. iii. Voluntarily preparation and publication of the annual *Report on Tax Transparency of the Iberdrola Group. Our commitment to society*.. iv. Publication of the Iberdrola Group's global tax contribution. v. Participation in specialised forums and committees. vi. Making whistleblower channels available to report any potentially unlawful or otherwise improper conduct.

GRI 207-4. Country-by-country reporting

Requirement	Application
Financial, economic and tax information on each jurisdiction in which the organisation operates.	Iberdrola publishes the Country-by-Country Report for the preceding financial year, as established by Additional Provision 11 of Law 22/2015 on Statutory Audits, and such report is approved by the Board of Directors of Iberdrola, S.A. Likewise, Iberdrola has been publishing the Country-by-Country Report within the *Tax Transparency Report of the Iberdrola Group. Our commitment to society* since 2019. The information contained in the Country-by-Country Report is presented on the same terms as those submitted to the tax authorities.

5. Stakeholder engagement

At the heart of our decision-making.

Iberdrola views six Stakeholder groups as absolute priorities: Iberdrola's own employees, shareholders and the financial community, customers, supply chain, communities, and environment.

We maintain a strong commitment-based relationship with our stakeholders

In the tax sphere, the Iberdrola Group considers the engagement of Stakeholders to be crucial and engages them in the following initiatives, among others:

- Ensuring responsible tax behaviour, building relationships based on ethics and integrity.
- Adding value to tax sustainability.
- Viewing our tax contribution as part of the social dividend.
- Preserving the Group's long-standing reputation in tax matters.
- Upholding the principles of striving for excellence and continuous improvement at the highest levels.
- Embodying the highest expression of the culture of tax compliance.
- Fostering cooperative relations with the tax authorities in the jurisdictions in which the Iberdrola Group has a presence, based on mutual trust.
- Listening and engaging in dialogue, through participation in and attendance at specialised forums and committees so as to achieve effective two-way communication.
- Committing to anticipating and applying best tax practices.
- Making the maximum effort in terms of transparency and communication, through the dissemination and publication of relevant tax information, accessible to all Stakeholders.

We preserve our corporate reputation and foster security and trust through a participatory relationship with our Stakeholders

Public affairs engagement.

Iberdrola's involvement in the public life of the communities in which it operates is essential to its activity. The Group engages with these communities while, at the same time, communicating its positions to the various stakeholders. These constitute two of the key objectives of Iberdrola's public affairs activity.

In this regard, and in line with the Iberdrola Group's principle of transparency, the Company's corporate website provides detailed information on the participation of Iberdrola and the Group's companies in national and international associations and in public consultation processes.

We respond to their needs and expectations with respect to taxation.

As part of its relations with Stakeholders, Iberdrola considers their participation to be essential, engaging them through the disclosure of relevant tax information and through the members of the Tax Division, involved in forums, committees and specialised studies on tax matters. Iberdrola also actively participates in consultation procedures for the development of regulations and similar actions in tax matters.

Thus, the Iberdrola Group:

Global

- Has voluntarily published the annual *Report on Tax Transparency of the Iberdrola Group: Our Commitment to Society*, starting in 2019 (for financial year 2018).
- Cooperates with tax authorities, among others, in multilateral cooperative compliance programmes through the International Tax Compliance Assurance Programme (ICAP), promoted by the OECD.
- Is a member of international associations such as Business at OECD, the International Chamber of Commerce (ICC) or the European Round Table for Industry (ERT).
- Takes part in the preparation of the Statement of Non-Financial Information by publishing significant tax information.
- Attends international forums on governance and best practices.

Spain

- Plays an active role in the taxation working groups of both the Spanish Confederation of Business Organisations (*Confederación Española de Organizaciones Empresariales*) (CEOE) and the *Círculo de Empresarios*.

- Is present in the Spanish Association of Tax Advisors (*Asociación Española de Asesores Fiscales*) (AEDAF), the Spanish Association of Financial Law (*Asociación Española de Derecho Financiero*) (AEDF) and the Register of Economists and Tax Advisors (*Registro de Economistas y Asesores Fiscales*) (REAF).
- Is a member of specialised tax committees, such as the Tax Committee of the Spanish Gas Association (*Asociación Española del Gas*) (SEDIGAS) and the Tax Committee of the Association of Electricity Companies (*Asociación de Empresas de Energía Eléctrica*) (AELEC).
- Participates in tax governance initiatives organised by professional firms, associations and groups.
- Participates in studies conducted by independent third parties on tax responsibility and the tax contribution of large companies at the domestic and international level.

United Kingdom

- The tax team of Scottish Power is a member of the Chartered Institute of Taxation (CIOT) and the Institute of the Chartered Accountants of Scotland (ICAS).
- Membership in these bodies requires annual Continuing Professional Development (CPD), including attendance at the Industry & Commerce Indirect Tax Conference (CIOT), participating in the Tax in Industry Quarterly Forums and attending the UK Electricity Industry Tax Forum

United States of America

- Is an active member of the tax committee of the Edison Electric Institute (EEI), the American Gas Association (AGA), the American Clean Power Association and the Global Business Alliance (GBA).
- Actively participates in the Council on State Taxation (COST).

Brazil

- Voluntarily publishes the *Relatório de Transparência Fiscal: Nosso compromisso com a sociedade* (Tax Transparency Report: Our commitment to society), starting in 2022 (for financial year 2021).
- Forms part of various associations where tax issues, among others, are addressed, including the Brazilian Association of Wind Energy Companies (ABEOLICA), the Brazilian Association of Electricity Distributors (ABRADEE), the Union of Energy Companies of the State of São Paulo (SINDIENERGIA) and the Brazilian Association of Electricity Industry Accountants (ABRACONEE).
- Actively participates in *Programa Confia*, a cooperative tax compliance and transparency project launched by the Brazilian tax administration

Mexico

- The members of Iberdrola Mexico's tax team attend and actively participate in ongoing tax training programmes, and are members of the Mexican Association of Public Accountants.

Other countries

- Voluntarily takes part in various cooperative relationship initiatives promoted by the local tax authorities, making itself available in the countries in which it is present.

Tax commitment supported by Stakeholder engagement.

The active engagement of Stakeholders in tax matters is a core pillar for Iberdrola, which understands responsible taxation as a collective endeavour based on trust and dialogue. To this end, the Company integrates its Stakeholders into its tax relationship model through ongoing listening, participation in specialised forums, and the clear and accessible disclosure of relevant tax information

6. Tax sustainability

We integrate sustainability and taxation to drive long-term value and progress

Iberdrola's sustainability roadmap is also reflected in the Group's tax management, which is fully embedded in the corporate culture and in our principles of conduct.

For the Iberdrola Group, taxation is not merely a legal obligation, but rather an essential element of its contribution to the general interest and to the socioeconomic development of the territories in which it operates. In this regard, the *Corporate Tax Policy* of Iberdrola, S.A. also incorporates best practices in corporate governance and, accordingly, reflects key aspects of Iberdrola's sustainability roadmap.

We contribute to improving people's lives in the communities in which we are present through our tax contribution.

The tax contribution of the Iberdrola Group constitutes its main contribution to the financing of public expenditure in the countries where it operates, becoming one of its most significant contributions to society. Through the taxes it pays, the Group promotes local development, the provision of public services and the financial stability of public administrations, ensuring that the tax burden is aligned with its actual economic activity in each territory.

In 2025 this contribution exceeded EUR 10,400 million, reflecting Iberdrola's commitment to collective well-being and to balanced and sustainable economic growth.

Iberdrola's corporate governance model, which is pioneering and aligned with best practices, ensures the highest standards of transparency.

Iberdrola involves its Board of Directors in the definition and oversight of the tax strategy, ensuring compliance with the *Corporate Tax Policy* across all Group companies through a structured reporting system. In addition, the Group has a certified and externally audited tax compliance system and maintains high levels of transparency by publishing annual information on its tax conduct.

Iberdrola's Pro Bono Legal and Tax Programme

Small changes that make life easier for people.

Pro-bono legal and tax services

The main goal of Iberdrola's Pro Bono Legal and Tax Programme, which the Group runs across the main countries in which it operates, is to contribute to the development of society, extending the qualified value of our legal professionals to the third sector and getting them involved in pro-bono activities, making training, guidance and legal and tax advice services available to NGOs and organisations without resources, to cover their legal needs.

The Pro Bono Programme focuses on three main areas of activity: providing legal and tax advice to non-profit organisations, delivering training sessions and preparing guidance materials, in collaboration with the most prestigious professional firms worldwide, and promoting and raising awareness of the pro bono culture.

In 2025 around 300 Iberdrola employees participated in initiatives promoted under Iberdrola's Pro Bono Legal and Tax programme, representing a 50% increase in participation compared to the previous year, and have dedicated a total of 1,161 hours to pro bono projects. More precisely, a total of 33 legal and tax advisory engagements and 49 training projects were carried out, benefiting thousands of people worldwide.

7. Internal Reporting System. Whistleblower channels

Iberdrola has an internal whistleblower system in accordance with applicable law and based on the principles set forth in the *Compliance Policy* and in the *Internal Reporting and Whistleblower Protection System*.

These channels function as tools that allow shareholders, directors, employees, suppliers and other third parties to report any potentially improper conduct or acts that are potentially illegal or contrary to law or to the *Governance and Sustainability System* and that affects Iberdrola, its contractual relationship with its suppliers, or the interests and image of the other companies of the Iberdrola Group.

All communications received through these internal channels are considered confidential information, and they may also be submitted anonymously in the case of whistleblowing. In all case, there is a firm commitment among all of the Group's companies to prohibit any form of retaliation or reprisal against those who make use of the whistleblowing channels, except where the report or information is false or the individual has acted in bad faith.

8. Certifications

AENOR COMPLIANCE TRIBUTARIO UNE 19602

AENOR Certification to the UNE 19602 Standard: Tax Compliance Management Systems.

A benchmark standard, similar to an ISO standard, which establishes the guidelines and requirements that a tax compliance management system must meet.

Renewal of the certification for a new three-year period. Satisfactory audit with no non-conformities for the seventh year running.

Tax Transparency Seal.

Iberdrola has been recognised by Fundación HAZ, for yet another year, as one of the most transparent IBEX-35 companies in tax matters. This is a certification from an independent institution that assures compliance with transparency standards (similar to ISO/UNE).

Fair Tax® accredited

Fair Tax Mark.

International recognition for tax transparency: First Spanish company to earn the Fair Tax Mark in 2024. Certification renewed in 2025.

The Fair Tax Foundation certification attests that the Iberdrola Group pays taxes responsibly around the world.

Tax Responsibility and Transparency Index

International recognition for tax transparency: First Spanish company in the sector to obtain the accreditation in 2025.

Tax Responsibility and Transparency Index

International leadership in tax responsibility and transparency

Joint first place in the tax responsibility and transparency ranking

In 2025 we participated for the first time and on a voluntary basis in the Tax Responsibility and Transparency Index, developed by CSR Europe in collaboration with the Fair Tax Foundation.

This is a rigorous assessment of corporate conduct in relation to tax responsibility and transparency, which enables companies to compare their performance with that of a group of leading multinational companies.

The results of the assessment place Iberdrola in a joint first[1] place, particularly standing out in areas such as tax governance, transparency and reporting, in which it also achieved the top position. The overall results of the assessment are set out below:

Iberdrola total score	Average score of participants	Average sector score	Iberdrola's position in the ranking
76.5 / 100	54.6 / 100	71.6 / 100	1st place (joint)

The results obtained demonstrate the strength of our model, the quality of our information and the consistency of our actions, positioning us as one of the leading multinational companies in tax responsibility and accountability.

[1] As at 14 January 2026, based on a sample of 21 multinational companies, 5 of which are in the sector.

Fair Tax Mark

Championing fair taxation

First Spanish company to obtain the certification. 11% increase in score achieved

Iberdrola earned the Fair Tax Mark certificate in 2024, an accolade awarded by the Fair Tax Foundation to companies that pay taxes responsibly around the world.

The Fair Tax Foundation is a non-profit organisation that promotes tax fairness and transparency in corporate tax practices. It seeks to encourage and recognise organisations that pay the right amount of tax at the right time and in the right place.

In this regard, the Fair Tax Mark accreditation verifies that a company's corporate tax conduct and public information meet an excellent standard.

Iberdrola was the first Spanish company to earn the mark.

We also renewed the certification in 2025, achieving an 11% improvement in the score compared to the previous year.

The assessment looks at indicators related to tax policy, transparency, tax contribution, country-by-country reporting and tax information included in the annual financial statements.

The Foundation **points out that Iberdrola is leading the way for other companies to follow, noting that our Tax Transparency Report is genuinely comprehensive and contains the level of detail they are looking for in order to award the Fair Tax Mark.**

IV. Responsible tax practices

Our approach to responsible taxation: compliance, cooperation, contribution and transparency

Fair taxation is not about collecting more, but about collecting better

We pay our taxes fairly where they are due

The Iberdrola Group works to maximise its economic and social profitability, without in any way undermining full compliance with its tax obligations. **Iberdrola has been, is and will continue to be a leading company in the fulfilment of its tax obligations, ensuring that it contributes faithfully and loyally to the financing of public finances.**

In recent years, international tax analysis has focused extensively on corporate income tax as the paradigm of corporate taxation. However, while it is a highly relevant tax, it is not the only tax through which the Group contributes, which makes it essential to analyse the Group's overall tax contribution to society as a whole.

Accordingly, it is necessary to provide society at large with the information required to assess the effective contribution that the Iberdrola Group makes to public finances. Only in this way can its stakeholders gain an accurate and comprehensive view of reality, preventing biased information or information that is not applicable to the Group from distorting the significant role it plays through its tax contribution.

Tax contribution for the financial year

In 2025 Iberdrola contributed EUR 10,410 million to public coffers, representing an increase of EUR 110 million compared to the previous financial year.

Total tax contribution (€m)	2025
Own taxes	**5,026**
Corporate income tax	1,570
Non-deductible VAT and similar taxes	9
Company contributions on salaries	460
Local taxes	1,215
Electricity taxes	1,569
Other own taxes	203
Taxes collected	**5,384**
VAT and similar taxes	4,109
Withholding taxes on third-party income	1,033
Other taxes collected	242
Total	**10,410**

1. **Corporate income tax is not the only tax that Iberdrola pays, but it is one of the most significant**

   Corporate income tax constitutes one of the most significant taxes for any company, but using it as the sole benchmark for assessing corporate taxation provides a partial, biased and misleading view that is far removed from reality. In any event, the absolute figures of the Iberdrola Group are by no means low. Of the approximately EUR 1,600 million paid in 2025, around EUR 600 million corresponds to Spain, representing 37% of the total.

2. **The variable significance of electricity taxes in Spain.**

   In addition to corporate income tax, the Iberdrola Group contributes through many other taxes (including taxes of various kinds, levies, fees, etc.) that apply to its activities, often simultaneously at the global level, with electricity-sector taxes being particularly significant.

   In this respect, Spain stands out as the only country that specifically and uniquely taxes electricity generation, with different taxes applied at all levels of public administration (state, regional and local). This not only complicates the tax landscape, but also gives rise to different categories of taxes which, in some cases, overlap, resulting in situations of double taxation or outcomes that may be perceived as inconsistent with the principles of tax fairness and a competitive electricity tax framework.

   In 2025 the tax burden on electricity-related activities continued to be borne primarily in Spain, which accounted for 79% of all electricity-related taxes borne by the Group. This was followed by the United Kingdom, which bore electricity taxes amounting to close to EUR 300 million, representing 19% of the Group's total electricity taxes. As a result, Spain and the United Kingdom together account for virtually all of the Group's electricity-related taxation.

3. **The Group pays its taxes in the territories in which it operates, in strict compliance with tax regulations and ensuring a close link between its tax burden and its economic activity.**

   Iberdrola does not artificially shift profits between jurisdictions for the purpose of eroding tax bases or unduly reducing its tax contribution. The Group strictly and lawfully applies the mechanisms provided for under domestic and international tax regulations to avoid the double taxation of profits and income, considering such mechanisms to be an essential element of the proper functioning of tax systems at the global level.

4. Iberdrola lawfully applies applicable legal provisions in each of the countries in which it operates.

It is common for different regulatory authorities to establish tax incentives with the aim of stimulating investment within their respective tax jurisdictions. These incentives are fully legitimate and may reduce or defer the tax burden of companies, including multinational groups. In Iberdrola's case, its investment effort is highly intensive, with the primary objective of ensuring the full protection of the natural environment, and generates a very significant direct, indirect and induced impact on society, which may, in certain cases, allow access to tax incentives. Whenever this occurs, the Group applies such incentives legitimately.

Accordingly, and in strict compliance with the applicable legislation in each case, the Group makes use solely of those provisions that allow for the application of tax incentives, without giving rise to any erroneous perception of tax avoidance. On the contrary, this reflects the Group's contribution to investment and business development that generates wealth and employment, in accordance with the parameters established by the regulations in each instance. Moreover, in the case of the Iberdrola Group, such investment is primarily directed towards smart grids and renewable energy, both of which are essential elements of the energy transition.

All of the above is without prejudice to the efforts made by the Group in other areas of the economy that also contribute to the general interest, as well as to its social action.

In this regard, Iberdrola contributes through its activity to the creation of wealth and prosperity in the territories in which it operates. Specifically, its contribution to global GDP exceeds EUR 54,000 million, representing an increase of 3% compared to the previous financial year, of which nearly EUR 17,000 million corresponds to Spain. In addition, the Group's global workforce exceeds 42,000 employees, generating more than 500,000 direct, indirect and induced jobs worldwide[2].

[2] According to a PwC report based on Iberdrola's activity in 2024.

V. Iberdrola and international tax practices: OECD, BEPS and the European Union

Iberdrola integrates the international standards for responsible taxation established by the OECD into its tax governance model

We promote a rigorous tax risk control and management system to ensure transparency and compliance

Iberdrola is committed to complying with the *OECD Guidelines for Multinational Enterprises* in the area of taxation.

The Iberdrola Group is aligned with the principles and actions advocated by the OECD's **BEPS (Base Erosion Profit Shifting) Plan**, currently the primary instrument in the fight against international tax fraud, having also made an **explicit commitment** in 2025 **to the OECD guidelines for multinational enterprises in the area of taxation.**

In keeping with best practices and the principles laid down by the European Union and the OECD, the Iberdrola Group:

- **Has an internal tax risk control and management system** that ensures the Board of Directors remains duly involved in decision-making and fully informed of all major potential tax risks.
- **Complies with both the letter and the spirit of tax regulations** in all jurisdictions in which it operates, adopting reasonable criteria to interpret the legislature's intent and to apply the regulations in a manner consistent with those objectives.
- **Complies**, in due time and form, **with its tax obligations** in the various jurisdictions in which it has a presence.
- **Does not carry out transactions structured solely for the purpose of achieving tax outcomes** that are inconsistent with the underlying economic reality of the transaction
- **Does not engage in aggressive tax planning mechanisms**, ensuring that taxes are paid fairly in all jurisdictions in which it operates.
- **Does not maintain opaque structures** that could hinder tax authorities from identifying the ultimate responsible party or beneficial owner of transactions
- **Does not have a presence in tax havens or non-cooperative jurisdictions.**

It is important to note that due to the nature of its industrial activity, the Group cannot shift its profits. Moreover, in accordance with the **BEPS Plan actions:**

IBERDROLA DOES NOT

Have a significant digital presence in the economy of any country whereby it is not subject to taxation.

Use legal constructs that are classified as hybrid entities for tax purposes, nor are there situations whereby its subsidiaries lack tax residency. Nor does it make fraudulent use of other hybrid mechanisms.

Have subsidiaries with little or no business activity in low-tax countries that are used to shift revenues from an entity residing in another country or territory.

Use shell companies in order to take artificial advantage of beneficial tax regimes. All the tax incentives it obtains are generated in accordance with applicable law in the various jurisdictions, particularly as regards requirements on activity and substance.

Artificially use intragroup loans and credits in order to generate taxable base erosions.

IBERDROLA DOES

Prudently respect and apply regulations limiting the deduction of financial expense in the jurisdictions in which it has a presence.

Allocate the profits established in tax agreements only in cases in which the relevant entities are genuinely entitled to application thereof and there are real business reasons for the transactions covered thereby.

Operate abroad via subsidiaries and/or permanent establishments insofar as this structure is required, and not use legal entities that are considered to be hybrid structures for tax purposes.

Public Country-by-Country Report

The public Country-by-Country Report Directive was formally adopted by the European Parliament in November 2021, with the aim of promoting transparency in the realm of corporate taxation.

The Directive requires large multinational groups with a presence in the European Union to disclose certain corporate tax information on their website and in their financial statements, in line with BEPS (Base Erosion and Profit Shifting) Action 13 on Country-by-Country Reporting (including scope and activities, number of employees, revenues and profits, taxes paid and accrued, and provisions for the year).

This Directive has already been transposed into Spanish law through Additional Provision 11 of Law 22/2015, of 20 July, on Statutory Audits, and applies for financial years beginning after 22 June 2024.

However, Iberdrola has voluntarily published the Country-by-Country Report since 2019 (with information referring to 2018).

Public Country-by-Country Tax Report and Global Minimum Taxation - Top-up Tax

In addition to its intrinsic relevance with regard to corporate tax transparency, the Country-by-Country Report is now also of particular relevance in the context of Global Minimum Taxation.

As a large multinational group, the Iberdrola Group is subject to the Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two). These were approved by the Organisation for Economic Co-operation and Development (OECD)/G20 in the context of the Inclusive Framework on BEPS (Base Erosion and Profit Shifting) on 14 December 2021. The plan was endorsed by, among many others, the European Union Member States.

Under these model rules, the Group is required to pay a top-up tax on profits earned in any tax jurisdiction where its effective tax rate, calculated at the jurisdictional level and in accordance with the rules, is lower than a minimum of 15%.

Legislation implementing the model rules has been approved in many jurisdictions in which Iberdrola is present.

In Spain, where the Group's ultimate parent company is located, Council Directive (EU) 2022/2523 of 15 December 2022 has been incorporated into national law, particularly affecting Iberdrola through Law 7/2024, of 20 December and the Provincial Law of the Historical Territory of Bizkaia 6/2025, of 12 December.

According to these regulations, the first year in which the new global minimum tax obligations apply to the Iberdrola Group is 2024 and the Group is subject to the Bizkaia´s regional regulations (although the regulations contained in Law 7/2024 applied on an interim basis for the fiscal year 2024 as the Bizkaia regulations were still pending to be formalized). The self-assessment tax return for this initial period is due in July 2026.

The Group has assessed the potential impact of the global minimum taxation regulations based on its latest tax returns, Country-by-Country Report, and the financial statements of its constituent entities. Iberdrola does not anticipate a significant impact on equity from this model rules in 2024 and 2025. This is due to the presence, either individually or simultaneously, of the following conditions in each jurisdiction where it operates: an effective tax rate equal to or over the minimum one set by the applicable rules, a substantial presence of personnel and material assets that exclude income from the minimum taxation, or minimal levels of income and profits.

VI. Transfer pricing

The Group rigorously applies the arm's length principle in all its related-party transactions

Transfer pricing policy of the Iberdrola Group

The Iberdrola Group values all its related-party transactions on an arm's length basis, following standards aligned with the transfer pricing guidelines of the OECD adapted to the new post-BEPS standards.

Furthermore, all existing related-party transactions of the Group are duly documented on the terms established by the legal provisions of the various countries. Said documentation is aligned with the principles and content established in Action 13 of the BEPS Plan. The Group is also committed to preparing and filing the Country-by-Country Report in due time and form, on the terms established by the laws of the jurisdiction of its parent company (in this case, Spain).

Iberdrola ensures that related-party transactions are managed in accordance with the arm's length principle and the OECD's international standards.

The Group determines the value of its related-party transactions according to the arm's-length principle, applying criteria aligned with the OECD Transfer Pricing Guidelines and with the standards introduced under the BEPS initiative.

Intragroup transactions are invoiced on the basis of objective and transparent criteria, consistent with market value, thereby ensuring the absence of any discriminatory treatment or undue competitive advantage.

VII. Tax havens and non-cooperative jurisdictions

The Iberdrola Group has no presence in tax havens or non-cooperative jurisdictions

Firm commitment: prohibition on the incorporation or acquisition of companies resident in tax havens or non-cooperative jurisdictions

Criteria for determining whether a country or territory is considered to be a tax haven

European Union list of non-cooperative countries and territories for tax purposes

The European Union's list of non-cooperative tax jurisdictions has been compiled by the Code of Conduct Group on Business Taxation since 2017.

The list, known as the "blacklist", is constantly updated, and includes jurisdictions that fail to meet international standards of good tax governance developed by the OECD, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Forum on Harmful Tax Practices and the Inclusive Framework on BEPS.

The blacklist is complemented by a "grey list" of jurisdictions that cooperate with the European Union but, while still having pending commitments, have agreed to implement reforms in order to comply with such standards.

The Council of the European Union updated for the last time during the financial year the list of non-cooperative countries and territories for tax purposes, which includes 11 jurisdictions, on 10 October 2025: American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, the United States Virgin Islands and Vanuatu.

Non-cooperative jurisdictions for the Spanish Tax Administration

The current list of countries and territories, including harmful tax regimes, that are considered non-cooperative jurisdictions in Spain is set out in Ministry of Finance and Public Function Order 115/2023 of 9 February.

Internal mechanisms to control presence in jurisdictions that are considered to be tax havens and non-cooperative jurisdictions

Iberdrola strictly complies with Section 529 *ter* of the Spanish Companies Act (*Ley de Sociedades de Capital*), regarding the non-delegable power of the Board of Directors to approve the creation or acquisition of companies in this type of territory.

In this regard, the Group has a reinforced special procedure, as part of its **tax risk control and management system**, known as the *Procedure for the Creation of or Acquisition of Equity Interests in Special Purpose Entities or Entities Domiciled in Tax Havens*, approved by the Board of Directors of Iberdrola, S.A.

Iberdrola does not have a presence in tax havens or non-cooperative jurisdictions

Exemplary corporate behaviour in a model Group

The Iberdrola Group believes that the definition of non-cooperative jurisdiction under Spanish law should be complemented by the European Union's blacklist of non-cooperative jurisdictions for tax purposes.

Taking this into account, the *Corporate Tax Policy* of Iberdrola, S.A. has established consistent treatment to the incorporation of entities and the acquisition of equity interests in all these jurisdictions, whether tax havens according to Spanish law or non-cooperative tax jurisdictions on the EU blacklist.

Accordingly, **as a matter of good practice, the Group considers it prohibited to directly or indirectly establish or acquire companies in such territories** and therefore does not include in its controlled entities any companies domiciled in non-cooperative jurisdictions under Spanish law or in territories that are on the European Union's blacklist of non-cooperative jurisdictions in tax matters.

There were no transactions involving the acquisition of companies based in tax havens in 2025, for which reason no structures are currently maintained in tax havens under Spanish law or in territories included in the European Union's blacklist of non-cooperative jurisdictions.

Presence in other jurisdictions subject to enhanced monitoring

Responsible management aligned with best practices

The Group pays special attention to jurisdictions included on the European Union's grey list, which, although cooperative and while still having pending commitments, have undertaken to implement reforms, as well as to other jurisdictions under scrutiny.

For those cooperative jurisdictions with pending commitments with which Spain has not entered into a double taxation agreement, the *Corporate Tax Policy* of Iberdrola, S.A. provides that they must be subject to enhanced monitoring, and that the *Procedure for the Creation of or Acquisition of Equity Interests in Special Purpose Entities or Entities Domiciled in Tax Havens*, approved by the Board of Directors of Iberdrola, S.A., shall likewise apply.

▪ Jurisdictions included on the European Union's grey list

In 2025 the Group had a presence in Morocco, Montenegro and Vietnam, jurisdictions that were included on the European Union's grey list during the financial year.

In Montenegro, the branch of Iberdrola Ingeniería y Construcción, S.A.U., which was inactive, was dissolved during the first quarter of financial year 2025, with effect from 3 March, thereby ending the Group's presence in the country.

In Morocco, Iberdrola Renouvelables Maroc, S.A.R.L. was incorporated in 2021 for the purpose of developing the renewable energy business in the region. At the close of financial year 2025, this company was inactive and in the process of liquidation.

Finally, in the case of Vietnam, Iberdrola proceeded with the sale of Iberdrola Renewables Operation Vietnam Company, Limited and Iberdrola Renewables Vietnam Company, Limited, with effect from 21 August 2025, and therefore ceased its presence in the country.

In any event, as can be seen from the Country-by-Country Report included in section "IX. Country-by-Country tax contribution: a cornerstone of our social dividend" of this Report, these jurisdictions, where applicable, contribute immaterial amounts to the Iberdrola Group.

▪ State of Delaware

Iberdrola also pays close attention to the state of Delaware in the United States of America due to the interest it arouses in specialised forums on tax governance.

The Iberdrola Group has certain companies incorporated in this state, although all of them are tax resident in the states in which they carry out their activities. Delaware corporations and limited liability companies are the most commonly used form of company in the United States of America due to the development of its commercial law and established jurisprudence, which provides a high degree of legal certainty in the commercial field.

As far as taxation is concerned, almost all of these companies are part of the tax consolidation group of Avangrid, Inc. and/or form part of a state tax group of companies that are taxed independently.

In this respect, none of them has a special status vis-à-vis other companies because they are incorporated in the State of Delaware, so they are taxed in the states where the centres of activity of the state tax group are located (Delaware not being one of them). Therefore, all their profits are taxed under the general regime of the state where their assets, sales and/or payrolls are located, without their incorporation in Delaware affording them any corporate income tax benefit whatsoever.

More precisely, the companies forming part of the tax consolidation group of Avangrid, Inc. are taxed at a combined nominal corporate income tax rate of 27.13%, as follows:

Tax consolidation group	Federal nominal rate	State nominal rate	Federal Benefit[3]	Total nominal rate	States in which corporate income tax is payable
Avangrid Inc. (combined/consolidated)	21.00%	7.76%	-1.63%	27.13%	California, Colorado, Connecticut, District of Columbia, Idaho, Illinois, Kansas, Kentucky, Massachusetts, Maine, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Mexico, New Jersey, New York, North Dakota, Oregon, Rhode Island, Texas, Utah, Vermont, West Virginia and Wisconsin

In short, the companies pay the taxes that correspond to them, and the **Iberdrola Group has no presence in countries or territories classified as tax havens, and the incorporation of any Group company is in any case based on objective business criteria.**

Iberdrola applies a zero-tolerance policy with regard to any presence in tax havens or non-cooperative jurisdictions. We pay taxes fairly where we create value.

As one of its commitments to best practices, Iberdrola prioritises avoiding any presence in tax havens or non-cooperative jurisdictions, a principle that forms an integral part of its tax strategy

At Iberdrola, we understand good corporate governance as the willingness to go beyond mere regulatory compliance, by assuming an active commitment to respond to society's expectations at all times. Accordingly, we avoid any presence in tax havens or non-cooperative jurisdictions and ensure fair taxation wherever we carry out our activities, thereby contributing to the progress of the communities in which we operate.

[3] FBOS: Federal Benefit Over State.

VIII. Inspections and tax litigation

One of the Iberdrola Group's principles is to foster a healthy relationship with the tax authorities governed by the principles of legality, transparency, fidelity, trust, professionalism, cooperation, reciprocity and good faith, without prejudice to any legitimate disputes that may arise in connection with the interpretation of tax regulations. Therefore, when disputes arise, the Group engages with the authorities on a cooperative basis, in accordance with the principles of transparency and mutual trust.

All of the Group's actions, both in this financial year and in previous years, have been analysed by its internal and external advisors, who have concluded that they comply with the law and are based on reasonable interpretations of tax law. The existence of contingent liabilities is also subject to analysis, and the Group's general criterion is to recognise provisions for tax litigation when the risk that they will be unfavourable to the Group's interests is probable, whereas no such recording is made when the risk is possible or remote.

Audits in progress at year-end 2025 vary, depending on the tax laws of each country, although none of them are expected to have a material impact not already reflected in the financial statements.

Administrative proceedings

Spain

On 25 January 2024, the Tax and Customs Control Unit attached to the Central Delegation for Large Taxpayers of the State Agency for Tax Administration (AEAT) notified Iberdrola, S.A. of the commencement of audit and investigation proceedings in respect of the Temporary Energy Levy for 2023, in its capacity as a principal operator in the energy sector, in accordance with the resolutions issued by the National Commission for Markets and Competition (CNMC) of 10 December 2020, 16 December 2021 and 9 June 2020, as referred to in Article 1(1) of Law 38/2022.

In the course of that audit, Iberdrola requested the exclusion of certain revenues from the tax base, primarily expenses incurred by the retailers of the distribution companies for pass-through to the final customer, equivalent to those arising from regulated activities exempt from the tax. It also requested a correction of the self-assessments submitted in relation to that levy, on the grounds that the legal provision which created and regulated is affected by certain constitutional defects and is also contrary to EU law, with a claim for the refund of all amounts paid and the corresponding late-payment interest. As a result of the audit proceedings, a refund amounting to EUR 33 million, plus late-payment interest, was ordered. The income associated with this refund reduced the effective expense relating to that levy in financial year 2024.

The expense relating to the Temporary Energy Levy corresponding to 2024 was recognised excluding from its tax base the amounts already accepted in the audit report relating to the 2023 levy.

In January 2025 the Company was notified of the assessment decision confirming the audit report issued in disagreement in July 2024, accepting the request to exclude the aforementioned income from the tax base, with a refund of the amounts paid plus the corresponding interest, but rejecting the request for full amendment on the grounds that the Tax Administration lacks competence to assess the compatibility of the legal provision creating the levy with domestic and/or EU law and to refer a question of unconstitutionality to the Constitutional Court or a request for a preliminary ruling to the Court of Justice in this regard. In February 2025 an economic appeal was filed with the Central Tax Appeal Board (*Tribunal Económico Administrativo Central*), with the corresponding submissions made in April, and the matter remained pending resolution at year-end 2025

Iberdrola also submitted a request for the amendment of the self-assessments filed and paid in relation to the levy for financial year 2024, similar to that submitted for 2023. The amendment procedure initiated following the submission of such request concluded as a result of the notification, on 17 March 2025, of the commencement of general audit and investigation proceedings in respect of the Temporary Energy Levy for 2024. In October 2025 notice was given of the assessment decision confirming the audit report issued in disagreement in June, as the inspection body rejected the request for the amendment of the self-assessments, once again invoking a lack of competence to assess the compatibility of the legal provision establishing the levy with the legal framework.

In October 2025 an administrative appeal was filed with the Central Tax Appeal Board, with the corresponding submissions filed during the first days of 2026.

Meanwhile, in early May 2024 Iberdrola Energía España S.A. was notified of the commencement of general audit and investigation proceedings in relation to corporate income tax for financial years 2018 to 2020 in respect of Tax Group 2/86, of which the company is the representative entity and Iberdrola, S.A. the parent company.

On the same date Iberdrola, S.A. was also notified of the initiation of general audit and investigation proceedings in relation to value added tax for financial years 2018 to 2020 in respect of the group of entities for VAT purposes 0220/08, in its capacity as the representative and parent company of that group.

As at year-end 2025 the case files relating to these proceedings had been made available, and no material impact on the Group is expected to arise therefrom.

Other countries

In other countries in which the Group has a significant presence the main ongoing audits are as follows:

- In the United States, given its status as a major taxpayer at the federal and state level, the Avangrid Group has several audits ongoing with regard to various tax items.
- In the United Kingdom, Scottish Power has been assigned the status of low-risk taxpayer by the tax authorities (HMRC). There are currently no general inspection procedures under way.

- In Mexico, the Mexican tax authority (SAT) initiated numerous audit procedures in relation to several Group companies in financial year 2020 and subsequent years.

  On 26 February 2024, having received clearance from the Mexican Federal Economic Competition Commission (COFECE) and having fulfilled the remaining conditions precedent agreed between the parties, the transaction for the transfer was completed of electricity generation assets (12 combined cycle plants and a wind farm with an installed capacity of 8,539 MW) to Grupo Financiero Actinver, in its capacity as trustee under the Irrevocable Trust Agreement managed by Mexico Infrastructure Partners FF, S.A.P.I. de C.V. The purchaser assumed the outcome of ongoing (and future) audits in connection with the transferred companies. Throughout the first half of 2025, very positive progress was made in the majority of the tax audits and reconsideration appeals that remained open at the end of 2024. Where applicable, the revocation appeals were upheld, and new assessment notices were issued with no adjustments, following certain minor self-corrections made by some of the companies, with no material impact on results.

  Only the assessment notices issued to the engineering subsidiary in respect of the income tax audit for financial year 2017 and to Iberdrola Renovables Noroeste in connection with the sales tax audit for financial year 2020 remain under challenge by way of reconsideration appeal, and no material impact on results is expected from either.

- Lastly, Brazil is known for being a jurisdiction with a high level of tax litigation, with numerous procedures under way, reflecting the country’s tax and administrative framework and the usual practice followed by the tax authorities. However, these proceedings are generally resolved at a very low amount in favour of the tax authorities.

In this regard, the directors of the Iberdrola Group and its tax advisors estimate that no material additional liabilities will arise for the Group arising from the above matters over and above those already recognised at 31 December 2025.

The directors of the Iberdrola Group and its tax advisors estimate that no material additional liabilities will arise for the Group arising from the above matters over and above those already recognised at 31 December 2025.

Tax litigation

Spain

Tax litigation from 2008 to 2011

In June 2020 Iberdrola was notified of decisions of the Central Tax Appeal Board (*Tribunal Económico Administrativo Central*) (TEAC) regarding claims filed in relation to assessments signed by Iberdrola on a contested basis in 2016, corresponding to the general verification procedure followed with respect to the common territory tax consolidation group (no. 2/86) for financial years 2008 to 2011.

As regards VAT, the TEAC ruling was favourable to the interests of Iberdrola (thus annulling the assessments and settlements carried out by the inspectors), while the decisions on income tax were unfavourable.

On 7 July 2020 IBERDROLA appealed these rulings to the Spanish National High Court (*Audiencia Nacional*).

The main adjustments included in the settlement agreements as a result of the contested assessments relate to the quantification of the financial goodwill subject to tax amortisation following the acquisition of Scottish Power, the elimination of the Scottish Power dividend exemption as the audit found it to be incompatible with a portfolio adjustment based on net investment hedging, differences in the tax consolidation criteria, and the possible existence of a transaction involving a change in the debtor of certain bond issues in the circumstances provided for in Section 15.1 of the General Tax Act (*Ley General Tributaria*).

In relation to this latter matter, on 17 February 2026 Iberdrola received notification from the Supreme Court of its decision to not admit the cassation appeal filed by the Spanish Tax Administration against the judgment of the Spanish National High Court issued in November 2024, which had ruled in favour of Iberdrola regarding the declaration of a conflict in the application of tax rules arising from the bond reprofiling transaction and the subsequent financing of Iberdrola USA.

No ordinary appeal may be lodged against the aforementioned order of inadmissibility; however, it may be challenged by way of an application for annulment.

The remaining appeals associated with this contingency were suspended in their processing pending the final resolution of the appeal brought before the Court of Justice of the European Union (CJEU) in relation to the amortisation of financial goodwill. On 26 June 2025 the CJEU issued a final judgment dismissing the European Commission's appeal on points of law and upholding Iberdrola's arguments. As a result, the stay has been lifted and the proceedings have been declared ready for deliberation and judgment in due course. In any event, the decisions of the National High Court may be appealed to the Supreme Court.

Tax lawsuits from 2012 to 2020

In December 2020 Iberdrola was also notified of the decision of the TEAC relating to claims filed arising from certain contested assessments signed in limited verification proceedings regarding Corporate Income Tax for financial years 2012 to 2014. The dispute with the tax office essentially had to do with the applicability or inapplicability of the criteria of temporary imputation established in certain rulings of the Supreme Court, in relation to the income received by the Group from payments made on the basis of unlawful standards.

The aforementioned decision of December 2020 partially upheld Iberdrola's claims, accepting its position with respect to the taxes declared to be unconstitutional. On 25 January 2021 Iberdrola filed an administrative appeal to the National High Court in due time and form with respect to the other situations in dispute. The corresponding submissions were presented in the proceedings throughout 2021, and the date for the vote and judgment have not yet been set.

On the same matter, on 6 September 2021 Iberdrola lodged a claim with the TEAC against the enforcement by the Technical Office of the Central Large Taxpayers Unit of the TEAC's aforementioned partially favourable decision, which not only recognised the effects of the favourable decision in the pertinent years (2012 to 2014), but also extended its effects to the previous years. Said years had already undergone general inspection proceedings, with a final ruling rendered in some cases, thus constituting res judicata. On 3 January 2024 Iberdrola was notified of the TEAC's decision rejecting the claims presented by the Company, which filed the corresponding administrative appeal with the National Court and filed its lawsuit in June 2024.

Meanwhile, in December 2021 and July 2022 tax appeals were filed with the TEAC against the settlement agreements confirming the earlier tax settlement assessments upholding the settlements signed in protest in relation to corporate income tax against Iberdrola Energía España, S.A. as representative of Tax Group 2/85, in relation to financial years 2012 to 2014 and 2015 to 2020, respectively. The adjustments in dispute are substantially the same as those discussed in relation to the years 2008 to 2011. On 5 June 2024 notification of the TEAC's decision was provided in relation to the claim filed in relation to financial years 2012 to 2024, and in April 2025, the decision relating to financial years 2015 to 2020, partially upholding the group's claims by accepting the deductibility of the remuneration paid to directors and dismissing the remaining issues. The company subsequently filed the corresponding judicial review appeals before the National High Court, with the statements of claim submitted in November 2024 and October 2025, respectively. As at year-end, both cases remained pending resolution. In any event, the decisions of the National High Court may be appealed to the Supreme Court.

With regard to VAT, in July 2022, the corresponding tax appeal was filed with the TEAC against the settlement agreement confirming the assessment signed in protest initiated against Iberdrola, S.A, as representative of the Group of Entities 0220/08BVA, in relation to financial years 2015 to 2017, as a result of certain adjustments made by the AEAT due to the inclusion in the denominator of the pro rata of the capital gains arising in portfolio transfers or in corporate restructuring operations. The TEAC rejected the Company's claims, and in April 2025 the Company filed the corresponding judicial review proceedings before the National High Court, with the statement of claim submitted in the first days of 2026. In any event, the decision of the National High Court may be appealed to the Supreme Court

Tax litigation related to the Temporary Energy Levy

Lastly, and with respect to significant tax litigation for Iberdrola, on 21 February 2023 the Association of Electrical Energy Companies (AELEC) lodged an appeal against Ministry Order HFP/94/2023, approving self-assessment forms of the new Temporary Energy Levy created by Law 38/2022. On 23 February 2023 Iberdrola also lodged an administrative appeal against the same ministry order on terms similar to that lodged by AELEC.

The law imposes a temporary energy levy on entities that qualify as principal operator in the energy sectors during the years 2023 and 2024. The new levy is legally classified as a non-tax public levy on revenue.

The amount of contribution to be paid is the result of applying 1.2% to the net turnover resulting from the activity carried out in Spain in the calendar year prior to the year in which the obligation arises. The amount of the tax paid by Iberdrola in 2023 came to EUR 213 million, although, as a result of the verification actions mentioned, a refund of EUR 33 million was ordered, plus late payment interest. The revenue associated with this rebate reduces the actual expense for this levy for 2024.

The amount of the levy paid by Iberdrola in 2024 amounted to EUR 132 million, having already excluded from the levy base for that year the income the exclusion of which was recognised in the course of the general inspection relating to the levy paid in 2023.

The administrative appeals lodged by AELEC and Iberdrola, which are pending settlement at present, are based on defects inherent to the ordinary legal grounding of the Ministry Order under appeal, and on defects of unconstitutionality and violation of Regulation (EU) 2022/1854 of the Council of 6 October 2022 found to exist in Spanish Law 38/2022, which creates the levy.

Further developments in relation to financial goodwill (Section 12.5 of the consolidated text of the Corporate Income Tax Act)

In 2017, the Spanish authorities applied the aid and grants reimbursement procedure envisioned in the General Tax Act, thus recovering from the Iberdrola Group, in accordance with section 12.5 of the TRLIS (*Texto Refundido de la Ley del Impuesto sobre Sociedades*), the sum of EUR 665 million (EUR 576 million in principal and €89 million in late payment interest) in the years 2002 to 2015. Iberdrola settled the required amount by (i) offsetting part of it against the EUR 363 million received under the 2016 income tax rebate; and (ii) paying EUR 302 million in February 2018. All the foregoing by virtue of Decision Three of the European Commission.

Meanwhile, in May 2021 Iberdrola received notice of a tax settlement agreement under state aid retrieval proceedings for the years 2016 to 2018 for a total of EUR 13 million, which the Company paid on 2 July 2021.

The Judgement of the General Court of the European Union (GCEU) of 27 September 2023 (joined cases T-256/15 and T-260/15) rendered null and void European Commission Decision (EU) 2015/314 of 15 October 2014 (Third Decision), upholding all the arguments submitted by the affected entities, including the Iberdrola Group.

Although the General Court's judgment was appealed by the European Commission, the final judgment of the Court of Justice of the European Union (CJEU) dated 26 June 2025 dismissed the cassation appeal lodged by the European Commission, thereby definitively annulling the Third Decision.

The amounts recovered by the Spanish Tax Administration (AEAT) must be refunded, together with the corresponding additional late-payment interest, and are recognised in the amount of EUR 780 million under “Current tax assets” within current assets in the consolidated statement of financial position as at 31 December 2025.

In any event, the Iberdrola Group and its internal and external advisers have consistently taken the view that no further risks should arise in connection with the application of the financial goodwill regime and that the amounts previously recovered by the Tax Administration should be refunded, since the payment made by the Group was not legally due.

As at year-end 2025 the effects arising from the request to recognise the goodwill deduction that the Group was unable to claim for corporate income tax purposes for financial years 2016 to 2019 are also recognised, as the Third Decision, now definitively annulled, was enforceable until September 2023.

These amounts, together with the corresponding late-payment interest, totalling EUR 310 million, are recognised under “Current tax assets” within non-current assets in the consolidated statement of financial position as at 31 December 2025, and the related deferred tax liability has also been recognised.

Other countries

In the United States, the most significant process is the appeal filed with the Appeals Tribunal in relation to the income tax inspection for financial years 2012 to 2014 in the State of New York. Efforts are ongoing to reach an agreement with the State and settle the matter before the Tribunal delivers a decision, with no significant impact on the Avangrid Group’s results.

In the United Kingdom, the only significant issue under discussion relates to the deductibility of certain payments made on the instructions of the electricity regulator (OFGEM). The First Tier Tax Tribunal ruled in favour of HMRC in February 2022, which was appealed by the company to the Upper Tribunal, which also found in favour of HMRC, and Scottish Power obtained permission to appeal to the Court of Appeal. In January 2025 the Court issued a decision favourable to the Company’s interests; however, HMRC applied for and was granted permission to appeal the decision before the Supreme Court. The hearing is scheduled for 18 May 2026.

As a general matter, there are no other significant tax disputes in the remaining jurisdictions in which the Group operates, with the exception of Brazil, where there is a large number of tax disputes and administrative and judicial proceedings, in respect of which the Group considers it probable that a final favourable resolution will be obtained.

The directors of the Iberdrola Group and its tax advisors estimate that no material additional liabilities will arise for the Group arising from the above matters over and above those already recognised at 31 December 2025.

IX. Country-by-Country tax contribution: a cornerstone of our social dividend

Tax contribution in 2025

€10,410 million

The highest in our history

44% of profit allocated to taxes

Own taxes (€m)

5,026

Corporate income tax	1,570
Non-deductible VAT and similar taxes	9
Company contrib. on salaries	460
Local taxes	1,215
Electricity taxes	1,569
Other own taxes	203

Taxes collected (€m)

5,384

VAT and similar taxes	4,109
Withhold. taxes on third-party income	1,033
Other taxes collected	242

Tax contribution (€m)

10,410

Spain (€m)

4,675

United Kingdom (€m)

1,061

United States (€m)

1,384

Brazil (€m)

2,328

Mexico (€m)

645

Other countries (€m)

317

€14m reduction in profit per day
Due to tax payments (own taxes)

Tax contribution 5 years
+ €45,000m of taxes paid in 2021-2025

Tax contribution / net profit ratio
+ 175% stable over last 5 years

Electricity taxes 5 years
+ €6,200m paid in 2021-2025

€1.2m
Taxes paid / hour

Tax contribution 5 years
€19,000m of taxes paid in Spain in 2021-2025. + 40% of total

Tax contribution 5 years
3 times the dividends received by shareholders in 2021-2025

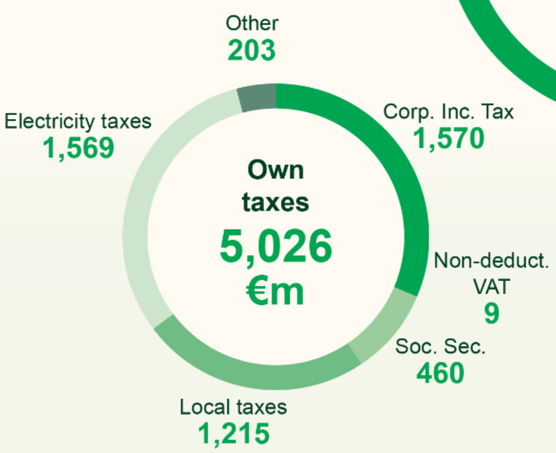
Electricity taxes 5 years
+ €5,000m paid in Spain in 2021-2025. 83% of the total

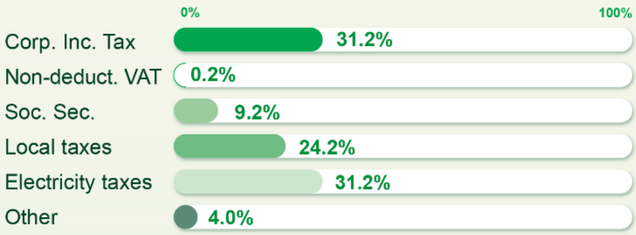
Distribution of tax contribution for financial year 2025

Total tax contribution

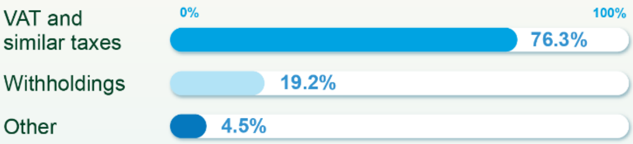
Own taxes
48%

Taxes collected
52%





Own taxes are those that have a **direct impact on the income statement**. These taxes include corporate income tax, company contributions on salaries, local taxes, electricity taxes and other taxes. In 2025, they **decreased** by **EUR 253 million**, representing a **5% reduction** compared with the previous financial year.



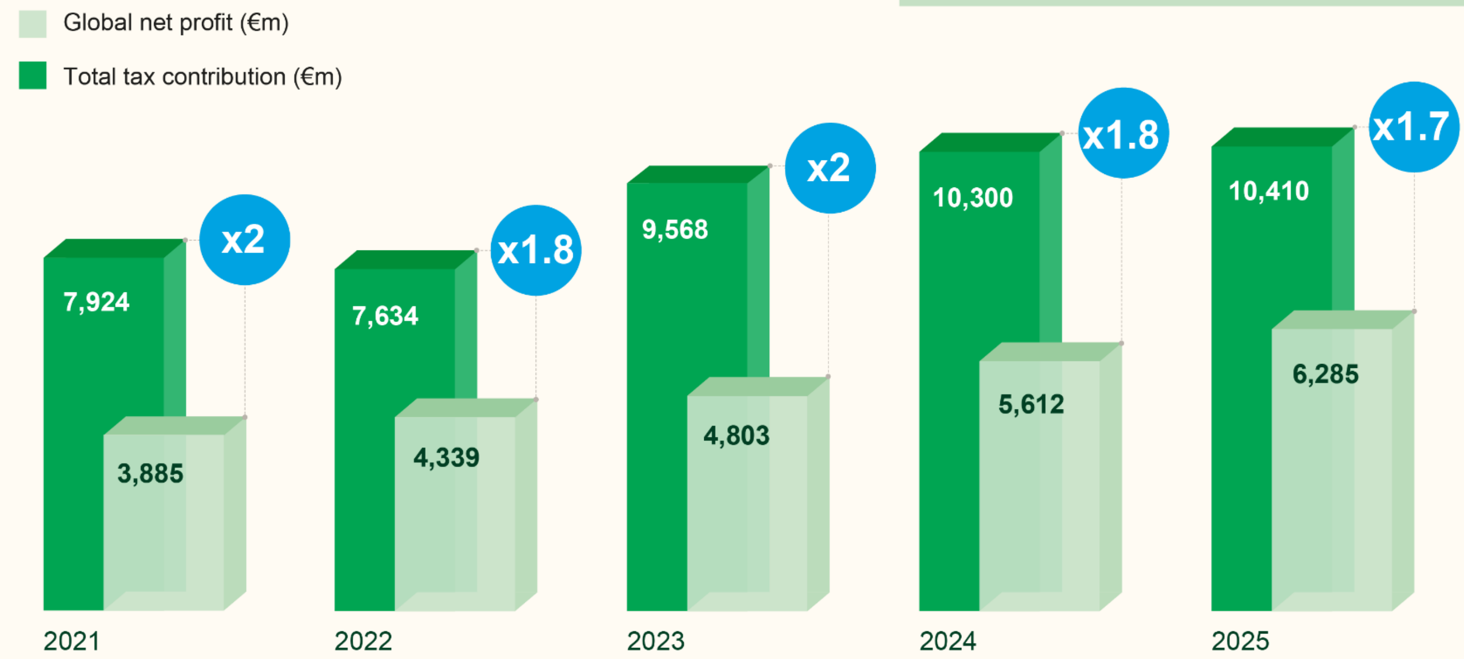
Taxes collected are those **arising from Iberdrola's own economic activity** that it **administers and remits to the tax authorities**. They include Value Added Tax and similar indirect taxes, withholding taxes and other items. In 2025, taxes collected **increased by EUR 363 million**, representing a **7% rise** compared with the previous financial year.

Total tax contribution and net profit

€m	2021	2022	2023	2024	2025	Total
Tax contribution	7,924	7,634	9,568	10,300	10,410	**45,836**
Net profit	3,885	4,339	4,803	5,612	6,285	**24,924**

Total tax contribution and net profit

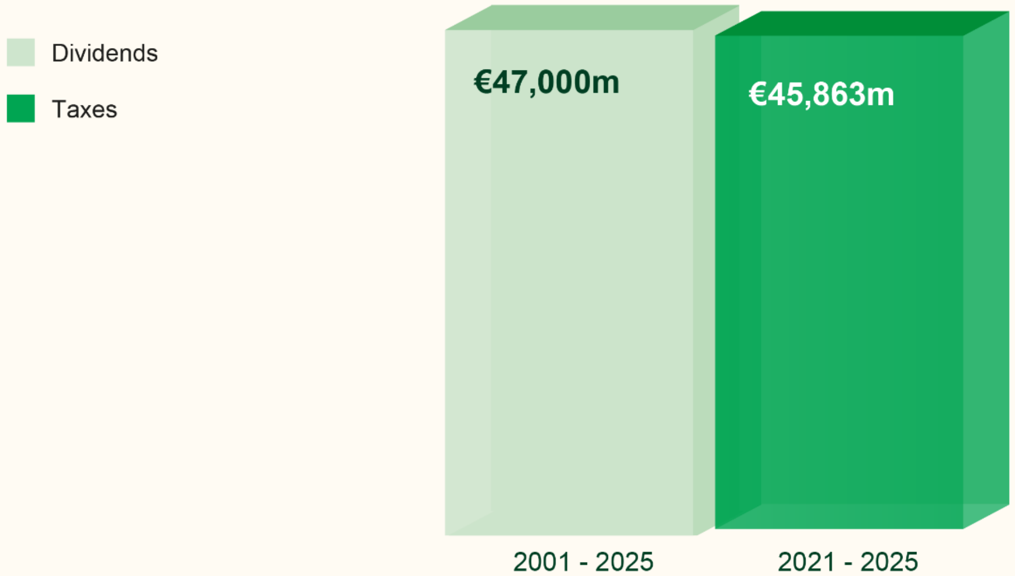
The total tax contribution/net profit ratio has remained **stable** in recent years, at **levels above 175%.**



Dividends and taxes paid

Dividends and taxes paid

Over the last 25 years, Iberdrola has paid **more than EUR 47,000m* in dividends** (65% payout), a figure **similar to the taxes paid in just the last 5 years.**



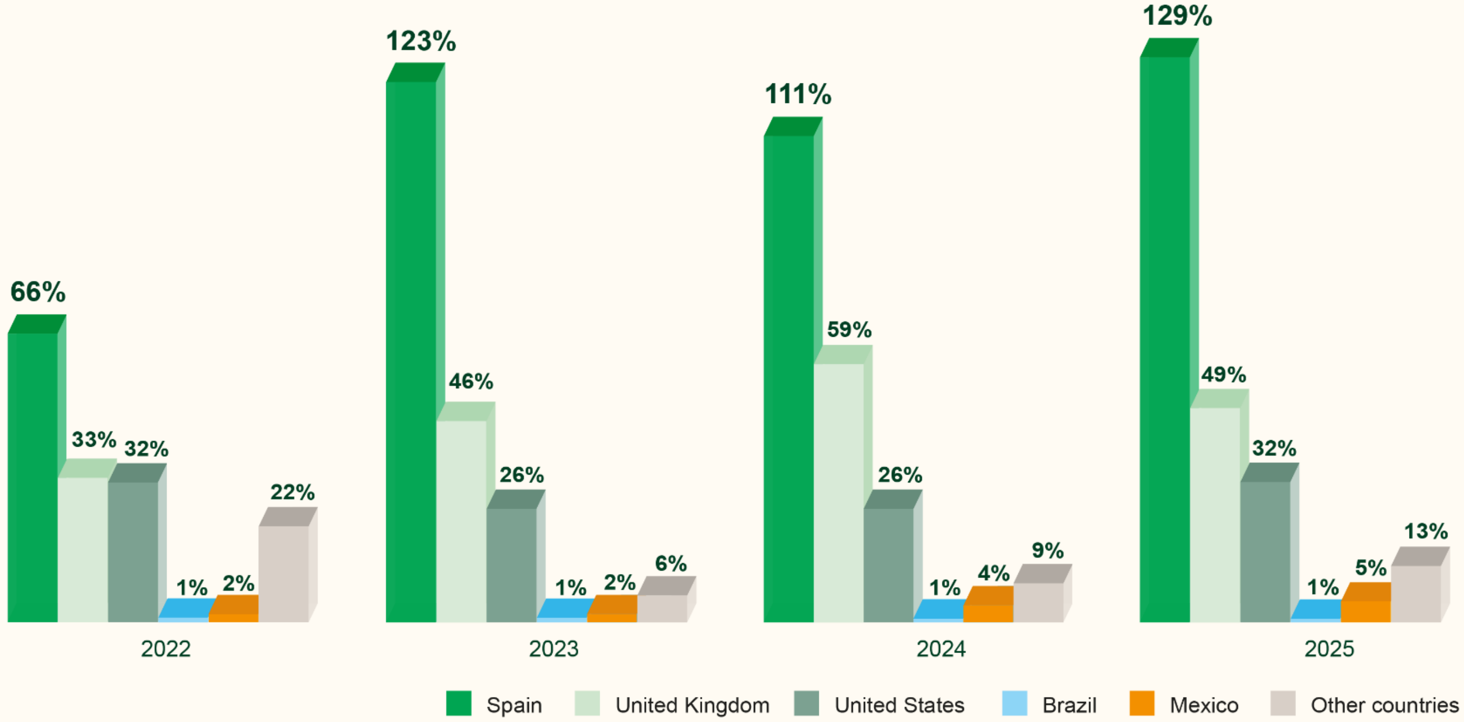
** Dividends figure: includes January 2026 (2025 interim dividend) and engagement dividends.*

Accrued taxes

€m	2025		
	Accrued taxes	Net operating expense	Taxes / Net operating expense
Spain	1,611	1,252	129%
United Kingdom	459	942	49%
United States	644	1,986	32%
Brazil	7	803	1%
Mexico	8	146	5%
Other countries	43	334	13%
Total	**2,772**	**5,463**	**51%**

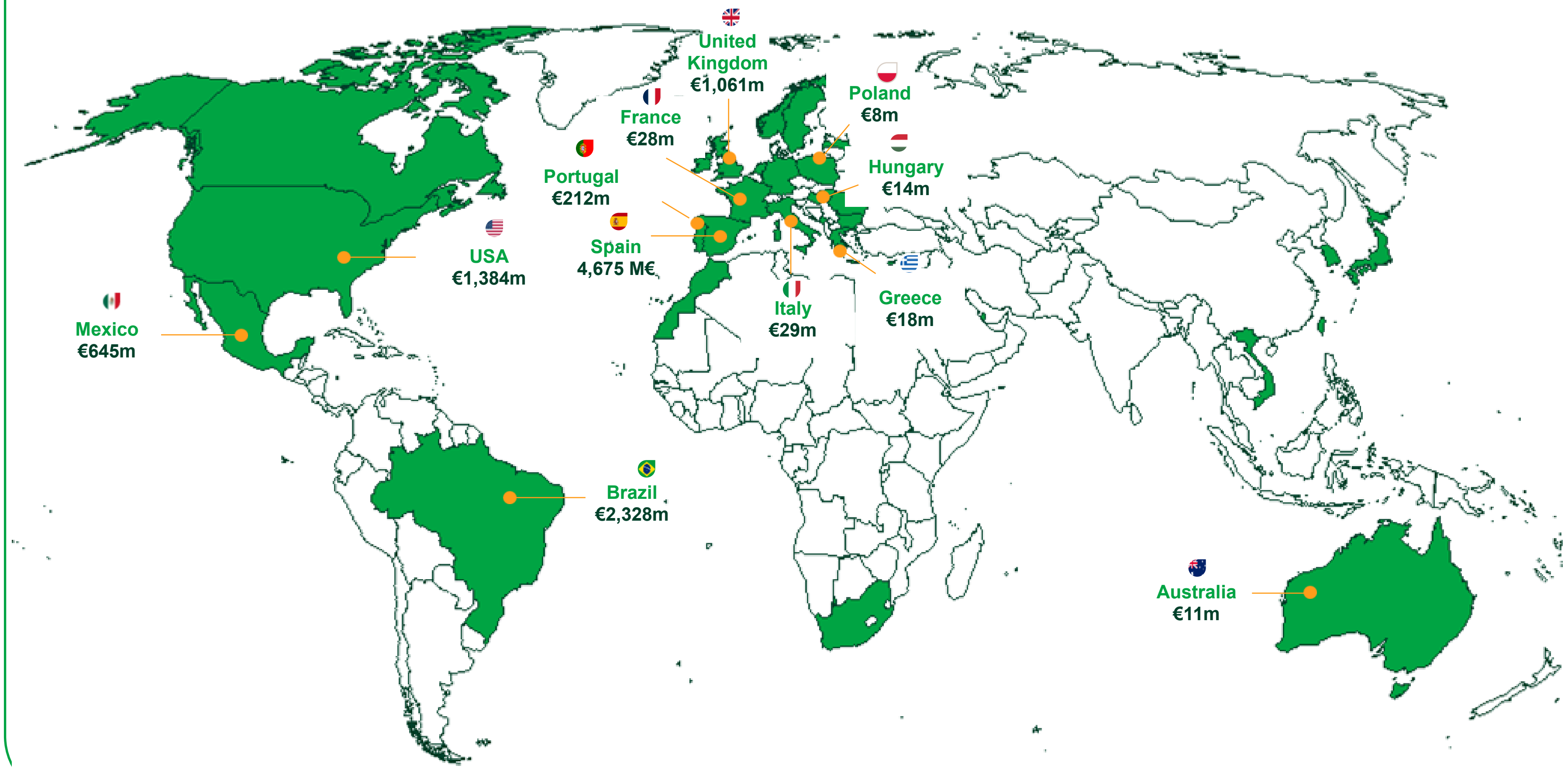
Accrued taxes and net operating expenses (NOE)

In **Spain**, in 2025, the relationship between accrued taxes and net operating expenses (NOE) is entirely **opposite** to the trend observed in the **Group's other countries.**



We pay taxes where we are present

Main countries where Iberdrola operates

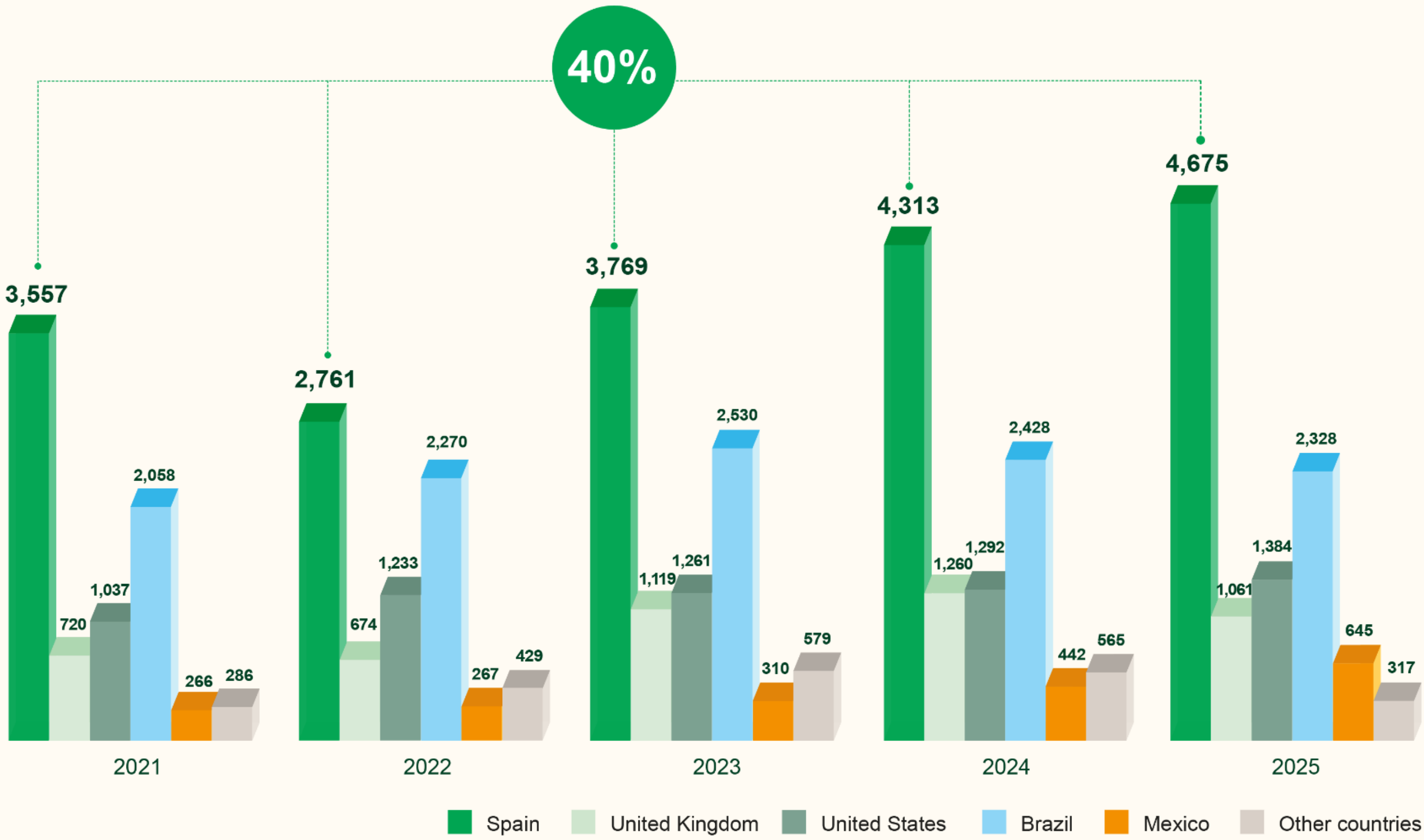


Tax contribution by country

Tax contribution (€m)	2021	2022	2023	2024	2025	Total
Spain	3,557	2,761	3,769	4,313	4,675	**19,075**
United Kingdom	720	674	1,119	1,260	1,061	**4,834**
United States	1,037	1,233	1,261	1,292	1,384	**6,207**
Brazil	2,058	2,270	2,530	2,428	2,328	**11,614**
Mexico	266	267	310	442	645	**1,930**
Other countries	286	429	579	565	317	**2,176**
Total	**7,924**	**7,634**	**9,568**	**10,300**	**10,410**	**45,836**

Tax contribution by country

The Group's tax contribution over the last five years amounts to more than **EUR 45,000 million*. Spain**, at **EUR 19,000 million**, accounts for **more than 40% of the total tax burden** across all territories.



** Includes other electricity sector charges.*

Total country-by-country tax contribution 2025

Based solely on total tax contribution, the distribution by country is as follows, compared to the previous financial year:

Taxes paid into public treasuries (€m)	Taxes charged to the income statement		Taxes collected		Total	
	2025	2024	2025	2024	2025	2024
Spain	2,340	2,532	2,335	1,781	**4,675**	**4,313**
United Kingdom	866	984	195	276	**1,061**	**1,260**
United States	962	891	422	401	**1,384**	**1,292**
Brazil	216	219	2,112	2,209	**2,328**	**2,428**
Mexico	581	452	64	-10	**645**	**442**
Other countries	61	201	256	364	**317**	**565**
Total	**5,026**	**5,279**	**5,384**	**5,021**	**10,410**	**10,300**

Nearly EUR 4,700 million in taxes paid in Spain

Spain is the country with the highest tax contribution, amounting to nearly EUR 4,700 million in 2025, an 8% increase compared to the previous financial year, and representing 45% of the Group's total tax contribution.

No other country concentrates a comparable level of contribution, which unequivocally demonstrates the Group's tax commitment to Spain.

In 2025 total tax contribution compared to the previous financial year increased by EUR 110 million, representing a 1.1% increase over 2024.

Iberdrola allocates 44% of its profit to the payment of taxes[4]

Taxes charged to the income statement

The Group's results are reduced by EUR 14 million on a daily basis.

Own taxes (€m)	2025	2024	Change
Corporate income tax	1,570	1,940	-370
Non-deductible VAT and similar taxes	9	13	-4
Company contributions on salaries	460	405	55
Local taxes	1,215	1,135	80
Electricity taxes	1,569	1,620	-51
Other own taxes	203	166	37
Own taxes	**5,026**	**5,279**	**-253**

The decrease in own taxes is mainly attributable to corporate income tax (EUR 370 million decrease) and electricity taxes (EUR 51 million decrease). However, increases were recorded in the categories of Company contributions on salaries (EUR 55 million increase), local taxes (EUR 80 million increase) and other taxes (EUR 37 million increase).

Corporate income tax

Corporate income tax paid represents 44% of profit before corporate income tax.

Corporate income tax paid in 2025 decreased compared to the previous financial year, mainly in Spain, the United Kingdom, Germany and Portugal. However, a significant increase was recorded in Mexico.

Corporate income tax (€m)	2025	2024	Change
Spain	587	890	-303
United Kingdom	271	327	-56
United States	26	21	5
Brazil	121	126	-5
Mexico	572	443	129
Other countries	-7	133	-140
Total	**1,570**	**1,940**	**-370**

[4] Ratio between taxes paid and profit before tax (corporate income tax, other taxes and employer social security contributions).

In the case of Spain, the decrease is mainly attributable to the absence of favourable court rulings that generated extraordinary income in the previous financial year, the normalisation of commercial margins, and the refund of withholding tax borne in Germany amounting to EUR 62 million. In the United Kingdom, the difference is mainly due to a reduction in the taxable base resulting from the application of capital allowances, as a consequence of the investment effort undertaken during the year. In Germany, the decrease arises from the refund of significant amounts as a result of the reassignment of the tax authority responsible for collection of the tax. Finally, in Portugal, the decrease is explained by a lower taxable base due to the decline in profits.

In Mexico, a significant increase was recorded, driven by the sale of the combined-cycle business, in respect of which the capital gain gave rise to extraordinary corporate income tax payments in both 2024 and 2025.

▪ Company contributions on salaries

In 2025, company contributions on salaries recorded an increase of EUR 55 million, representing a 14% rise compared to the previous financial year.

Company contributions on salaries (€m)	2025	2024	Change
Spain	171	160	11
United Kingdom	95	54	41
United States	81	79	2
Brazil	83	82	1
Mexico	8	9	-1
Other countries	22	21	1
Total	**460**	**405**	**55**

The main differences are recorded in Spain and the United Kingdom. In Spain, the increase is mainly attributable to higher social security contributions, the increase in the Intergenerational Equity Mechanism, and the introduction of the new solidarity contribution.

In the United Kingdom, the increase is mainly driven by higher social security contributions applicable from April 2025. In addition, an amount of £24 million relating to the Electricity North West Group is included in 2025.

Local taxes

In addition, local taxes increased by EUR 80 million in 2025, representing a 7% increase compared to the previous financial year. In this case, the most significant changes were recorded in Spain, the United Kingdom and the United States.

Local taxes (€m)	2025	2024	Change
Spain	330	312	18
United Kingdom	202	168	34
United States	673	645	28
Brazil	4	5	-1
Mexico	0	0	0
Other countries	6	5	1
Total	**1,215**	**1,135**	**80**

In Spain, the increase is mainly recorded in the Tax on Constructions, Installations and Works (*Impuesto sobre Construcciones, Instalaciones y Obras*), primarily due to works carried out for the opening of new facilities, as well as repowering projects, and to increases in the applicable tax rates in certain municipalities.

In the United Kingdom, the increase is mainly attributable to the inclusion of an amount of £28 million relating to the Electricity North West Group.

Finally, in the United States, a significant increase is recorded in State Property Tax, mainly driven by higher investment levels.

Electricity taxes

In 2025, electricity taxes decreased by EUR 51 million, representing a -3% change compared to the previous financial year, driven by the contribution in the United Kingdom and despite the increase in contribution in Spain.

Electricity taxes (€m)	2025	2024	Change
Spain	1,241	1,145	96
United Kingdom	292	435	-143
United States	0	0	0
Brazil	0	0	0
Mexico	0	0	0
Other countries	36	40	-4
Total	**1,569**	**1,620**	**-51**

In this regard, total electricity taxes paid in 2025 are entirely concentrated in Europe:

Electricity taxes (€m)	Total	%
Spain	1,241	79%
United Kingdom	292	19%
Portugal	24	2%
France	10	1%
Greece	2	0.1%
Europe	**1,569**	**-**

The tax burden on electricity in Spain remains extraordinarily high, clearly demonstrating that the current tax system does not support the essential transition towards clean energy. In fact, considering electricity and local taxes that levy electricity activities, the amount in Spain totals EUR 1,571 million, equivalent to a payment of EUR 4.3 million per day.

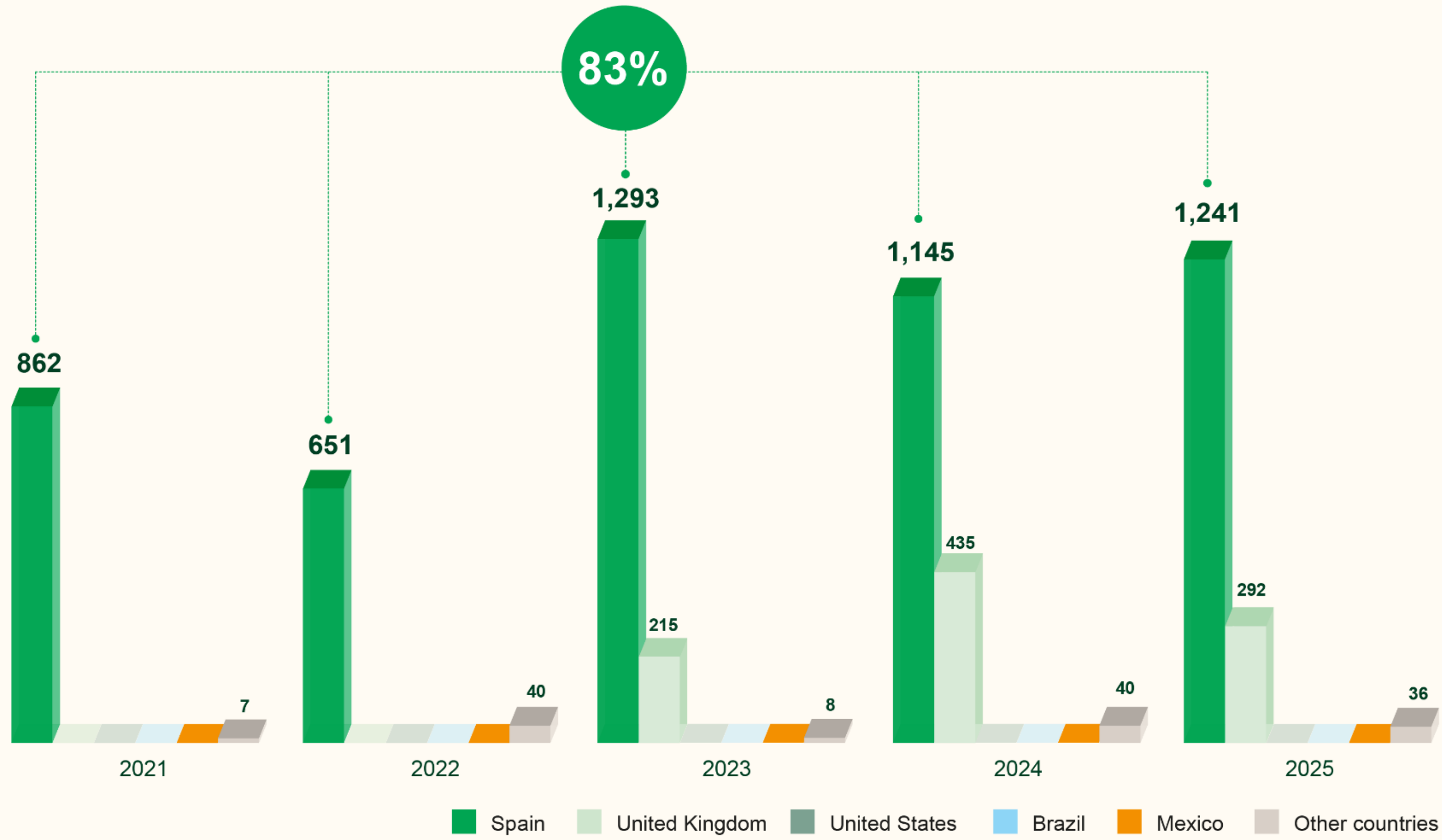
Effective environmental taxation is not about collecting more, but about collecting better, by directing incentives and economic signals towards a sustainable energy model.

Electricity taxes in Spain

Electricity taxes (€m)	2021	2022	2023	2024	2025	Total	%
Spain	862	651	1,293	1,145	1,241	5,192	83%
United Kingdom	-	-	215	435	292	942	15%
United States	-	-	-	-	0	0	0%
Brazil	-	-	-	-	0	0	0%
Mexico	-	-	-	-	0	0	0%
Other countries	7	40	8	40	36	131	2%
Total	**869**	**691**	**1,516**	**1,620**	**1,569**	**6,265**	**-**

Analysis of electricity taxes in Spain

The amount of electricity taxes in Spain has doubled since 2022. This increase has been sustained over time. In the 2021–2025 period, Spain, with **EUR 5,192 million paid***, accounts for **83% of the Group's total electricity taxes.**



** Includes other electricity sector charges.*

Taxes collected

Taxes collected (€m)	2025	2024	Change
VAT and similar taxes	4,109	3,833	276
Withholding taxes on third-party income	1,033	942	91
Other taxes collected	242	246	-4
Taxes collected	**5,384**	**5,021**	**363**

The Group pays to the tax authorities multiple taxes which, as they represent its own tax obligations, are not recognised in the income statement, as they are taxes withheld from or passed on to third parties and, in 2025, amount to more than EUR 5,300 million. These taxes are the responsibility of the Iberdrola Group, which assumes all risks and costs associated with their collection and payment to the various tax authorities.

Such taxes arise from the Group's own economic activity and include, among others, those associated with the employment generated by Iberdrola both directly and indirectly, as well as those related to economic transactions and other taxes applicable to its ordinary operations (Group employees, suppliers, purchases of goods and services, etc.).

In 2025 the increase in taxes collected is mainly attributable to value added tax and similar taxes (EUR 276 million increase) and to withheld third-party income (EUR 91 million increase).

▪ VAT and similar taxes

VAT and similar taxes (€m)	2025	2024	Change
Spain	1,803	1,287	516
United Kingdom	-9	111	-120
United States	138	115	23
Brazil	1,935	2,043	-108
Mexico	48	-36	84
Other countries	194	313	-119
Total	**4,109**	**3,833**	**276**

In the case of Spain, a significant increase is recorded in value added tax collected, mainly due to the elimination of the reduced 10% VAT rate on the sale of energy to final customers (as from 1 January 2025, the VAT rate applicable to electricity reverted to the standard rate of 21%).

Likewise, electricity tax also recorded a significant increase. In 2024 the special electricity tax experienced a gradual recovery from 0.5% (at the end of 2023) to its standard rate of 5.11269632% as from July, with intermediate rates of 2.5% (January–March) and 3.8% (April–June), ending the year at the full standard rate. This gradual increase was implemented following the temporary reduction adopted in response to the energy crisis, progressively returning to normal levels throughout the year. In 2025 the tax was fully applicable, which explains the increase in collection.

In the United Kingdom, a sharp decrease is recorded, mainly justified by higher expenditure on items for which VAT is recoverable, as a result of the significant investment effort undertaken during the year.

Brazil is a special case: although the amount of these taxes increased in local currency, the amount expressed in euros decreased, indicating that the exchange rate effect was significant in this case.

In Mexico, the amount of this type of taxes increased. The main reason is that in 2024 VAT refunds were significantly higher than in 2025, mainly due to the sale of the combined-cycle business.

Finally, in the remaining countries, net collection is also recorded in VAT and similar taxes. In this regard, in countries such as Germany, Italy and Portugal, among others, the decrease is partly attributable to a decline in activity.

- ## Withheld third-party income

Withheld third-party income (€m)	2025	2024	Change
Spain	497	461	36
United Kingdom	165	108	57
United States	206	210	-4
Brazil	109	107	2
Mexico	15	25	-10
Other countries	41	31	10
Total	**1,033**	**942**	**91**

Finally, withholding taxes collected in 2025 increased by EUR 91 million, representing a 10% increase compared to the previous financial year. In this respect, the main changes were recorded in Spain and the United Kingdom.

In the case of Spain, the amount of withholdings increased mainly due to the higher dividend distributed. In the United Kingdom, this amount increased as a result of the incorporation of the Electricity North West Group.

Iberdrola's tax contribution: the commitment that drives its social dividend.

Tax contribution as part of its social dividend constitutes one of the fundamental premises for the success of Iberdrola's business enterprise and reflects a corporate culture firmly rooted in the principles of responsibility, transparency and good governance. Under this approach, the Group pays its taxes fairly where they are due and, through this contribution, directly and consistently supports value creation and the economic and social development of the communities and territories in which it operate.

Applicable exchange rates

Finally, it should be borne in mind that, in addition to the variations that may be considered reasonable or recurring—arising from the normal evolution of the business, legislative changes or other factors—recorded during the financial year and analysed in this document, the exchange-rate effect in 2025 is significant.

FX ECB	Currency	2025	2024	Change
British pound	GBP / EUR	0.86	0.85	0.01
US dollar	USD / EUR	1.13	1.08	0.04
Brazilian real	BRL / EUR	6.30	5.82	0.48
Mexican peso	MXN / EUR	21.67	19.82	1.85

Set out below are the main tax contribution figures of the Iberdrola Group, by country and category.

2025 €m	Own taxes						Own taxes	Taxes collected			Taxes collected	Total
	Corporate income tax	Non-deductible VAT and similar taxes	Company contributions on Salaries	Local taxes	Electricity taxes	Other own taxes		VAT and similar taxes	Withheld third-party income	Other taxes collected		
Germany	-63	0	3	0	0	0	-60	38	11	3	52	-8
Australia	0	0	6	0	0	0	6	-11	16	0	5	11
Brazil	121	0	83	4	0	8	216	1,935	109	68	2,112	2,328
Bulgaria	0	0	0	0	0	0	0	0	0	0	0	0
Canada	0	0	0	0	0	1	1	0	0	0	0	1
Qatar	0	0	0	0	0	0	0	0	0	0	0	0
Cyprus	0	0	0	0	0	0	0	1	0	0	1	1
South Korea	0	0	0	0	0	0	0	0	0	0	0	0
Spain	587	7	171	330	1,241	4	2,340	1,803	497	35	2,335	4,675
United States	26	0	81	673	0	182	962	138	206	78	422	1,384
France	12	2	7	3	10	1	35	-12	2	3	-7	28
Greece	12	0	1	0	2	0	15	0	2	1	3	18
Hungary	5	0	0	1	0	0	6	8	0	0	8	14
Ireland	0	0	0	0	0	0	0	0	0	0	0	0
Italy	0	0	2	0	0	0	2	22	4	1	27	29
Japan	1	0	0	0	0	0	1	0	0	0	0	1
Latvia	0	0	0	0	0	0	0	1	0	0	1	1
Luxembourg	0	0	0	0	0	0	0	0	0	0	0	0
Morocco	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	572	0	8	0	0	1	581	48	15	1	64	645
Montenegro	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0
Poland	2	0	0	2	0	0	4	2	1	1	4	8
Portugal	23	0	3	0	24	0	50	145	5	12	162	212
United Kingdom	271	0	95	202	292	6	866	-9	165	39	195	1,061
Romania	1	0	0	0	0	0	1	0	0	0	0	1
Singapore	0	0	0	0	0	0	0	0	0	0	0	0
South Africa	0	0	0	0	0	0	0	0	0	0	0	0
Sweden	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0	0	0	0	0	0	0
Vietnam	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,570**	**9**	**460**	**1,215**	**1,569**	**203**	**5,026**	**4,109**	**1,033**	**242**	**5,384**	**10,410**

Tax contribution for Corporate Income Tax. Country-by-Country Report

Definitions and criteria applied in the preparation of the public Country-by-Country Report

Data source

- Iberdrola has prepared the information contained in the Country-by-Country Report by aggregating the information contained in the separate financial statements of the Group's entities, based on IFRS accounting standards. Each subholding company in the Group reports data relating to its subgroup in various information systems which are then aggregated in the reporting of the ultimate parent company, Iberdrola, S.A.

Scope

- The list of group entities includes controlled entities that are fully and proportionately consolidated, excluding those entities that are accounted for using the equity method. Permanent establishments are considered to be part of the tax jurisdiction in which they are located. Entities acquired or disposed of during the financial year are also included in the scope, provided that their income, expenses, assets or liabilities were fully or proportionately consolidated in the group's consolidated financial statements for at least, part of the financial year.

Constituent figures of the Country-by-Country Report

1. Revenues

- This category includes the following items: net turnover, other operating income and financial income, excluding dividends received from another constituent entity, and amounts recorded in the financial statements of a constituent entity representing all or part of another constituent entity's profit. As the data source considered is the aggregation of items retrieved from the individual financial statements, the related party income reported reflects the full amount of domestic and international operations without any elimination of intra-group transactions typically associated with the consolidation process. Revenues with related parties are revenues from entities included in the scope of the Country-by-Country Report.

2. Profit (or loss) before income tax

- Profit before tax is based on the individual IFRS financial statements used in the preparation of the consolidated financial statements. In particular, the Profit before tax is reported excluding dividends from other constituent entities, in line with their exclusion in the revenue section. Note that no information is given for those companies accounted for using the equity method.

3. Income Tax paid (on cash basis)

- This includes the net amount paid, i.e. payments minus refunds. The items included are: Income tax paid in tax returns and self-assessments, income tax paid as a result of inspection proceedings, withholding taxes paid abroad by the entity that bears the withholding tax, withholding taxes paid within the country on account of the tax. It does not include any payments of late payment interest, surcharges or penalties relating to income tax charges. For consistency with the revenue and profit before income tax item, income tax paid related to dividends from other constituent entities is also excluded. The latter results in a difference between the income tax paid (on a cash basis) derived from the Total Tax Contribution data, and the one reflected in this Country-by-Country Report.

4. Income Tax accrued (current year)

- The current income tax expenditure of fully and proportionately consolidated entities is considered (excluding deferred taxes). This item excludes the tax expense associated with uncertain tax positions, as well as the current expense relating to dividends received from other constituent entities.

5. Accumulated earnings

- This figure includes the net assets, without subscribed capital, contributed by each entity within the scope at financial year-end

6. Number of employees

- Includes the number of employees on the payroll at 31 December of the year in question, in terms of FTEs (full time equivalents).

Additional figures reported in the Country-by-Country Report

- In addition to the parameters required by applicable legal provisions and for enhancing the transparency and providing a better understanding of the data, the Iberdrola Group reports the following additional figures in this Country-by-Country Report:

1. Total taxes paid (own and collected on cash basis)

- Includes total taxes paid on all items, i.e. payments minus refunds, in the tax territory concerned. This includes both own taxes (i.e. those that have an impact on the income statement of the Iberdrola Group's entities) and taxes collected.

2. Total Income Tax accrued

- The total income tax expense recorded for all items of fully and proportionately consolidated entities is considered.

Monetary amounts of the Country-by-country report (€m)

Tax jurisdiction	Country code	Revenues	Profit (or loss) before Income tax	Total taxes paid (own and collected) – on cash basis	Income tax paid – on cash basis	Total income tax accrued	Income tax accrued – current year	Accumulated earnings	Number of employees
Spain	ES	37,270	3,750	4,675	580	807	359	33,496	9,913
United Kingdom	X5	15,661	2,755	1,061	271	589	267	27,820	9,760
United States	X5	10,310	1,256	1,384	26	332	62	3,628	8,490
Brazil	X5	10,182	913	2,328	107	66	-29	5,042	15,535
Mexico	X5	2,238	333	645	572	33	100	1,058	678
Germany	DE	693	90	-8	-67	24	18	428	177
Algeria	X5	0	-4	0	0	0	0	-4	0
Australia	X5	478	28	11	0	8	0	425	268
Bulgaria	BG	0	0	0	0	0	0	-30	0
Canada	X5	7	-2	1	0	0	0	-254	0
Qatar	X5	5	-1	0	0	0	0	-14	42
Cyprus	CY	4	2	1	0	0	0	5	3
South Korea	X5	0	0	0	0	0	0	-3	0
France	FR	459	138	28	12	36	25	219	131
Greece	GR	87	41	18	12	9	9	157	112
Honduras	X5	0	-2	0	0	0	-1	-1	0
Hungary	HU	33	19	14	5	6	6	88	10
Ireland	IE	5	0	0	0	0	0	-50	2
Italy	IT	206	-7	29	0	-1	1	-243	101
Japan	X5	0	-8	1	1	0	0	-45	8
Latvia	LV	3	1	1	0	0	0	1	1
Luxembourg	LU	6	31	0	0	7	0	37	1
Malta	MT	0	0	0	0	0	0	1	0
Morocco	X5	0	0	0	0	0	0	0	0
Montenegro	X5	0	0	0	0	0	0	0	0
Norway	X5	0	0	0	0	0	0	-2	0
Netherlands	NL	352	0	0	0	0	0	10	0
Poland	PL	44	-16	8	2	-1	0	-18	39
Portugal	PT	1,927	-19	212	23	2	19	273	240
Romania	RO	4	2	1	1	1	1	10	0
Singapore	X5	0	0	0	0	0	0	-1	0
South Africa	X5	0	0	0	0	0	0	-13	0
Sweden	SE	0	-1	0	0	0	0	-25	0
Taiwan	X5	0	-1	0	0	0	0	-16	0
Vietnam	VN	0	0	0	0	0	0	0	0
Other	X5	182	84	0	0	5	6	138	0
Total		**80,156**	**9,382**	**10,410**	**1,545**	**1,923**	**843**	**72,117**	**45,511**

Iberdrola

The country code “X5” indicates that this is one of the tax jurisdictions whose information is presented in aggregated form in the official Country-by-Country Report template.

The information contained in the public Country-by-Country Report, as provided for under the Spanish Statutory Audit Act, must be broken down according to the tax residence of the various entities and permanent establishments of the Group for tax purposes, taking into account the following:

- Member States of the European Union: information for each EU Member State must be disclosed separately.
- Tax jurisdictions included on the European Union’s “blacklist” of non-cooperative jurisdictions for tax purposes, and the “grey list” of jurisdictions that cooperate with the European Union but have pending commitments: specifically, with regard to the 2025 Report, information relating to the countries included on the blacklist as at 1 March 2025, and those included on the grey list for two consecutive financial years, must be disclosed on separate lines, based on the most recent publications available as at 1 March 2025 and 1 March 2024, respectively.
- Rest of the world: information relating to the remaining jurisdictions must be presented in aggregated form on a single line.

In this respect, taking into account the countries in which the Iberdrola Group operates, only the Member States of the European Union and Vietnam are disclosed separately in the public Country-by-Country Report for 2025, as the latter jurisdiction appears on the European Union’s grey list in each of the two aforementioned financial years.

The amounts shown on the “Other” line correspond to the share attributable to non-controlling interests in entities that qualify as tax-transparent entities, under the terms defined in the Global Minimum Taxation (Pillar Two) legislation.

These amounts broken down under the “Other” line correspond to the figures attributable to the percentage held by non-controlling shareholders in certain entities which, due to their specific characteristics, qualify as tax-transparent both in the jurisdiction in which they are incorporated and in that of the holder of their equity interests (specifically, German limited partnerships (KGs) and certain US entities). This breakdown is aligned with the characterisation of these specific entities under the Global Minimum Taxation (Pillar Two) framework and the OECD guidance on the preparation of the Country.by-Country Report.

GRI 207-4 content on the presentation of public Country-by-Country tax reporting

In accordance with GRI Disclosure 207-4 on Country-by-Country Reports, *"the reporting organization must present the following information for each tax jurisdiction: (…) (v) revenues from intra-group transactions with other tax jurisdictions"*.

Although this information is not part of the Country-by-Country Report submitted to the Tax Authorities (Form 231 in Spain) or the OECD Model, in order to allow for a more precise identification and assessment of tax risk tailored to the economic reality of the Iberdrola Group's intra-group transactions, we provide in this table a breakdown by jurisdiction of revenue from related entities resident in the same jurisdiction and revenue from other jurisdictions. This information also allows for the quantitative criteria used in determining the TRI (OECD-recommended tax indicators set out in Annex 2 of the OECD Manual) to be weighed in order to carry out the relevant self-assessment of the Iberdrola Group in accordance with the OECD Manual.

The amounts attributable to the percentage held by non-controlling interests in entities that qualify as tax-transparent are reported on the "Others" line, in accordance with the definitions set out in the Global Minimum Taxation (Pillar Two) legislation.

€m Tax jurisdiction	Revenues – Related party	International related revenues	Domestic related revenues
Spain	22,078	2,244	19,834
United Kingdom	5,886	433	5,453
United States	1,235	2	1,233
Brazil	359	-	359
Mexico	593	-61	654
Germany	278	78	200
Algeria	-	-	-
Australia	12	0	12
Bulgaria	0	0	-
Canada	0	0	-
Qatar	3	3	-
Cyprus	0	-	
South Korea	-	-	-
France	45	10	35
Greece	2	1	1
Honduras	-	-	-
Hungary	1	1	-
Ireland	2	0	2
Italy	81	8	73
Japan	0	0	-
Latvia	0	-	0
Luxembourg	4	4	-
Malta	-	-	-
Morocco	-	-	-
Montenegro	-	-	-
Norway	0	0	-
Netherlands	264	264	-
Poland	4	1	3
Portugal	868	186	682
Romania	2	2	-
Singapore	-	-	-
South Africa	-	-	-
Sweden	0	0	-
Taiwan	-	-	-
Vietnam	0	0	-
Others	70	70	-
Total	**31,787**	**3,246**	**28,541**

Reconciliation of financial data in the public Country-by-Country Tax Report

Set out below is a reconciliation of the financial data included in the Country-by-Country Report with the audited financial information of the Iberdrola Group included in its consolidated Financial Statements. In each case, the corresponding note to the Financial Statements in which the relevant figure is disclosed is indicated.

Revenues

Revenues	€m	Financial Statements reference
Net revenue (continuing operations)	44,076	Note 38
Net revenue (discontinued operations)	1,471	Note 18
Financial income	2,229	Note 43
Total revenues - annual financial statements	**47,776**	
Total third-party revenue – Country-by-Country Report	**48,369**	
Difference (1%)	**593**	

Third-party revenue is obtained by deducting the total amount of “Revenue – Related entity” included in the table set out in the previous section entitled “GRI 207-4 content on the presentation of public Country by Country tax reporting” from the total amount of “Gross revenue” shown in the table of monetary amounts of the Country-by-Country Report.

The difference identified is mainly attributable to consolidation adjustments relating to transactions and differences in the scope considered.

Profit (loss) before income tax

Profit before income tax	€m	Financial Statements reference
Profit from continuing operations before tax	8,097	Note 35
Profit from discontinued operations before tax	395	Note 35
Total Profit before income tax - Financial Statements	**8,492**	
Total Profit before income tax - Country-by-Country Report	**9,382**	
Difference (9%)	**890**	

The difference identified is mainly attributable to consolidation adjustments relating to transactions and differences in the scope considered.

Corporate income tax paid (cash basis)

Income Tax paid (on cash basis)	€m	Financial Statements reference
Income Tax paid (operating activities)	1,125	Consolidated statement of cash flows
Income Tax paid (investing activities)	445	Consolidated statement of cash flows
Total Income Tax paid - Financial Statements	**1,570**	
Total Income Tax paid - Country-by-country Report	**1,545**	
Difference (2%)	**25**	

The total amount of Income Tax paid (cash basis) is obtained from the consolidated statement of cash flows of the consolidated Financial Statements, by aggregating the line items “Income taxes paid” amounting to EUR 1,125 million and “Income taxes” amounting to EUR 445 million.

The difference identified is attributable to the tax payment associated with dividend distributions which, in accordance with the rules for the preparation of the Country-by-Country Report, must be eliminated from the reported tax paid.

Total Income Tax accrued

Total Income Tax accrued	€m	Financial Statements reference
Total Income Tax accrued (continuing operations)	1,671	Note 35
Total Income Tax accrued (discontinued operations)	31	Note 35
Total Income Tax accrued - Financial Statements	**1,702**	
Total Income Tax accrued - Country-by-Country Report	**1,923**	
Difference (11%)	**221**	

The difference identified is mainly attributable to consolidation differences associated with the goodwill paid in corporate transactions.

▪ Income Tax accrued (current year)

Income Tax accrued (current year)	€m
Income Tax accrued (current year)	947
Total Income Tax accrued (current year) Financial Statements	**947**
Total Income Tax accrued (current year)- Country-by-Country Report	**843**
Difference (12%)	**104**

Financial Statements reference
Note 35

The difference identified is mainly attributable to expenses relating to uncertain tax positions and those associated with dividend distributions which, in accordance with the rules for the preparation of the Country-by-Country Report, must be eliminated from the reported tax expense.

Statutory tax rate and effective tax rate

The analysis of deviations between the statutory tax rate and the effective tax rate (ETR) in corporate income taxation is not a requirement under the regulations governing the public Country-by-Country Report, nor under the OECD guidance on the preparation of the Country-by-Country Report.

However, in the section “Appendix. Country-specific tax analysis” of this Report, the statutory tax rate and the ETR are disclosed for each tax jurisdiction, in order to provide greater depth to the analysis and facilitate a better interpretation of the data presented in the Country-by-Country Report, as well as to reflect the practical implications that a low statutory tax rate or ETR may have for the application of the rules governing the determination of the Top-up Tax (Global Minimum Tax).

These rules provide for a substantive framework of transitional safe harbours for the 2024–2026 period[5], in which the ETR calculated on the basis of the data included in the Country-by-Country Report (and other related metrics) plays a particularly relevant role, as such data are used for the calculation and verification of compliance with those safe harbours.

The ETR is calculated for those jurisdictions where the aggregated profit before tax is positive and, therefore, a tax expense is recognised. In jurisdictions where losses are generated, it lacks economic meaning to perform an effective tax rate analysis.

[5] As a result of the agreement entitled “Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two), Side-by-Side Package” reached by the OECD on 5 January 2026, an extension of the transitional safe harbours based on the Country-by-Country Report for an additional financial year is expected.

For the calculation of the ETR, the Group follows the method established for determining the simplified effective tax rate for safe harbour tests under Spanish legal provisions and OECD guidance: dividing the amount of simplified covered taxes (basically, corporate income tax or taxes of an identical or similar nature reported in the admissible Country-by-Country information received by the Spanish tax authorities for the relevant jurisdictions) by the profit before corporate income tax or equivalent tax.

X. The necessary reform of electricity taxation

Towards taxation aligned with the energy transition: electrification, self-sufficiency, climate coherence and legal certainty for Europe's future

Energy taxation today

During 2024 the Letta and Draghi Reports warned of a weakening of the European Union's economies and competitiveness, highlighting that decarbonisation, electrification and the reduction of energy costs should be strategic priorities for EU Member States. Both reports pointed out that energy costs in Europe are generally higher than those of its main competitors (the United States and China), due to dependence on fossil fuels imported from other regions—particularly evident in the case of natural gas.

In the same vein, the President of the European Commission has formally called on European governments to reduce electricity taxes in order to moderate energy bills, stressing that high energy prices undermine Europe's competitiveness vis-à-vis other regions.

Likewise, electricity prices paid by consumers in the European Union are significantly higher than those paid by consumers in the United States and China.

This low level of energy self-sufficiency makes the European economy more vulnerable to sudden price shocks, as was clearly demonstrated during the crisis triggered by the war in Ukraine.

For this reason, it is necessary for the European Union to reduce its dependence on fossil energy sources that it lacks domestically and must import.

To this end, electricity—and in particular electricity generated from renewable sources—plays a fundamental role in achieving the EU's energy independence.

It is thus crucial to promote and foster electrification.

On this basis, the European Commission has launched several initiatives during 2025, including the Competitiveness Compass and the Clean Industrial Deal, aimed at restoring European competitiveness and boosting the Union's economy.

As a result of these actions, the Commission adopted the Action Plan for Affordable Energy, which identified decarbonisation, electrification and the reduction of energy costs as core priorities for EU Member States.

This is because high energy prices undermine the European Union's competitiveness and strategic autonomy, while at the same time contributing to energy poverty among household consumers.

Moreover, the gap in electricity prices between the European Union and its main competitors has widened in recent years, leading to a stagnation of electrification levels in Europe at around 23% for more than a decade, while electrification continues to increase in other regions such as China, where it has already reached 28%.

To address this situation and reduce prices, it is essential to act on the three components of the electricity bill, namely: (i) supply costs, (ii) network charges and costs, and (iii) electricity taxation, as highlighted not only by the European Commission but also by the International Energy Agency in two recent reports, including the World Energy Outlook 2025 and Electricity 2026.

1. Supply costs

Supply costs can be reduced through the development of clean electricity generation technologies that do not rely on fossil fuels (natural gas). This is because, according to data from the European Commission and the International Energy Agency, in 2022 natural gas set the marginal electricity price for 60% of the time, despite accounting for only 20% of total electricity generation.

Furthermore, in order to reduce generation costs and provide price stability, there must be an increase in the contracting of clean energy both through long-term agreements (PPAs) and through hedging instruments.

2. Network charges

The capillarity of electricity networks must be increased so that, together with greater electrification of the economy, economies of scale can be achieved, allowing network charges and costs to be reduced.

In addition, network charges and costs should be designed and regulated in such a way as to steer consumption towards times and locations where cheaper generation sources are available.

3. Taxes and levies

As recently highlighted by the European Commission and the International Energy Agency, electricity is currently subject to a disproportionate tax burden, and the financing of the energy transition is largely being channelled through electricity taxation, as well as through various system charges and levies.

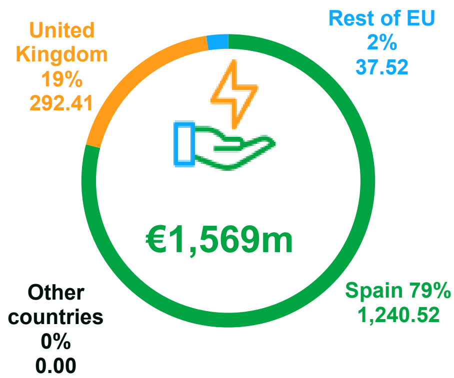
The level of taxation borne by Iberdrola worldwide is a clear reflection of this situation.

Breakdown of electricity taxes and charges paid by Iberdrola Group

Electricity taxes 2025 — **€1,569m**

69 Total tax obligations

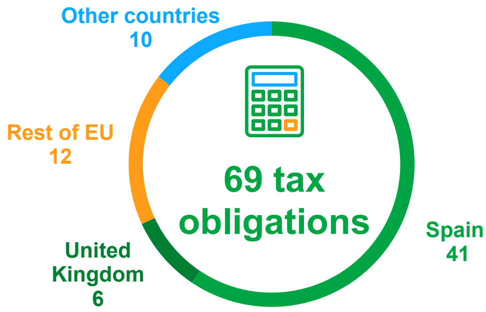
Country / Tax	€m
Spain	**1,240.52**
IVPEE (7%)	345.08
Water (Water Charge)	260.15
ENRESA rate	252.75
Autonomous regions ("Ecotasas")	151.23
Nuclear fuel	110.60
Subsidised Rate	74.82
Energy Efficiency	30.97
Nuclear Safety Council	13.98
I. Company electricity	0.64
I. Special – hydrocarbons: Natural Gas	0.28
I. Special – plastics packaging	0.00
United Kingdom	**292.41**
Energy Company Obligation	174.34
Smart Meters - in-home displays	72.82
Electricity Generation Levy	15.12
OFGEM License Fee	9.32
Energy Intensive Industries (EII) Support Levy	12.29
Warm Home Discount	8.51
Portugal	**24.41**
Subsidised rate (*Bono Social*)	23.91
Hydraulic Resources Tax (*Taxa de Recursos Hídricos*) (*TRH*)	0.10
CESE	0.39
France	**10.11**
Offshore Tax	10.11
Greece	**1.91**
Green Taxes	1.20
Wind Farm Licenses Tax	0.35
Other Energy Taxes	0.36
Cyprus	**0.09**
Green Taxes 1.8% - 3.6%	0.08
Other Energy Taxes	0.01
Poland	**0.00**
Electricity Tax in charge of the company	0.00
United States	**0.00**
Environmental Taxes	0.00
TOTAL	**1,569.45**



Iberdrola

Breakdown by country of the number of electricity taxes and charges paid

Country	No. Of taxes	€m	%
Europe	**59**	**1,569.44**	**100%**
Spain	41	1,240.52	79.04%
United Kingdom	6	292.41	18.63%
Portugal	3	24.41	1.56%
France	1	10.11	0.64%
Greece	3	1.91	0.12%
Poland	1	0.00	0.00%
Cyprus	2	0.09	0.01%
Ireland	1	0.00	0.00%
Germany	1	0.00	0.00%
Other	**10**	**0.00**	**0.00%**
United States	2	0.00	0.00%
Brazil	4	0.00	0.00%
Mexico	4	0.00	0.00%
Total	**69**	**1,569.45**	**100%**



Electricity taxes paid by Iberdrola amounted to approximately EUR 1,600 million in 2025. The Group is formally subject to 69 electricity taxes worldwide; however, it is observed that 19 of them currently do not give rise to an effective payment. Of the remainder, the vast majority are levied in Spain—41 electricity taxes—resulting in a total payment of EUR 1,241 million. This amount has doubled since the 2023 financial year and has remained above EUR 1,000 million over the last three years.

It is particularly striking that Iberdrola, an international leader in renewable energy and firmly committed to the energy transition for more than two decades, bears a level of electricity taxation significantly higher than that of other companies in the energy sector.

This situation results in a high and persistent tax burden that is not consistent with the strategic role played by Iberdrola in the transition towards a sustainable energy model.

The concentration of taxes on electricity reveals an unbalanced tax structure, in which electricity appears to be penalized for tax purposes. The multiplicity of tax figures and their overlap create a complex environment, characterized by a high level of formal obligations and associated costs, which distorts economic signals and hinders progress towards a more efficient and sustainable energy model.

Furthermore, this demonstrates that electricity activity is clearly penalized in Spain, with a very high level of both formal obligations and tax payments, with Spain accounting for 79% of the total amounts, reaching EUR 1,241 million in 2025.

Necessary reform of electricity taxation

In order to build confidence in electrification, it is essential to act on taxation by reducing it, which can also be achieved in the short term.

At European level, the following lines of action may be pursued:

1. Reduction of excise duties on electricity

The European framework should be leveraged to apply the minimum rates permitted:

- Households: 0 EUR/MWh
- Businesses: 0.5 EUR/MWh
- Electro-intensive industries: zero rate of taxation

In addition, rates should differentiate between commercial and non-commercial use and/or variable rates depending on consumption volumes.

Such a reduction would also have a multiplier effect, as a decrease in excise duties would automatically reduce the VAT tax base, further lowering the final electricity bill.

2. Reduction of Value Added Tax (VAT)

VAT is the main tax component of household electricity bills; therefore, applying the lowest possible reduced rate to electricity supply is essential to reduce costs for consumers.

Moreover, according to the European Commission, this measure would entail a loss of only 0.10% of total tax revenues at the EU level.

3. Complementary measures at national level

Member States should reform national legislation to meet the same objectives set at European level: competitiveness and strategic autonomy.

This requires implementing the tax measures outlined above in order to encourage domestic sources of production (electricity) and discourage imported energy sources (gas).

In addition, non-harmonized national taxes on electricity generation and consumption should be eliminated in order to avoid double taxation.

The need to reform of electricity taxation in Spain

Electricity taxation in Spain is particularly affected by the shortcomings outlined above, as the tax component of electricity prices in Spain exceeds the European Union average.

Moreover, there are numerous taxes that specifically and uniquely levy electricity generation activities, established at the different levels of public administration (central, regional and local). This not only complicates the tax landscape, but also gives rise to multiple tax categories that, in some cases, overlap, leading to situations of double taxation and contradicting the principles of tax fairness and equality when compared with other sectors.

Generation source	Tax
All	Tax on the Value of Electricity Production (IVPEE)
Hydroelectric	Hydroelectric levy (*Canon hidroeléctrico*)
	Regional tax (Aragon)
	Regional tax (Castile and León)
	Regional tax (Extremadura)
	Regional tax (Galicia)
	Regional tax (Valencia)
Nuclear	Taxes on Spent Nuclear Fuel and Radioactive Waste
	ENRESA levy (National Radioactive Waste Management Company)
	Nuclear Safety Council levy
	Regional tax (Catalonia)
	Regional tax (Extremadura)
	Regional tax (Valencia)
Wind / Photovoltaic	Regional tax (Aragon)
	Regional tax (Cantabria)
	Regional tax (Castile and León)
	Regional tax (Castile–La Mancha)
	Regional tax (Galicia)
	Regional tax (La Rioja)
	Regional tax (Basque Country)
Other generation sources	Various regional taxes
Other items	Subsidised rate financing (*bono social*)
	National Energy Efficiency Fund

It is therefore necessary to eliminate or reduce those taxes that apply to electricity generation and consumption and give rise to double taxation.

In addition, electricity storage should be promoted as a key element of the energy system, once again avoiding double taxation (both in the case of batteries and pumped-storage hydropower).

Annex. Tax assessment by country

Spain

Revenue
€37,270m

Profit
€3,750m

TTC
€4,675m

Employees
9,913

Nominal rate
24-25%

Effective rate
21%

Significant legal entities

Iberdrola, S.A.	Iberdrola España, S.A.U.	Iberdrola Redes España, S.A.U.
I-DE Redes Eléctricas Inteligentes, S.A.U.	Iberdrola Energía Sostenible España, S.L.	Iberdrola Renovables Internacional, S.A.U.
Iberdrola Renovables Energía. S.A.U.	Iberenova Promociones, S.A.U.	Iberdrola Generación Térmica, S.L.U.
Iberdrola Generación Nuclear, S.A.U.	Iberdrola Energía España, S.A.U.	Iberdrola Clientes, S.A.U.
Iberdrola Energía Internacional, S.A.U.	Iberdrola Participaciones, S.A.U.	Iberdrola Financiación, S.A.U.

Total tax contribution

Total taxes paid: €4,675m

Spain	€m
Own taxes	**2,340**
Corporate income tax	587
Non-deductible VAT and similar taxes	7
Company contributions on salaries	171
Local taxes	330
Electricity taxes	1,241
Other own taxes	4
Taxes collected	**2,335**
VAT and similar taxes	1,803
Withholding taxes on third-party income	497
Other taxes collected	35
Total	**4,675**

Iberdrola is a Group whose parent company is located in Spain.

The amount of corporate income tax in Spain is significant and, in 2025 amounted to EUR 587 million, representing 25% of taxes charged to the income statement.

Corporate income tax decreased in 2025 mainly due to the absence of favourable court rulings that generated extraordinary income in the previous financial year, the normalization of commercial margins, and the refund of withholding tax borne in Germany amounting to EUR 62 million.

For its part, the amount of electricity taxes is also significant, accounting for 53% of total taxes charged to the income statement in Spain. An increase of EUR 96 million was recorded in 2025, representing an 8% rise compared to the previous financial year. This increase was attributable to a rise in the Water Law charge (*Tasa de la Ley de Aguas*) (including the Hydropower Levy - *Canon Hidráulico*), amounting to EUR 63 million, driven by higher production; an increase in the Tax on the Value of Electricity Production (IVPEE), amounting to EUR 166 million, due to the progressive increase in tax rates following their suspension in previous years; and an increase in the ENRESA levy, amounting to EUR 50 million, resulting from the rise in the applicable tax rate.

A decrease of EUR 12 million was also recorded in contributions to the National Energy Efficiency Fund, and no amounts were recognized in respect of the temporary energy levy or the mechanism for reducing excess remuneration in the electricity market, as these measures were not applicable in 2025.

In addition, a significant increase was recorded in the collection of VAT and similar taxes, mainly justified by the elimination of the reduced rates applied in previous years to VAT and the Electricity Tax. An increase in withholdings and payments on account was also recorded, driven by the higher dividend distributed.

Country-by-country Report - OECD

Spain is the most mature market and contributed 46% of the Group's revenue, 40% of its profit and 22% of its workforce, remaining in line with the figures for 2024.

It is a jurisdiction with a high volume of related-party revenue, as it is the country where the Group's parent company is located and therefore concentrates a significant number of resources responsible for the provision of centralized services. Of total related-party revenue, 90% corresponded to income derived from domestic transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	15,192	22,078	37,270	3,750	580	807	359	9,913
2024	14,286	21,629	35,915	3,554	890	800	883	9,849

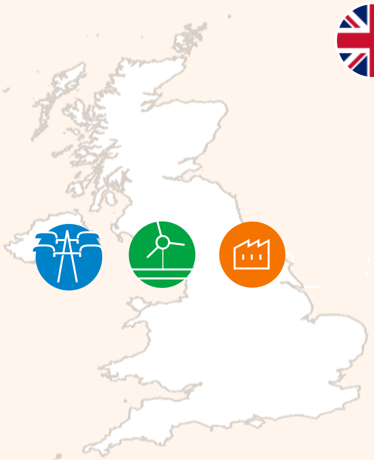
As can be observed, in the 2025 financial year there were no significant deviations between the statutory tax rate and the effective tax rate. The most significant recurring divergence arose from the recognition of tax credits relating to deductions from the tax payable.

Analysis of deviation between nominal and effective rates

Year	Effective tax rate (total)	Effective tax rate (cash)	Nominal rate
2025	21%	15%	24% - 25%
2024	23%	25%	24% - 25%

At the end of this section, the tax rate indicators (TRIs) are analysed individually in accordance with the self-assessment methodology recommended by the OECD Guidelines.

United Kingdom



Revenue €15,661m	**Profit** €2,755m
TTC €1,061m	**Employees** 9,760
Nominal rate 25%	**Effective rate** 21%

Significant legal entities

Scottish Power Investments, Ltd.	Scottish Power, Ltd.	Scottish Power UK, Plc
Scottish Power Energy Networks Holdings Ltd.	Scottish Power Renewable Energy Ltd.	Scottish Power Retail Holdings Ltd.
SP Transmission Plc	North West Electricity Networks (UK) Ltd	Scottish Power Renewables (UK) Ltd.
Scottish Power Generation (Assets) Ltd.	Scottish Power Energy Management Ltd.	Scottish Power Energy Retail Ltd.

Total tax contribution

Total taxes paid: €1,061m

United Kingdom	€m	£m
Own taxes	**866**	**742**
Corporate income tax	271	232
Non-deductible VAT and similar taxes	0	0
Company contributions on salaries	95	81
Local taxes	202	173
Electricity taxes	292	250
Other own taxes	6	5
Taxes collected	**195**	**167**
VAT and similar taxes	-9	-8
Withholding taxes on third-party income	165	141
Other taxes collected	39	33
Total	**1,061**	**909**

The country has a classical tax structure, with a homogenous mix of own and collected taxes as well as a centralised tax authority.

The exchange rate effect in the United Kingdom in 2025 was moderate.

In the United Kingdom, a decrease was recorded in 2025 in both own taxes and collected taxes.

Own taxes decreased, mainly due to corporate income tax and electricity taxes.

Corporate income tax decreased primarily as a result of the application of capital allowances, reflecting the significant investment effort undertaken during the year. As regards electricity taxes, payments under the Electricity Generator Levy decreased significantly, mainly due to the increase in the thresholds triggering the obligation to pay and to a reduction in electricity generation.

Collected taxes, in turn, decreased due to a decline in VAT collected, which is largely explained by the increase in expenditure on items for which VAT is recoverable, as a result of the substantial investment effort made during the year.

In addition, in 2025 the companies belonging to the Electricity North West Group contributed EUR 163 million (GBP 140 million) to the total tax contribution of the Iberdrola Group.

Country-by-country Report - OECD

The United Kingdom contributed 20% of the Group's revenue, 29% of its profit and 21% of its workforce, representing a higher contribution than in the 2024 financial year. The contribution to the workforce increased by 6% of the Group's total, mainly as a result of the integration of the Electricity North West Group. It should be noted that, after Spain, this jurisdiction recorded the highest amount of profit before tax within the Group. Accordingly, it is an established and expanding market of significant economic and strategic importance to the Group. 38% of its revenue was derived from related parties. This high percentage was mainly due to the inclusion of domestic transactions, which account for 93% of total related-party revenue (e.g. centralised services provided by the subholding to its subsidiaries). In addition, in the United Kingdom there were highly specialised personnel providing development and construction services to other jurisdictions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	9,775	5,886	15,661	2,755	271	589	267	9,760
2024	9,737	5,217	14,954	2,107	327	594	344	6,507

The difference between the nominal tax rate and the effective tax rate (of approximately four percentage points) mainly arose from the application of the Substantial Shareholding Exemption (SSE) to capital gains/losses realised on the transfer or disposal of shareholdings in companies, as well as from tax adjustments relating to depreciation and non-deductible expenses.

Analysis of deviation between nominal and effective rates

Year	Effective tax rate (total)	Effective tax rate (cash)	Nominal rate
2025	21%	10%	25%
2024	28%	16%	25%

At the end of this section, the tax rate indicators (TRIs) are analysed individually in accordance with the self-assessment methodology recommended by the OECD Guidelines.

United States of America

Revenue
€10,310m

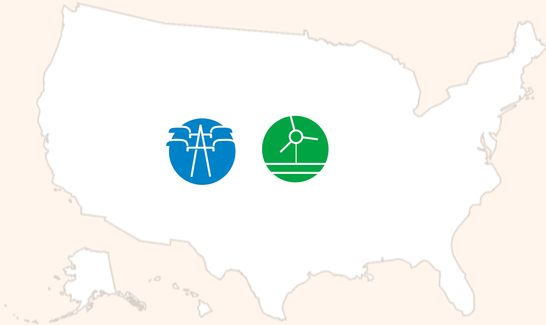
Profit (Loss)
€1,256m

TTC
€1,384m

Employees
8,490

Nominal rate
26.60%

Effective rate
26%



Significant legal entities

Avangrid, Inc.	Avangrid Management Company LLC.	Avangrid Networks Inc.
Avangrid Power Holding Inc.	Avangrid Power LLC	Avangrid Networks New York TransCo, LLC
UIL Group, LLC	Central Maine Power Company	Atlantic Wind LLC
Atlantic Renewable Energy Corporation	New York State Electric & Gas Corporation	Rochester Gas and Electric Corporation
West Valley Leasing Company, LLC		

Total tax contribution

Total taxes paid: €1,384m

United States of America	€m	$m
Own taxes	**962**	**1,085**
Corporate income tax	26	29
Non-deductible VAT and similar taxes	0	0
Company contributions on salaries	81	91
Local taxes	673	759
Electricity taxes	0	0
Other own taxes	182	205
Taxes collected	**422**	**476**
VAT and similar taxes	138	156
Withholding taxes on third-party income	206	232
Other taxes collected	78	88
Total	**1,384**	**1,561**

The United States of America is a country with a classical structure and a large number of tax jurisdictions.

The exchange rate effect in the United States in 2025 was moderate.

A significant increase was recorded in local taxes in 2025, specifically in the State Property Tax, mainly as a result of higher investment levels.

Likewise, an increase in VAT collected was recorded, attributable to higher energy demand and increased tariffs.

Country-by-country Report - OECD

The United States contributed 13% of the Group's revenue, 13% of its profit and 19% of its workforce, with a limited share of related-party revenue. Of the related-party revenue, virtually all corresponded to income derived from domestic transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	9,075	1,235	10,310	1,256	26	332	62	8,490
2024	8,256	1,296	9,552	-755	21	-213	11	8,269

As can be observed, in the 2025 financial year the nominal tax rate and the effective tax rate were virtually the same.

Analysis of deviation between nominal and effective rates

Year	Effective tax rate (total)	Effective tax rate (cash)	Nominal rate
2025	26%	2%	26.60%
2024	-	-	26.50%

At the end of this section, the tax rate indicators (TRIs) are analysed individually in accordance with the self-assessment methodology recommended by the OECD Guidelines.

Brazil

Revenue
€10,182m

Profit (Loss)
€913m

TTC
€2,328m

Employees
15,535

Nominal rate
34%

Effective rate
7%

Significant legal entities

Neoenergia S.A.	Companhia de Eletricidade do Estado do Bahia, S.A. - COELBA	Companhia Energética de Pernambuco, S.A. - CELPE
Companhia Energética do Rio Grande do Norte, S.A. - COSERN	Elektro Redes, S.A.	Elektro Renováveis do Brasil, S.A.
Enerbrasil-Energias Renováveis do Brasil, S.A.	Termopernambuco, S.A.	Neoenergia Smart, Ltd.
Neoenergia Renováveis S.A.		

Total tax contribution

Total taxes paid: €2,328m

Brazil	€m	R$m
Own taxes	**216**	**1,361**
Corporate income tax	121	762
Non-deductible VAT and similar taxes	0	0
Company contributions on salaries	83	523
Local taxes	4	25
Electricity taxes	0	0
Other own taxes	8	50
Taxes collected	**2,112**	**13,304**
VAT and similar taxes	1,935	12,189
Withholding taxes on third-party income	109	687
Other taxes collected	68	428
Total	**2,328**	**14,665**

Brazil has a complex tax structure, arising from its political, federal and state structure of multiple tax jurisdictions. The plethora of taxes and jurisdictions means that the tax burden is high, particularly in the area of indirect taxation.

Compared to the previous financial year, the total contribution increased by BRL 505 million; however, the exchange rate effect results in a decrease of EUR 100 million when expressed in euros. Therefore, considering the differences recorded in euros and in local currency, the exchange rate effect in 2025 was significant.

In this respect, a slight increase in the contribution from corporate income tax was recorded, driven by the evolution of the tax base, mainly due to higher withholding taxes on financial investments.

In Brazil, the amount of taxes collected was highly significant, as the regulated business involves large-scale billing to a broad customer base, with the corresponding taxes being passed on.

Accordingly, with regard to VAT collected and other similar taxes, while the amount expressed in BRL increases, the amount expressed in euros decreased, as a result of the exchange rate impact.

Thus, an increase was recorded for the Social Security Financing Contribution (*Contribuição para o Financiamento da Seguridade Social*) (COFINS), mainly due to higher gross revenues in the distribution business and lower offsets than in the previous year.

The Tax on the Circulation of Goods and Services (*Imposto sobre Circulação de Mercadorias e Serviços* (ICMS) decreased, primarily due to the shutdown of Termopernambuco's generation activities.

Finally, the Public Lighting Contribution / Public Lighting Service Charge (*Contribuição de Iluminação Pública / Contribuição para o Custeio do Serviço de Iluminação Pública*) (CIP/COSIP) increased, mainly as a result of higher tariffs and changes to the calculation methodology implemented by municipalities.

Country-by-country Report - OECD

Brazil contributed 13% of the Group's revenue and 10% of its profit. In addition, Brazil was the Group's most relevant jurisdiction in terms of workforce share, accounting for more than 34% of the total. The high proportion of professionals in Brazil was due, among other factors, to the lower volume of outsourced work, particularly in the regulated business, compared with other jurisdictions. It is a jurisdiction with a limited volume of related-party revenue, all of which is domestic.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	9,823	359	10,182	913	107	66	-29	15,535
2024	9,697	486	10,183	886	126	181	115	15,544

The effective tax rate was significantly lower than the nominal tax rate (by approximately twenty-seven percentage points) as a result of several factors. Some of these were recurring, such as the effects of the (optional) application of the presumed profit regime in the taxation of certain companies, the payment of *Juros sobre o Capital Próprio*, and the existence of the SUDENE tax incentive. Others were specific to 2025, the most significant of which was the change in the treatment of the exclusion of the inflation adjustment of undue tax payments in the calculation of corporate income tax.

Analysis of deviation between nominal and effective rates

Year	Effective tax rate (total)	Effective tax rate (cash)	Nominal rate
2025	7%	12%	34%
2024	20%	14%	34%

At the end of this section, the tax rate indicators (TRIs) are analysed individually in accordance with the self-assessment methodology recommended by the OECD Guidelines.

Mexico

Revenue
€2,238m

Profit (Loss)
€333m

TTC
€645m

Employees
678

Nominal rate
30%

Effective rate
10%

Significant legal entities

Iberdrola México, S.A. de C.V.	Iberdrola Generación México, S.A. de C.V.	Iberdrola Renovables México, S.A. de C.V.
Iberdrola Servicios Corporativos S.A. de C.V.	Iberdrola Clientes, S.A. de C.V.	Iberdrola Generación, S.A. de C.V.

Total tax contribution

Total taxes paid: €645 million

Mexico	€m	MX$ million
Own taxes	**581**	**12,592**
Corporate income tax	572	12,397
Non-deductible VAT and similar taxes	0	0
Company contributions on salaries	8	173
Local taxes	0	0
Electricity taxes	0	0
Other own taxes	1	22
Taxes collected	**64**	**1,387**
VAT and similar taxes	48	1,040
Withholding taxes on third-party income	15	325
Other taxes collected	1	22
Total	**645**	**13,979**

Mexico has a simple tax framework, based on corporate income tax and on VAT, with a federal-level administrative centralisation.

The exchange rate effect in the case of Mexico was moderate in 2025.

The main differences in tax contribution compared to the previous financial year stemmed from the aforementioned sale of the combined-cycle business. As a result, a significant increase in corporate income tax was recorded in 2025, since extraordinary corporate income tax payments arising from the capital gain on the transaction were made in both 2024 and 2025. Likewise, the amount of VAT collected also increased, as substantially higher amounts were recovered in 2024 than in 2025, also as a result of the sale of the combined-cycle business.

Country-by-country Report - OECD

Mexico contributed 3% of the Group's revenue, 4% of its profit and 1% of its workforce. Mexico's contribution decreased significantly due to the sale of Iberdrola Mexico. The share of revenue from related-party transactions stood at 26%, all of which corresponded to income derived from domestic transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	1,645	593	2,238	333	572	33	100	678
2024	5,338	580	5,918	3,203	443	807	936	831

The effective tax rate was substantially lower than the nominal tax rate (by approximately twenty percentage points), mainly due to recurring factors, including exchange rate movements and the existence of certain differences between accounting and tax treatment (provisions, deferred income, inflationary effects, valuation of derivatives, and differences in the recognition of fixed assets and their depreciation rates).

Analysis of deviation between nominal and effective rates

Year	Effective tax rate (total)	Effective tax rate (cash)	Nominal rate
2025	10%	172%	30%
2024	25%	14%	30%

At the end of this section, the tax rate indicators (TRIs) are analysed individually in accordance with the self-assessment methodology recommended by the OECD Guidelines.

Other countries

Significant legal entities

Iberdrola Renouvelables, S.A.S.	Iberdrola Renovables Deutschland GmbH	Iberdrola Renewables Portugal S.A.
Iberdrola Energie France, S.A.S.	Iberdrola Energie Deustchland GmbH	Iberdrola Clientes Portugal, Unipessoal Lda.
Iberdrola Développement Renouvelable, S.A.R.L.	Iberdrola Clienti Italia, S.R.L.	Iberdrola Renewables Australia PTY, Ltd.
C.Rokas Industrial Commercial Company, S.A.	Iberdrola Renovables Italia, S.p.A.	Iberdrola Australia, Ltd.
Iberdrola Renewables Polska, SP ZOO	Iberdrola International, B.V.	

Total tax contribution

Total taxes paid: €317 million

Other countries	€m
Own taxes	**61**
Corporate income tax	-7
Non-deductible VAT and similar taxes	2
Company contributions on salaries	22
Local taxes	6
Electricity taxes	36
Other own taxes	2
Taxes collected	**256**
VAT and similar taxes	194
Withholding taxes on third-party income	41
Other taxes collected	21
Total	**317**

This category includes jurisdictions that are significant in terms of their tax contribution, notably Germany, Australia, France, Greece, Hungary, Italy and Portugal.

In 2025, the tax contribution in these countries decreased significantly. The main differences were recorded in corporate income tax and in VAT collected.

Significant decreases in corporate income tax were observed in the following countries:

- Germany: the decrease was due to refunds received as a result of the reassignment of the tax collection authority.

- Portugal: in this case, the decrease was mainly due to a reduction in profit.

As regards value added tax, the decrease recorded in Germany, Italy and Portugal was attributable to a decline in sales.

Country-by-country Report - OECD

The group of other countries in which Iberdrola operates represented approximately 6% of the Group's total revenue and 4% of its total profit. Among the other countries in which Iberdrola is present, Portugal was the jurisdiction with the highest contribution to revenue, at 2.4%, followed by Germany at 1%. In terms of profit contribution, France ranked first, accounting for 1.5%.

In the following sections, the countries within the international perimeter that provide relevant data for Table T1 of the Country-by-Country Report are analysed. Complete information for all countries can be found at the beginning of this section.

In general terms, the main differences with respect to nominal tax rates arose from accounting criteria relating to the recognition of tax loss carryforward assets and their subsequent utilisation, from surcharges and taxes similar to corporate income tax applicable in jurisdictions such as Hungary, as well as from the exemption applicable to income derived from the disposal of equity instruments representing shareholdings in entities.

Analysis of deviation between nominal and effective rates

Country	Effective tax rate (total)	Effective tax rate (cash)	Nominal rate
Germany	26%	- 74%	30.2%
Australia	30%	-	30%
Qatar	-	-	10%
France	26%	9%	25.8%
Greece	22%	29%	22%
Hungary	29%	26%	9%
Italy	-	-	28.8%
Netherlands	-	-	25.8%
Poland	-	-	19%
Portugal	-	-	29.7%

At the end of this section, the tax rate indicators (TRIs) are analysed individually in accordance with the self-assessment methodology recommended by the OECD Guidelines.

Germany

Revenue
€693m

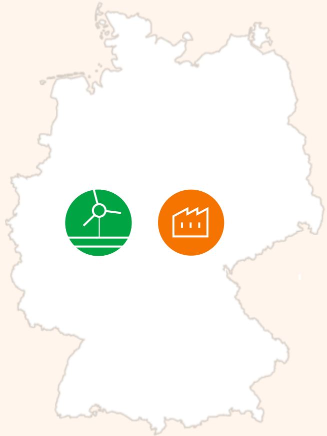
Profit (Loss)
€90m

TTC
-€8m

Employees
177

Nominal rate
30.2%

Effective rate
26%



Significant legal entities

Iberdrola Renovables Deutschland, GmbH.	Wikinger Offshore Deutschland, GmbH & Co KG	Windanker, GmbH.
Iberdrola Energie Deutschland, GmbH.	Baltic Eagle, GmbH.	

Country-by-country Report - OECD

Germany contributed 1% of the Group's revenue, 1% of its profit and 0.4% of its workforce. The share of revenue from related-party transactions amounted to 40%, with 72% corresponding to revenue derived from domestic transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	415	278	693	90	-67	24	18	177
2024	501	306	807	136	-25	25	37	196

Australia

Revenue
€478m

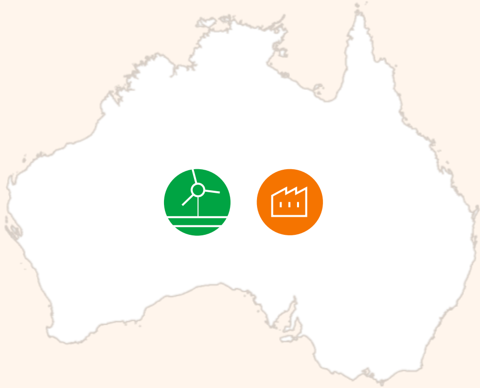
Profit (Loss)
€28m

TTC
€11m

Employees
268

Nominal rate
30%

Effective rate
30%



Significant legal entities

Iberdrola Australia, Ltd.	Iberdrola Renewables Australia Holding 2PTY, Ltd.	PAREP 1 PTY, Ltd.
Iberdrola Australia Smart Energy Solutions PTY, Ltd	Iberdrola Australia Development Holdings PTY, Ltd.	Smithfield Power Generation PTY, Ltd.
Lake Bonney Wind Power PTY, Ltd.	Iberdrola Australia Energy Markets PTY, Ltd.	

Country-by-country Report - OECD

Australia contributed 0.6% of the Group's revenue, 0.3% of its profit and 0.6% of its workforce. Virtually all of its revenue was generated from independent third parties, with the share of revenue from related-party transactions being very limited (3%). Likewise, virtually all revenue from related-party transactions arose from domestic transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	466	12	478	28	-	8	-	268
2024	502	21	523	31	0	8	0	240

Qatar

Revenue
€5m

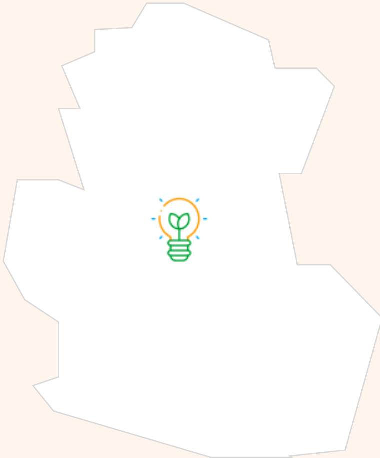
Profit (Loss)
-€1m

TTC
-

Employees
42

Nominal rate
10%

Effective rate
N/A



Significant legal entities

Iberdrola QSTP, LLC

Country-by-country Report - OECD

Qatar contributed 0.01% of the Group's revenue and 0.09% of its workforce. The share of revenue from related-party transactions amounted to 59%, with all such revenue arising from international transactions. It recorded a loss in the 2025 financial year.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	2	3	5	-1	-	-	-	42
2024	5	0	5	-1	0	0	0	36

France

Revenue
€459m

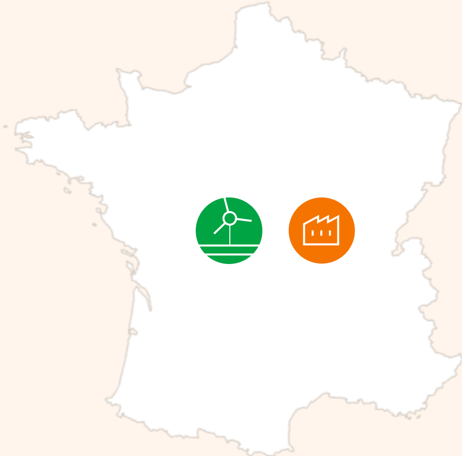
Profit (Loss)
€138m

TTC
€28m

Employees
131

Nominal rate
25.8%

Effective rate
26%



Significant legal entities

Iberdrola France, S.A.S.	Iberdrola Energie France, S.A.S.	Ailes Marine, S.A.S.
Iberdrola Renouvelables, S.A.S.		

Country-by-country Report - OECD

France contributed 0.57% of the Group's revenue, 1.47% of its profit and 0.29% of its workforce. Virtually all of its revenue was generated from independent third parties, with the share of revenue from related-party transactions amounting to 10%. Of the revenue from related-party transactions, almost all arose from domestic transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	414	45	459	138	12	36	25	131
2024	328	37	365	79	16	23	14	150

Greece

Revenue
€87m

Profit (Loss)
€41m

TTC
€18m

Employees
112

Nominal rate
22%

Effective rate
22%

Significant legal entities

C. Rokas Industrial Commercial Company, S.A.	PPC Renewables Rokas, S.A.	Rokas Construction, S.A.
Rokas Hydroelectric, S.A.	Rokas Aeoliki Thraki III, S.A.	Aeliared Energy Aetolias Single Member S.A.

Country-by-country Report - OECD

Greece contributed 0.11% of the Group's revenue, 0.44% of its profit and 0.25% of its workforce. Virtually all of its revenue derived from transactions with independent third parties.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	85	2	87	41	12	9	9	112
2024	84	0	84	45	9	10	11	112

Hungary

Revenue
€33m

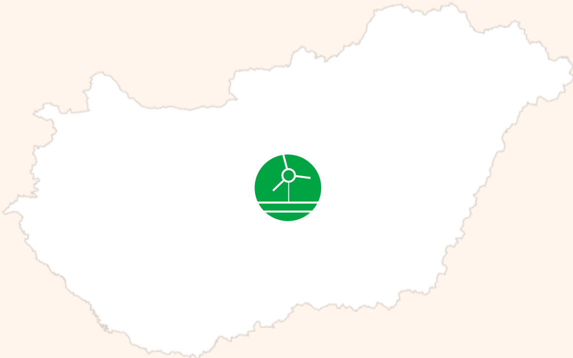
Profit (Loss)
€19m

TTC
€14m

Employees
10

Nominal rate
9%

Effective rate
29%



Significant legal entities

Iberdrola Renovables Magyarorszag, Kft.

Country-by-country Report - OECD

Hungary contributed 0.04% of the Group's revenue, 0.20% of its profit and 0.02% of its workforce, in line with the figures reported for 2024. Virtually all of its revenue was generated from independent third parties, with the share of revenue from related-party transactions amounting to 4%. All revenue from related-party transactions arose from international transactions.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	32	1	33	19	5	6	6	10
2024	38	2	40	27	4	5	5	10

Italy

Revenue
€206m

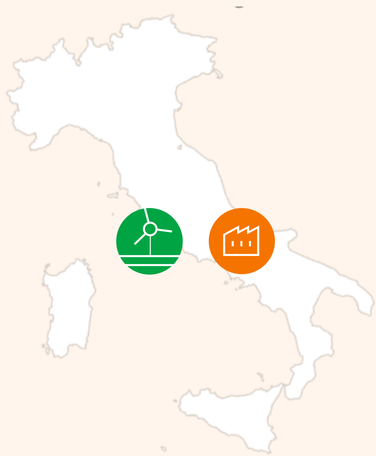
Profit (Loss)
-€7m

TTC
€29m

Employees
101

Nominal rate
28.8%

Effective rate
N/A



Significant legal entities

Iberdrola Renovables Italia, S.p.A.	Iberdrola Italia, S.R.L.	Green Frogs Montalto, S.R.L.
Green Frogs Tarquinia, S.R.L.		

Country-by-country Report - OECD

Italy contributed 0.26% of the Group's revenue and 0.22% of its workforce. The share of revenue from related-party transactions amounted to 39%, with almost all such revenue arising from domestic transactions (90%). It recorded a loss in the 2025 financial year.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	125	81	206	-7	0	-1	1	101
2024	369	226	595	-15	1	-10	0	107

Netherlands

Revenue
€352m

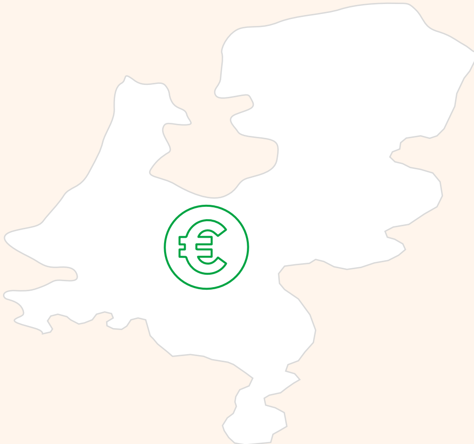
Profit (Loss)
-€0.029m

TTC
-

Employees
-

Nominal rate
25.8%

Effective rate
N/A



Significant legal entities

Iberdrola International, B.V.

Country-by-country Report - OECD

The Netherlands contributed 0.44% of the Group's revenue, with virtually all of its revenue arising from related-party transactions (75%), as the activity of this entity consists of raising financing from third parties, which is subsequently lent to the Group.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	88	264	352	0	0	0	0	0
2024	0	414	414	0	0	0	0	0

Poland

Revenue
€44m

Profit (Loss)
-€16m

TTC
€8m

Employees
39

Nominal rate
19%

Effective rate
N/A

Significant legal entities

Iberdrola Renewables Polska, Z.O.O.	Wind Field Korytnica, SP Z.O.O.	Passat Energy, SP Z.O.O.
Southern Windfarm, SP Z.O.O.	Pon-Therm Farma Wolka Dobrynska, SP Z.O.O.	Monsoon Energy, SP Z.O.O.

Country-by-country Report - OECD

Poland contributed 0.05% of the Group's revenue and 0.09% of its workforce. Almost all of its revenue was generated from independent third parties, with the share of revenue from related-party transactions amounting to 8.6%. Of the revenue from related-party transactions, 75% arose from domestic transactions. It recorded a loss in the 2025 financial year.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	40	4	44	-16	2	-1	0	39
2024	54	2	56	0	2	2	1	39

Portugal

Revenue
€1,927m

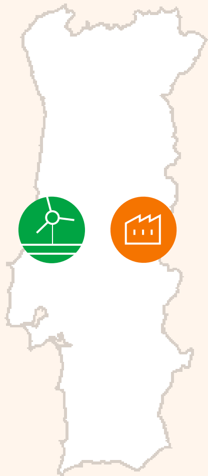
Profit (Loss)
-€19m

TTC
€212m

Employees
240

Nominal rate
29.7%

Effective rate
N/A



Significant legal entities

Iberdrola Clientes Portugal, Unipessoal Ltda.	Iberdrola Renewables Portugal, S.A.	Eonergi Energia Eolica, S.A.
P.E. da Serra do Alvao, S.A.	Iberdrola Suporte Projecto Tamega, Unipessoal Lda.	Energías Renovaveis Tras-Os-Montes 360, S.A.

Country-by-country Report - OECD

Portugal contributed 2.40% of the Group's revenue and 0.53% of its workforce. The share of revenue from related-party transactions amounted to 45%, with virtually all such revenue arising from domestic transactions (79%). It recorded a loss in financial year 2025.

€m Year	Revenue			Profit (loss) before income tax	Corporate income tax paid	Total corporate income tax accrued	Current corporate income tax accrued	Number of employees
	Third parties	Related parties	Total					
2025	1,059	868	1,927	-19	23	2	19	240
2024	1,142	914	2,056	149	123	47	46	238

Self-assessment of the Iberdrola Group's Country-by-country Report according to OECD criteria

Assessment Indicators ("TRIs") and key considerations for interpreting the data in light of Iberdrola Group's sector and activities.

OECD TRI	DEFINITION	INTERPRETATIVE CRITERIA FOR THE IBERDROLA GROUP
TRI1	The footprint of a group in a particular jurisdiction	The Iberdrola Group's core countries are Spain, the United Kingdom, the United States, Brazil and Mexico. The group of other countries in which Iberdrola operates represented approximately 6% of the Group's total revenue and 4% of its total profit. However, for the purposes of this self-assessment analysis, all jurisdictions shown in Table 1 of the country-by-country report have been considered
TRI2	A group's activities in a jurisdiction are limited to those that pose less risk	Each line of business (generation, transmission/distribution and retail supply of energy) assumes its own operational and financial risks, which may vary from one country to another, depending on the characteristics of the market itself.
TRI3	There is a high value or high proportion of related-party revenues in a particular jurisdiction	In accordance with the methodology described for the Country-by-Country Report, the "related-party revenues" figure recorded for each jurisdiction is an aggregate of all individual companies and therefore shows amounts derived from domestic transactions. Consequently, to assess this risk factor it is important to identify those jurisdictions with transnational "related-party revenues", which are predominantly Spain and the United Kingdom.
TRI4	The results in a jurisdiction deviate from potential comparables	-
TRI5	The results in a jurisdiction do not reflect market trends	Iberdrola is exposed to variations in energy prices that will affect it, depending on the generation capacity, the committed volume, the volume for which it must tap the wholesale market, etc. Therefore, except in exceptional market situations (e.g. 2022), it is hard to establish financial trends through macro-jurisdictional figures where the results of different businesses are jumbled together.
TRI6	There are jurisdictions with significant profits but little substantial activity	-

OECD TRI	DEFINITION	INTERPRETATIVE CRITERIA FOR THE IBERDROLA GROUP
TRI7	There are jurisdictions with significant profits but low levels of tax accrued	Under this indicator, the deviation of effective tax rates from the nominal tax rates applicable in each jurisdiction is assessed. The main countries of the Iberdrola Group have already been analysed previously, and no other jurisdictions with positive profit before tax stand out in which this indicator is identified.
TRI8	There are jurisdictions with significant activities but low levels of profit (or losses)	It is important to consider the degree of maturity of the activity in the country. For instance, those countries where renewable projects are being developed that have not yet reached commercial operation (COD) will record losses on the investment made, without generating revenue until they enter into operation.
TRI9	A group has activities in jurisdictions posing a BEPS risk	Iberdrola considers it a good practice to prohibit the creation or acquisition of companies in non-cooperative jurisdictions or tax havens under the terms described above.
TRI10	A group has mobile activities located in jurisdictions where the group pays a lower rate or level of tax	-
TRI11	There have been changes in a group's structure, including the location of assets	Due to the nature of the business, where energy is supplied in the same country where it is generated, there are no situations involving relocation of assets. The most common transactions are investments in and divestments of projects with third parties.
TRI12	Intellectual property (IP) is separated from related activities within a group	-
TRI13	A group has marketing entities located in jurisdictions outside its key markets	Due to very nature of the energy business, electricity is typically sold in the country where it is generated. Therefore, supply activities within the Iberdrola Group carry a limited risk within the supply chain as they are usually domestic purchase and sale transactions.
TRI14	A group has procurement entities located in jurisdictions outside its key manufacturing locations	This risk indicator is not relevant within the Iberdrola Group with respect to its core business of generation and sale of energy in the markets, due to the obvious constraints affecting international electricity transmission. However, this risk indicator will be measured from the standpoint of centralised procurement activity (e.g. for assets needed to build projects).
TRI15	Income tax paid is consistently lower than income tax accrued	According to the OECD Manual, if the level of taxes paid in a jurisdiction is materially and consistently lower than the level of accrued taxes, this may be an indicator of a potential tax risk. The jurisdictions that represent the most significant differences, based on the 2025 figures, are Germany and the United States:

OECD TRI	DEFINITION	INTERPRETATIVE CRITERIA FOR THE IBERDROLA GROUP
		Germany: the decrease in income tax paid is due to the refund of significant amounts as a result of the reassignment of the tax collection authority from the Schwerin tax office to the Berlin tax office. United States: income tax paid is lower than accrued (current) income tax due to the application of tax loss carryforwards from prior years, which reduce or eliminate the tax payable.
TRI16	A group includes dual resident entities	-
TRI17	A group includes entities with no tax residence	-
TRI18	A group discloses stateless revenues in Table 1	-
TRI19	Information in a group's CbC Report does not correspond with information previously provided by a constituent entity	-

Based on the above and following the TRIs contained in chapter 4 of the “Handbook on Effective Tax Risk Assessment” published by the OECD in September 2017, the following conclusions can be drawn:

OECD TRI	DEFINITION	ANALYSIS OF TAX RATE INDICATORS
TRI1	The footprint of a group in a particular jurisdiction	The OECD report considers that a group’s activity in a given jurisdiction can be used as an initial filter for conducting risk analysis. The relevant jurisdictions for the purposes of this analysis are the core countries mentioned above, along with Australia, Germany, France and Portugal.
TRI2	A group’s activities in a jurisdiction are limited to those that pose less risk	The Group carries out a variety of activities in the jurisdictions in which it operates, and in none of these jurisdictions does it limit its activities to those that might pose a lower tax risk.
TRI3	There is a high value or high proportion of related-party revenues in a particular jurisdiction	According to the OECD document, when an entity receives a significant amount of ordinary revenue from related parties, this increases the possibility that an error in the transfer pricing applied may result in a “significant tax difference” or that other BEPS risks exist. The Netherlands has a significant ratio of related-party revenues to total revenues due to the activity (through a single entity) of providing financial support services, which enables the Iberdrola Group to obtain a portion of the financing that the Group raises from third parties, which is subsequently lent to the Group. The Dutch company qualifies as a service provider based on the functions performed, the assets employed and the risks assumed in carrying out the related party transaction, and a mark-up is assigned to it on the total costs incurred in providing the services. As a result, there is a high volume of intra-group transactions (revenues), but limited profit due to its functional characterisation as a service provider In Spain, the parent company’s jurisdiction, there is a high volume of related-party revenues due to: (i) the degree of maturity of the market; (ii) the vertical integration of the Businesses; and (ii) the existence of centralised corporate activities carried out for the benefit of the group’s subsidiaries The remaining core countries of the Iberdrola Group (the United Kingdom, the United States, Brazil and Mexico) have already been analysed previously The OECD handbook notes that where the amount of intra-group income in a foreign jurisdiction or the proportion of total income that is generated from related parties is high, the tax authority may look at other factors, such as whether there are substantial activities in the foreign jurisdiction, the nature of those activities and the effective tax rate. In the remaining cases (e.g. Germany, Portugal, Norway, Sweden, etc.), where there is revenue from related parties, a distinction is made between consolidated jurisdictions in which the majority of revenue corresponds to domestic income, and jurisdictions where business activities are still under development and which present a very low level of revenue; therefore, they are not identified as risk jurisdictions.

OECD TRI	DEFINITION	ANALYSIS OF TAX RATE INDICATORS
TRI4	The results in a jurisdiction deviate from potential comparables	In accordance with the OECD handbook, the ratios of the Group's business in a jurisdiction can be compared with those of other jurisdictions, with those of the Group as a whole, with those of potentially comparable entities outside the Group, or with industry averages. Due to the specific characteristics of the sector in which the Group operates, it has not been possible to draw establish relevant comparisons between jurisdictions
TRI5	The results in a jurisdiction do not reflect market trends	According to the OECD handbook, changes in the Group's performance can usually be expected to reflect market trends. If not, this could suggest that the Group's results in a particular jurisdiction are being affected by BEPS activities and do not simply arise from the Group's own activity in the jurisdiction. Nor has any relevant element been observed in relation to this variable, nor has it been observed that, due to the sector in which the Group operates, any distorting element could arise
TRI6	There are jurisdictions with significant profits but little substantial activity	According to the OECD Manual, this indicator requires assessing whether there are jurisdictions that report significant profits without an associated substantial activity. No relevant elements have been identified that would suggest the existence of a misalignment between the profits generated and the activities carried out in the Group's jurisdictions. Notwithstanding the above, the following jurisdiction is analysed: As the tool focuses on the relative position of each jurisdiction in relation to the Group's data, Luxembourg could be subject to further analysis. The entity Iberdrola Re, S.A. operates in Luxembourg, whose activity consists of carrying out reinsurance operations. Iberdrola Re, S.A. is a captive reinsurance entity, subject to the legislation of that country with respect to its incorporation, authorisation and supervision. From a tax perspective, the local corporate income tax taxable base in recent years has been virtually zero, due to the application of the accounting, tax and regulatory rules specific to the entity's activity (allocation of technical and financial results to the stabilisation provision).
TRI7	There are jurisdictions with significant profits but low levels of tax accrued	Under this indicator, the deviation of effective tax rates from the nominal tax rates applicable in each jurisdiction is assessed. The core countries of the Iberdrola Group have already been analysed previously, and no other jurisdictions with positive profit before tax stand out in which this indicator is identified.
TRI8	There are jurisdictions with significant activities but low levels of profit (or losses)	According to the OECD handbook, where an established entity has a persistently low (or negative) profit before tax that cannot be readily explained, the tax authority in that jurisdiction may flag this for further enquiry to ensure there is no BEPS reason. According to the handbook, this can be determined when a jurisdiction exhibits a number of the following characteristics:

OECD TRI	DEFINITION	ANALYSIS OF TAX RATE INDICATORS
		• The jurisdiction includes entities engaged in profit-generating activities • High proportion of non-related-party revenues • High cost base • The effective tax rate is not low • This is not the result of start-up losses or recent expansion within the jurisdiction The conditions do not exist to suggest a risk in any of the jurisdictions identified under this indicator (Bulgaria, Japan, South Korea, Morocco, Poland, South Africa, Sweden, South Korea and Taiwan).
TRI9	A group has activities in jurisdictions posing a BEPS risk	The Iberdrola Group does not operate in jurisdictions that may pose a BEPS risk (the Manual cites as examples jurisdictions with low or no corporate tax rate, or with tax rules and double tax treaty policies that facilitate the use of conduit companies).
TRI10	A group has mobile activities located in jurisdictions where the group pays a lower rate or level of tax	In the following jurisdictions, the Iberdrola Group carries out the following activities that could be characterised as mobile: • Intragroup financing: The Netherlands • Insurance: Luxembourg These jurisdictions have been analysed earlier in this report. Moreover, all the country subholding companies (and some entities within the international perimeter with a relevant substance such as Australia) carry out their own R&D functions, as well as certain purchasing or financing functions. However, none of them has a low level of taxation (except from Brazil, which has already been analysed). Qatar is included as a jurisdiction to be analysed under this indicator due to its R&D activity, with various initiatives under way and partnerships forged with local organisations that are carried out by the 36-person local team of this entity. As it is a loss-making entity, a ratio to be reviewed under this indicator is shown without revealing any appreciable risk.
TRI11	There have been changes in a group's structure, including the location of assets	There were no changes in the Group's structure affecting the transnational location of assets during financial year 2025.
TRI12	Intellectual property (IP) is separated from related activities within a group	This factor does not apply to the Iberdrola Group. The Iberdrola brand (and indeed the Group's other brands: Avangrid in the United States, Neoenergia in Brazil and Scottish Power in the United Kingdom) is located in jurisdictions that are connected to their respective activities.

Iberdrola

OECD TRI	DEFINITION	ANALYSIS OF TAX RATE INDICATORS
TRI13	A group has marketing entities located in jurisdictions outside its key markets	Electricity is typically sold in the country where it is generated. Therefore, supply activities within the Iberdrola Group carry a limited risk within the supply chain as they are usually domestic purchase and sale transactions. Consequently, this indicator does not represent a high risk factor for the Iberdrola Group. However, it should be noted that Iberdrola Energía España is registered as an agent in the main organised wholesale markets of Europe and has framework contracts signed with the main European market players for wholesale supply. Therefore, in certain European countries, Iberdrola Energía España acts as the representative entity through the system operator and the market operator and provides the market access service to generating and retail supply entities. Lastly, the retail supply companies may sometimes post low profits or even losses from carrying out their own commercial activity through a strategy of penetrating new markets and making commercial efforts to attract new customers.
TRI14	A group has procurement entities located in jurisdictions outside its key manufacturing locations	The Iberdrola Group's procurement management service is centralised in various jurisdictions, including Spain, the United Kingdom, the United States, Mexico, and Brazil. However, in line with the OECD's comments, no tax risk would be discernible given that these purchasing centres coincide exactly with the jurisdictions that make the biggest contributions to the Group's overall revenues and operating profits.
TRI15	Income tax paid is consistently lower than income tax accrued	According to the OECD Manual, if the level of taxes paid in a jurisdiction is materially and consistently lower than the level of accrued taxes, this may be an indicator of a potential tax risk. The jurisdictions that show the largest differences in this respect are: Germany: the decrease in income tax paid is due to the refund of significant amounts as a result of the reassignment of the tax collection authority from the Schwerin tax office to the Berlin tax office. United States: income tax paid is lower than accrued income tax due to the application of tax loss carryforwards from prior years, which reduce or eliminate the tax payable.
TRI16	A group includes dual resident entities	The Iberdrola Group does not have any entities with dual residency. The jurisdiction of incorporation of each entity and that of its tax residence always coincide, except in the case of Iberdrola Finance Ireland DAC, a company incorporated in Ireland but resident for tax purposes in Bizkaia, Spain.
TRI17	A group includes entities with no tax residence	The Iberdrola Group does not have any entities that do not have tax residence in any jurisdiction.

OECD TRI	DEFINITION	ANALYSIS OF TAX RATE INDICATORS
TRI18	A group discloses stateless revenues in Table 1	This is not the case with the Iberdrola Group.
TRI19	Information in a group's CbC Report does not correspond with information previously provided by a constituent entity	This circumstance does not arise in the case of the Iberdrola Group.

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A pathway of opportunities driven by electrification, technology, digitalisation, productivity and operational efficiency, extending to all the stakeholders that drive our ecosystem: shareholders who trust in our vision, employees who develop high-impact solutions, and a society that benefits from industrial progress.