Consolidated Non-Financial Information Statement (NFIS) and **the Sustainability Reporting**

Financial Year 2025

Iberdrola

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External Independent Assurance Report on the *Consolidated Non-Financial Information Statement (NFIS) and the Sustainability Reporting*

Financial Year 2025

IBERDROLA, S.A. and Subsidiaries

Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement (NFIS) and Sustainability Reporting

31 December 2025

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
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Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement and Sustainability Reporting of Iberdrola, S.A. and subsidiaries for 2025

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of IBERDROLA, S.A.

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of IBERDROLA, S.A. (hereinafter the Entity) and its subsidiaries (hereinafter the Group) for the year ended 31 December 2025, which forms part of the consolidated Directors' Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, specifically including the sustainability reporting prepared by the Group for the year ended 31 December 2025 (hereinafter the sustainability reporting) in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on Corporate Sustainability Reporting (CSRD). This Sustainability Reporting has also been subject to limited assurance review.

Based on the procedures conducted and the evidence we have obtained, no issues have come to our attention that would lead us to believe that:

a) The Group's Non-Financial Information Statement for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the selected European Sustainability Reporting Standards (ESRS) or other criteria described in accordance with each subject matter in the *"Disclosures from the Statement of Non-Financial information (SNFI)"* table of the aforementioned statement.

b) The Sustainability Reporting as a whole has not been prepared, in all material respects, in accordance with the Sustainability Reporting framework applied by the Group and identified in the accompanying note "BP-1: General basis for preparation of sustainability statements", including:

- That the description provided of the process to identify the sustainability reporting included in note "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities" is consistent with the process in place and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Compliance with the ESRS.
- Compliance of the disclosure requirements, included in subsection "European Taxonomy of Environmentally Sustainable Activities" of the environmental section of the sustainability reporting with article 8 of Regulation (EU) 2020/852 of the

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European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 issued by the Spanish Institute of Registered Auditors on assurance engagements on non-financial information and considering the content of the note published by the ICAC on 18 December 2024 (hereinafter generally accepted professional standards).

The procedures applied in a limited assurance engagement are less extensive compared to those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those standards are described in more detail in the *Responsibilities of the assurance provider* section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires a quality management system to be designed, implemented and operated that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of Matter

We draw attention to the information provided in note “BP-1: General basis for preparation of sustainability statements” of the NFIS, which mentions that the Consolidated Non-Financial Information Statement and Sustainability Reporting is presented as a separate document from the Consolidated Directors’ Report, of which it forms a part, as this is one of the options considered in Law 11/2018 on non-financial information. Our conclusion is not modified in respect of this matter.

Directors’ Responsibilities

The preparation of the NFIS included in the Consolidated Directors’ Report of the Group, and the content thereof, is the responsibility of the Directors of IBERDROLA, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and the selected criteria of the ESRS, as well as the other criteria described in accordance with each subject matter in the *“Disclosures from the Statement of Non-Financial information (SNFI)”* table of the aforementioned statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of IBERDROLA, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

In relation to Sustainability Reporting, the entity's Directors are responsible for developing and implementing a process to identify the information to be included in Sustainability Reporting in accordance with the CSRD, the ESRS and article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the sustainability disclosures themselves in note *"*IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities*"* This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- evaluating the materiality of the impacts, risks and opportunities identified; and
- making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of Sustainability Reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance with the CSRD, compliance with the ESRS and compliance with the disclosure requirements included in the subsection "European Taxonomy of Environmentally Sustainable Activities*"* of the environmental section of the Sustainability Reporting with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider necessary to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

Inherent Limitations in the Preparation of the Information

In accordance with the ESRS, the entity's Directors are required to prepare prospective information based on assumptions and hypotheses, which are to be included in the Sustainability Reporting, regarding events that may occur in the future, as well as possible future actions, if any, that the Group may take. The actual outcome may differ significantly from the estimates, as it refers to the future and future events often do not occur as expected.

In determining sustainability disclosures, an entity's management interprets legal and other terms that are not clearly defined and may be interpreted differently by other people, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

Responsibilities of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and Sustainability Reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report containing our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we apply our professional judgement and maintain an attitude of professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and Sustainability Reporting is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and Sustainability Reporting in which material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of Work Performed

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and extent of the procedures selected depend on professional judgement, including an identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and Sustainability Reporting.

Our work has consisted of making inquiries of management, as well as of the different units and components of the Group that have participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and Sustainability Reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance process:

- Meetings with the Group’s personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2025 based on the materiality analysis performed by the Group and described in the “IRO-1: Description of the

processes to identify and assess material impacts, risks and opportunities" section, considering the content required by prevailing mercantile legislation.

- Analysis of the processes for compiling and validating the data presented in the NFIS for 2025.
- Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2025.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2025 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance on Sustainability Reporting process:

- Making inquiries of Group personnel:
  - to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
  - to understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents); and the review of the Group's internal documentation on its process.
- Gaining, through inquiries with Group personnel, an understanding of the entity's processes for collecting, validating and presenting information relevant to the preparation of its Sustainability Reporting.
- Assessing the consistency of the evidence obtained from our procedures on the Group-implemented process to determine the information to be included in sustainability reporting with the description of the process included in such disclosures and assessing whether the Group-implemented process identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessing whether all the information identified in the Group-implemented process to determine the information to be included in Sustainability Reporting is effectively included.
- Assessing the consistency of the structure and presentation of Sustainability Reporting with the provisions of the ESRS and the rest of the Sustainability Reporting framework applied by the Group.
- Conducting inquiries of relevant personnel and analytical procedures on information disclosed in the Sustainability Reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.
- Performing, where appropriate, substantive sampling procedures on the information disclosed in the selected Sustainability Reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.
- Procuring, where applicable, the reports issued by accredited independent third parties accompanying the consolidated Directors' Report in compliance with EU regulations and, in relation to the information to which they refer and in accordance with generally accepted professional standards, confirming, exclusively, the accreditation of the assurance provider and that the scope of the report issued complies with EU regulations.
- Procuring, where appropriate, the documents containing the information included by reference, the reports issued by auditors or assurance providers of such documents and, in accordance with

generally accepted professional standards, confirming, exclusively, that, as regards the document to which the information included by reference, the conditions described in the ESRS for including information by reference in the Sustainability Reporting are met.

- Procuring a representation letter from the Directors and management regarding the NFIS and Sustainability Reporting.

Other Information

Management is responsible for other information. Other information comprises the consolidated annual accounts and other information included in the consolidated Directors' Report but does not include either the auditor's report on the consolidated annual accounts or the assurance reports issued by accredited independent third parties required by EU law on specific disclosures contained in the sustainability reporting and accompanying the consolidated Directors' Report.

Our assurance report does not cover the other information, and we do not express any assurance conclusions about it.

In connection with our assurance engagement on the Sustainability Reporting, our responsibility consists of reading the other information identified above and, in doing so, consider whether there is a material inconsistency between the other information and the Sustainability Reporting or the knowledge we have obtained during the assurance engagement that could be indicative of material misstatements in the Sustainability Reporting.

KPMG Auditores, S.L.

(Signed on original in Spanish)

David España Martin

27 February 2026

Consolidated Non-Financial Information Statement (NFIS) and the Sustainability Reporting

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[ESRS 2] General information

BP-1: General basis for preparation of sustainability statements

Legal provisions and standards applied

This *Consolidated Statement of Non-Financial Information and Sustainability Report* (SNFI-SR) forms part of the *Consolidated Management Report of Iberdrola, S.A. and subsidiaries* for the financial year ended 31 December 2025, and is therefore subject to the approval, deposit and publication standards for said reports. Although this document forms part of the Consolidated Management Report, it is presented as a separate document therefrom, which is one of the options established in Law 11/2018 on non-financial information. By issuing this report, Iberdrola, S.A. (**Iberdrola**, or **the Company**) complies with the provisions of *Section 262* of the *Spanish Companies Act* (Ley de Sociedades de Capital) and *Article 49* of the *Code of Commerce (Código de Comercio)* as amended by *Law 11/2018*, reporting with the detail required by these laws on environmental and social aspects, the management of people, equal opportunity, respect for human rights, and the fight against corruption and bribery and, in particular, describing the impacts, risks, policies and results connected to all of these issues.

The content includes additional information to that required by current commercial regulations on non-financial information, specifically including *Sustainability Reporting* in accordance with the provisions of Directive (EU) 2022/2464 on Corporate Sustainability Reporting (*CSRD*), although it had not yet been transposed into Spanish law by the end of the 2025 financial year. For this purpose, the *European Sustainability Reporting Standards* (ESRS) have been applied. The report also fulfils the reporting requirements of *Article 8* of EU *Regulation 2020/852* on the establishment of a framework to facilitate sustainable investment and the rules in implementation thereof[1].

The document also outlines how the company implements the *Guiding Principles on Business and Human Rights*, which put into practice the UN framework to *"protect, respect and remedy"*, as well as the *AA1000 Accountability Principles 2018 (AA1000AP, 2018)* and its four principles of inclusivity, materiality, responsiveness and impact.

The subsidiaries of the Group are exempt from reporting individual or consolidated information on sustainability, as their information is included in this report.

Boundary and scope

The boundary of this SNFI-SR is Iberdrola, S.A. and its subsidiaries (**the Group**), the composition of which is set forth in Appendix I of the Annual Financial Report 2025 of Iberdrola, S.A. and its subsidiaries, and it therefore explains the material impacts, risks, and opportunities relating to environmental, social and governance matters within the Iberdrola Group and their associated performance, and considers the upstream and downstream parts of the value chain on the terms described in the report.

At the companies in which the Company holds an equity interest, it promotes its policies through the governance bodies of such companies and includes information on those considered significant in terms of sustainability.

For certain investees, different percentages are applied for the consolidation of environmental and social indicators. For further details, see the Annual Financial Report.

The scope for this year includes the sustainability information relating to Electricity North West Limited (ENW), a British electricity distribution company operating in the UK, acquired at the end of 2024.

In July 2025, the Iberdrola Group entered into a purchase and sale agreement with COX ABG Group, S.A. for the subsidiary Iberdrola México[2]. The transaction is subject to the customary conditions precedent in

[1] Regulation on "European Taxonomy"; further developed by several regulations: DR 2021/2139, DR 2021/2178, DR 2022/1214, DR 2023/2485, DR 2023/2486, DR 2026/73.
[2] This country subholding company will be considered a discontinued operation throughout the report.

this type of transaction, with the purchaser having obtained the authorisations of the National Energy Commission and the National Antitrust Commission and the approval of the transaction by the shareholders at the General Shareholders' Meeting of the purchaser.

The rest of the transactions conducted during the year are not relevant for the purposes of this report and can be consulted in Note 7 of the Annual Financial Report.

Finally, Explanatory footnotes are added if a particular indicator could not be compiled in accordance with the reporting boundary.

The Company has identified the sectors and industries that make up its value chain and then identified the impacts that could be linked to these activities. The report contains a description of the foregoing. However, due to the lack of reliable and complete value chain information, it is not possible at this stage to determine the materiality of the impacts. As a consequence, the transitional provision contained in paragraph 132 of ESRS 1 applies and those impacts whose materiality cannot be assessed are described from a theoretical standpoint. In the case of impacts that have been identified, the report discloses these impacts and the Company's management of each case.

More information on the value chain and its scope can be found in *Chapter* ESRS 2.

BP-2: Disclosures in relation to specific circumstances

Time horizons

Generally, this sustainability report applies the time horizons defined in ESRS 1, Section 6.4, paragraph 77. The short term is one year and is used as the reference period for the Company's financial statements. The medium term is a period between two and five years and the long term is a period longer than five years.

For the analysis of climate scenarios, other, longer time horizons are defined and described in *Chapter ESRS E-1*.

Sources of estimation and outcome uncertainty

This report contains a limited number of parameters that are subject to inherent uncertainty because they arise from estimates (it has not been possible to measure them directly and they have been estimated based on indirect sources). The Company considers that the parameters subject to a high degree of measurement uncertainty are those related to indirect emissions from the value chain and very long-term climate scenarios. *See Chapter ESRS E-1*.

Changes in the preparation or presentation of sustainability information

Throughout this report, the Company has included the previous year's parameters in order to improve the comparability of the data.

In light of the sale and purchase agreement for the subsidiary Iberdrola México, the historical values of the material indicators, which are primarily environmental, have been restated and classified as discontinued activities for the financial years 2024 and 2025.

The takeover of Electricity North West Limited (ENW), a British electricity distribution company operating in the United Kingdom, was also completed in March 2025.

Furthermore, with regard to the simplification options for Taxonomy reporting set out in Delegated Regulation (EU) 2026/73, for the 2025 reporting year, the company has chosen to apply the modifications relating to updating the information templates in advance and voluntarily, while maintaining the technical and methodological criteria used to assess the eligibility and alignment of its activities unchanged.

Incorporation by reference

Disclosure requirements SBM-1.40.b, GOV-3.29.d, G1-6, as well as the average remuneration of directors and officers, required by Law 11/2018, have been included by reference to the consolidated financial statements.

GOV-1: The role of the administrative, management and supervisory bodies

Corporate structure and administrative, management and supervisory bodies

Iberdrola, S.A. (Iberdrola or the Company) is an independent public limited company (*sociedad anónima*) incorporated under Spanish law and listed on the stock market, and is configured as the ***holding*** company of an international group with a presence various markets.

In accordance with the provisions of the *Foundations for the Definition and Coordination of the Iberdrola Group*, the Group is structured on the basis of the separation of the functions of strategic definition, organisation, coordination and control, on the one hand, and the functions of day-to-day management and effective administration of the companies; on the other, with a structure inspired by the principle of subsidiarity and respect for the autonomy of the companies that make up the Group. Thus, a distinction is drawn between the functions corresponding to the **holding *company***, to the **country *subholding companies***, established in territories in which the companies of the Group operate and to the **head of business or country companies** ("head companies"), be they Spanish or foreign.

The Group, therefore, combines a decentralised structure and management model with coordination mechanisms and an effective system for separation of functions, checks and balances and controls. The corporate structure is designed to promote a streamlined and timely process for making day-to-day administration and management decisions, which are the purview of the head companies, while at the same time ensuring appropriate coordination of activities at the Group level.

Board of Directors and Committees thereof

The *Regulations of the Board of Directors* confer the broadest possible powers and authority on the Board of Directors to manage and represent the Company.

In general terms, the Board of Directors of Iberdrola, S.A. entrusts the functions of organisation, coordination and supervision at the Group level to its chairman (as executive chairman), an executive committee (the Executive Committee) and a chief executive officer.

The Board of Directors has only two executive directors (the Chairman and the chief executive officer), which means that 86% of its members are classified as non-executive. In turn, 92% of the non-executive directors meet the requirements to be considered independent under the Companies Act *(Ley de Sociedades de Capital)*. Only one of the 12 non-executive directors has ceased to be considered an independent director, simply because he has been in office for more than 12 years, without any other circumstance that could affect his independence of judgement.

In particular, the first and second vice-chairs, as well as the lead independent director, who also chairs the Appointments Committee, are all independent members of the Board of Directors and ensure that the conduct of the chairman of the Board of Directors, the chief executive officer and the Executive Committee is subject to an appropriate checks and balances system.

In all, the Board of Directors has four consultative committees, the Audit and Risk Supervision Committee, the Appointments Committee, the Remuneration Committee and the Sustainable Development Committee, all of which are chaired by independent directors and are made up exclusively of external directors, with all the members of three of them being independent.

In the same way, the Board of Directors designs, evaluates and constantly reviews the *Company's Governance and Sustainability System,* described in Chapter ESRS 2, *Section MDR-P*.

Chairman of the Board of Directors

The chairman of the Board of Directors has the status of executive chairman and reports to the Board of Directors. He exercises the power to represent the Company individually, its senior management and the leadership of the Board of Directors, moderating debates and ensuring that the Board and the Executive Committee, which he also chairs, are functioning properly and the other powers granted by the Board of Directors, the *Governance and Sustainability System* and by law. In his capacity as executive chairman, he also assumes all duties not expressly assigned by the Board of Directors to the chief executive officer.

The areas, divisions and positions that do not report to the chief executive officer or other specific bodies report to him.

Chief Executive Officer

The Chief Executive Officer coordinates the businesses of the companies of the Group as the person with overall responsibility therefor, in accordance with the role of the Company in the corporate and governance structure. Among those reporting to the Chief Executive Officer are the executive directors of the country subholding companies, who report hierarchically to their boards of directors, ensuring full respect for the special framework of enhanced autonomy of any listed country subholding companies and of their subsidiaries. The chief executive officer also reinforces and facilitates the exercise of the powers vested in the chairman of the Board of Directors, to whom he is subordinate and to whom he reports for this purpose. He also reports to the Board of Directors to the extent within its purview.

Executive Committee

The Executive Committee functions on a permanent basis as a delegated body of the Board of Directors and its main purpose is to support the Board of Directors by continuously monitoring the implementation of the strategy defined by the Board of Directors through more frequent meetings of the Executive Committee. To this end, it has been delegated all the powers inherent to the Board of Directors, other than those that cannot be delegated pursuant to law or the *Governance and Sustainability System*. It is the only committee with executive powers.

Consultative committees

Consultative committees are permanent, internal, informational and consultative bodies within the Board of Directors, without executive powers, with informational, advisory, control and proposal-making powers within their respective scopes of activity. There are four consultative committees:

1. Audit and Risk Supervision Committee

Handles the processes of preparing and presenting financial and non-financial information, internal control systems, supervisory and risk management systems, and internal audits and statutory audits under the terms set out in its Regulations.

2. Appointments Committee

Handles the selection, appointment and re-election of the members of the Board of Directors, of the committee thereof and of the Company's Senior Management in accordance with the provisions of its Regulations.

3. Remuneration Committee

Its scope covers the remuneration of the members of the Board of Directors and of senior management as provided in its Regulations.

4. Sustainable Development Committee

The issues covered by this committee include the review and update of the *Governance and Sustainability System*, the performance of the Company and due diligence in environmental, social and governance matters, the information published by the Company on sustainability matters, the operation of the Company's Compliance Unit and the compliance systems of the Group's companies, the corporate reputation and the *Purpose and Values of the Iberdrola Group,* on the terms set out in its Regulations.

The meetings of these consultative committees are attended on a recurring basis by various officers and professionals of the Company, who report on matters within their remit, describing the presentations made to the Sustainable Development Committee during 2025 *(see Chapter GOV-2 of Section ESRS 2).*

The Technology, Risk and Corporate Sustainability divisions report frequently to the governing bodies on sustainability-related matters, supervising the implementation of main policies and associated processes and coordinating their execution and monitoring. They also compile regular reports on impacts, risks and opportunities and implement integrated controls within the internal governance and risk management systems.

Supporting committees:

In line with the evolution of the regulatory environment and in order to strengthen the functions of supervision, coordination and management in strategic areas for the Group, a second governance tier made up of three new collective internal committees was implemented in 2025.

Functionally reporting to the manager responsible for each area, these committees act as permanent internal bodies and perform supervisory, management, and coordination functions, ensuring a more specialised, cross-cutting, and coherent management of key matters for the development of the Business Model and of the Company's Governance and Sustainability System:

- Risk Committee: responsible for comprehensive assessment of the effectiveness of the internal control system, coordination with expert units, and the development of common risk management methodologies within the Group.
- Security, Resilience and Digital Technology Committee: among other duties, it centralises oversight of corporate security, operational resilience, cybersecurity and the management of digital technology, serving as a cross-cutting body in areas subject to increasing regulatory demands.
- Sustainability and Reputation Committee: responsible, among other functions, for the supervision, management and coordination of sustainability, natural capital, social commitment, Stakeholder relations and corporate reputation, as well as the monitoring of risks, opportunities and associated metrics.

There are also other supporting committees of a purely consultative nature.

This second line of governance, together with the committees supporting corporate areas or specific businesses, complements and strengthens the organisational structure in their respective areas, ensuring appropriate collaboration among the corporate divisions involved and consistency with the general strategies of the Group. To this end, they coordinate with their counterpart committees at the country subholding companies, ensuring an efficient flow of information and an aligned implementation of corporate guidelines.

Country subholding companies and head companies

In compliance with the duties and responsibilities allocated to them by their respective governance and sustainability systems, the country **subholding companies** specify the application of the Group-level strategies and general guidelines approved by the Board of Directors, based on the applicable legal provisions in each territory, country or business, as well as their characteristics, needs and particularities.

To this end, the country subholding companies approve the principles applicable to their respective head companies and define how the contents of the general strategies and basic guidelines are to be implemented.

Up-to-date information on the corporate structure and governance of the Group can be consulted on the corporate website, which also identifies the current country *subholding* companies, namely: *Iberdrola España, S.A.* (Sociedad Unipersonal) ("Iberdrola España"), *Scottish Power Ltd.* ("Scottish Power"), *Avangrid, Inc*. ("Avangrid"), *Neoenergia S.A.* ("Neoenergia"), *Iberdrola México, S.A. de C.V.* ("Iberdrola México") and *Iberdrola Energía Internacional, S.A.* (Sociedad Unipersonal) ("Iberdrola Energía Internacional").[3]

These entities group together equity stakes in the head companies and one of their main functions is to centralise the provision of common services to these companies, as well as to represent them before domestic institutions.

To carry out their duties, the country *subholding* companies have their own boards of directors and executive directors, as well as audit and compliance committees, in addition to their own internal audit and compliance units or divisions.

[3] In July 2025, the signing of a contract for the sale of the Iberdrola Mexico subsidiary was announced, subject to the conditions precedent customary in this type of transaction.

In addition, the *Foundations for the Definition and Coordination of the Iberdrola Group* guarantee a special framework of enhanced autonomy for listed country *subholding* companies in the regulatory, related-party transaction, and management areas (at year-end 2025, only Neoenergia, listed in Brazil, had this status).[4]

Finally, the **head companies** take on executive responsibilities in a decentralised manner, having the autonomy required to carry out the day-to-day administration and effective management of the businesses and they are responsible for the day-to-day control thereof, without prejudice to the corporate autonomy of subsidiaries domiciled in different countries or territories. They are also organised through their respective boards of directors and their own management decision-making bodies; they may also have their own audit and compliance committees, internal audit areas and compliance units or divisions.

Rules of the corporate decision-making bodies and internal committees

The roles and responsibilities of the different governing bodies, as well as their respective members, are described in the regulations of the corporate bodies and internal committees that form part of the Company's *Governance and Sustainability System*.

Varied composition of the Board of Directors, separation of functions, checks and balances

As of 31 December 2025,the Board of Directors of Iberdrola S.A. is made up of 14 members, 2 of whom are executive directors. The names, positions and status of each of them can be found in the Annual Financial Report 2025.

The Board of Directors is made up of 86% external directors and 79% of its members are independent directors, including the two vice-chairs, the lead independent director and the chairs of all the consultative committees.

Furthermore, the Board of Directors stands out for maintaining a gender balance, with 50% external directors of each gender and no gender with a representation of less than 40% of all directors (43% women and 57% men):

Composition of the Board of Directors

Category	Subcategory	No. 2025	No. 2024	% 2025	% 2024
By gender	Men	8	8	57	57
By gender	Women	6	6	43	43
By age group	Between 31 and 50 years old	1	1	7	7
By age group	Over 51 years old	13	13	93	93
Total Group	**All**	**14**	**14**	**100**	**100**

The composition of the Board of Directors, which has a large majority of independent directors, and the configuration of its positions, as well as the existence of consultative committees, ensure an effective system of checks and balances *(see Section GOV-1 of Chapter ESRS 2).* Further information on the composition, operation and activities of the Company's governing bodies can be found in the Annual Corporate Governance Report. Currently, there is no legal representation of employees on the Board of Directors, as this is not provided for under applicable Spanish law.

Skills and expertise for monitoring sustainability matters

The Board is characterised by the multiplicity of skills, experiences and nationalities of its members. Specifically, the directors as a whole have a high level of expertise in business management, the energy sector, cybersecurity, climate change, finance and risk, and the markets in which the Iberdrola Group operates.

[4] In November 2025, Iberdrola Energía, S.A.U. submitted a takeover bid for all of the shares of Neoenergia S.A. (Neoenergia) not yet controlled by the Iberdrola Group or held by Neoenergia as treasury shares, representing approximately 16.2% of its share capital (the "takeover bid").

The Appointments Committee regularly reviews the skills matrix which individually identifies the key skills of the members of the Board of Directors, including those relating to sustainability. Currently, 13 members are identified as having skills relating to sustainability (including climate change); 13 to audit, finance and risk management; and 12 to legal and regulatory matters, among other areas described in the skills matrix. With respect to sustainability-related skills, a number of directors have managerial experience in this area, or have significant personal affiliations with environmental and social causes. Some of the directors have experience in management functions related to human resources.

Iberdrola also has a programme to provide directors with training in response to the need for professionalisation, diversification and qualification of the Board of Directors. This ensures that its members are aware of market challenges, technological innovations, regulatory trends and stakeholder expectations while equipping them with the skills to meet the highest standards of excellence.

On the one hand, the consultative committees have specific training plans and hold sessions related to matters within their purview, the materials of which are subsequently shared with all the members of the Board of Directors. Throughout 2025, the consultative committees held an average of three training sessions. In addition, at the meetings of the Board of Directors and of the Executive Committee, a space is set aside to present geopolitical, financial, regulatory or current topics, which are supplemented by training materials made available to all of their members through the training section of the directors' website. These training contents have addressed the main topics related to the areas of expertise described in the *skills matrix*.

The range of training activities of the Board of Directors and of the committees thereof involved the mandatory attendance of the directors at over ten in-person sessions as well as the delivery of over 20 training materials to all directors via the directors' website. The presentations and training content provided to the directors throughout the year included the participation of expert firms in the fields of law, taxation, auditing, people management, engineering, etc.

Other roles of the administrative, management and supervisory bodies

The mechanisms for monitoring the targets set in relation to Iberdrola's sustainability-related impacts, risks and opportunities is described in *Section GOV-2 of Chapter ESRS 2.*

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Iberdrola's Board of Directors is responsible for the supervision of impacts, risks and opportunities in the area of sustainability and the associated management and reporting processes. At least once a year, the administrative bodies are informed of the results of the double materiality assessment, as well as of the application of due diligence and the results and effectiveness of the policies, actions, parameters and targets for addressing them.

The Sustainable Development Committee is the advisory body that supports the board in this area, as described in Section GOV-1. The most significant activities carried out by this committee in 2025 were:

- Reports to the Board of Directors on the statement of non-financial information - sustainability report, the annual corporate governance report and the tax transparency report for financial year 2024, as well as the integrated report for 2025.
- Reports to the Remuneration Committee on the design and evaluation of the variable remuneration plans in matters within its purview.
- Supervision and evaluation of the Company's Stakeholder relations processes, and particularly its shareholder engagement.
- Monitoring and reporting to the Board of Directors on the sustainable development strategy, including the level of achievement of the Climate Action Plan.
- Monitoring and reporting to the Board of Directors on aspects of the corporate governance of the Company.

- Supervision of the information that the Company publishes on its corporate website regarding sustainability, corporate governance and other matters within its purview.
- Report to the Board of Directors on the activities of the foundations linked to the Iberdrola Group.
- Reports relating to the Compliance Unit.
- Approval of the Committee's annual work plan and of its training plan for financial year 2026.

The Board of Directors and its consultative committees routinely assess the Group's performance in the aforementioned aspects, drawing both on external information of interest to them, provided by independent external consultants, and on information provided by the organisation itself, mainly through regular appearances by officers of the Group's companies.

Presentations to the Sustainable Development Committee

The Sustainable Development Committee requires the appearance of various divisions of the Company or other companies of the group. All of these appearances cover sustainability-related impacts, risks and opportunities, which are presented and analysed.

During the year, 24 appearances were made by representatives of the Finance, Control and Corporate Development Divisions(including the Sustainability Division), Office of the General Secretary and of the Board, and the Technology, Resources and Services, Compliance and the Corporate Divisions, as well as the Foundations Committee.

A broad range of topics were covered, including the following: the process of preparing the sustainability reporting; reviews of the *Governance and Sustainability System* and the implementation of its policies, with a particular focus on those related to sustainable development; progress on sustainability goals, and the Company's performance in this area.

This information is developed in the Annual Corporate Governance Report.

GOV-3: Integration of sustainability-related performance in incentive schemes

The remuneration mix for the officers of Iberdrola is made up of fixed and variable elements, both short- and long-term, and is designed to attract, retain, build loyalty, and motivate the best talent and to align their conduct with the interests of the Iberdrola Group and the achievement of its business strategy, promoting its long-term sustainability, in accordance with domestic and international best practices. The principles of the Policy are applied through an appropriate remuneration mix that includes fixed remuneration; short-term variable remuneration (annual bonus); long-term variable remuneration; and benefits:

Short-term variable remuneration (annual bonus)

Its purpose is to incentivise the achievement of the Company's annual objectives and those specific to the position, aligning the dedication and efforts of the officers with the business strategy. This annual variable remuneration is linked to the achievement of predetermined, specific, measurable, challenging and clear quantitative and qualitative strategic objectives, aligned with the achievement of the business strategy and the long-term interests and sustainability of the Company, including financial, operational and sustainability objectives.

The specific parameters and weighting to which the short-term variable remuneration (annual bonus) is linked are broken down in the Company's Annual Report on Remuneration of Directors and Officers.

Long-term variable remuneration: share delivery plans

Long-term variable remuneration encourages commitment to the Iberdrola Group's business enterprise over the long term, linking a portion of remuneration to the creation of value for the stakeholders. Its design favours predictable and profitable long-term growth, financial strength, a growing dividend in line with earnings and an increase in the "social dividend".

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

establish the maximum number of shares to be delivered to the officers who are directors and also set the objective and quantifiable parameters that determine their accrual, as well as their weighting. These plans typically have a duration of six years, (three years for performance evaluation and three years for payment). Long-term variable remuneration plans are awarded every three years rather than annually, ensuring that there are no overlaps.

The 2023-2025 Strategic Bonus, which was approved with a 92% favourable vote at the General Shareholders' Meeting held on 28 April 2023, has completed the evaluation period and the first delivery of shares will take place in 2026. It considers the following sustainability metrics:

- Intensity of specific CO_2 emissions at the end of 2025 with a weight of 10%.
- Number of suppliers subject to sustainable development policies and standards at the end of 2025 with a weight of 10%.
- Equal opportunities with a weight of 10%.

In the short- and long-term incentive plans, each metric has an associated achievement scale that establishes a minimum threshold and a maximum limit. In the event of not reaching the minimum achievement level, no variable remuneration will accrue, and in the event of reaching an achievement level above the maximum limit, no variable remuneration will accrue with a percentage of achievement above 100%, with no additional payments for overachievement. For each of the metrics, any intermediate results shall be calculated by linear interpolation.

The procedure for determining, approving and applying the remuneration policy in relation to incentive systems and the bodies involved in this process, are described below.

- General Shareholders' Meeting: approves the remuneration of directors consisting of the delivery of shares of the Company or of options thereon, as applicable, or which is indexed to the value of the Company's shares.
- Board of Directors: proposes the share-based variable remuneration plans for approval by the shareholders at the General Shareholders' Meeting; approves the performance of the officers in short-term variable remuneration; approves the performance of the Company in long-term variable remuneration.
- Remuneration Committee: proposes the system and amount of annual remuneration of directors and the individual remuneration of officers to the Board of Directors; ensures that the Board of Directors is in a position to evaluate the achievement of the objectives, standards and metrics established during the previous year to determine the variable remuneration earned by the officers in that year sufficiently in advance; ensures that the Board of Directors is able to assess the achievement of the objectives, criteria and metrics established in the previous financial year that determine the variable remuneration accrued by the officers in that financial year sufficiently in advance. And, for the short- and long-term variable remuneration, where applicable, it also proposes to the Board the cancellation or repayment of the remuneration paid to the corresponding beneficiaries; in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Remuneration Committee evaluates whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola's risks in the design of variable remuneration plans.

More information can be consulted regarding the Company's remuneration and incentive system in Iberdrola's Annual Report on Remuneration of Directors and Officers.

GOV-4: Statement on due diligence

The information is broken down at the end of the document in the *Section IRO-2*.

GOV-5: Risk management and internal controls over sustainability reporting

Comprehensive Risk Control and Management System

The Board of Directors of Iberdrola supervises the management of the Group's risks, which is materialised through the Company's Comprehensive Risk Control and Management System. This system is designed

in accordance with international best practices in internal control and enterprise risk management and covers: the ongoing identification of significant risks and threats; the analysis thereof; the development of due diligence systems; the establishment of guidelines, limits and risk indicators; the ongoing assessment of the suitability and efficiency of the application of the system; and the periodic review and audit thereof.

The Board of Directors and the Executive Committee are assisted by the *Audit and Risk Supervision Committee* (hereinafter, and in this chapter, the "Committee") which, as a consultative body, supervises and reports on the adequacy of the Comprehensive Risk Control and Management System, on the appropriateness of the definition and allocation of functions and responsibilities at the operational and supervisory levels and on the procedures, methodologies and support tools corresponding to the various stages and activities of the comprehensive risk control and management system, in which the various corporate and business areas and functions participate. These areas and functions are:

- Corporate and business areas with primary responsibility for identifying, managing and controlling the risks that affect their area of competence.
- Specialised areas that perform duties related to defining, implementing, deploying and monitoring control frameworks for specific overarching risks.
- Risks, which reports to the Internal Audit and Risk division, is an independent function that leads the design and implementation of a Comprehensive Risk Control and Management System to identify significant risks faced by the Group.

In addition, there is the Risk Committee, an internal and permanent cross-functional body for the implementation and operation of the *Comprehensive Risk Control and Management System*, which ensures that risks are identified and appropriately managed within the approved risk limit guidelines, which meets at least once a month.

The Committee monitors the evolution of the Group's risks at least once a quarter through quarterly and half-yearly risk reports and key risk maps, the scope of which includes information on the Group's companies.

Sustainability reporting process

Iberdrola publishes its annual SNFI-SR in order to promote among its stakeholders (*Section SBM-2 ESRS 2*) the dissemination of non-financial information and the social dividend generated by the Group, through a true and fair view of its performance. The SNFI-SR, in accordance with applicable legal provisions, discloses all material issues (*Section IRO-1 ESRS 2*) in a transparent, understandable and balanced manner, reflecting the environmental, social and corporate governance performance of the Group, within the scope defined by the regulations and in accordance with international standards.

The internal control system of Iberdrola and the companies of its Group is based on the *Three Lines Model* published by the *Institute of Internal Auditors* and the *ICIF-2013* published by *COSO,* and in particular the specific guide for sustainability information *Achieving effective Internal Control over Sustainability Reporting (ICSR)* published in 2023.

Iberdrola's Board of Directors, informed and advised by the Committee, is ultimately responsible for implementing and maintaining a proper and effective Internal Control over Sustainability Reporting System (hereinafter, "ICSRS").

The main risks of error in sustainability reporting relate to: the consistency of reporting criteria; the use of estimates; the completeness of the collected information, which must respect the boundaries established for each indicator; the accuracy of calculations; the inaccurate recording of data; and the consistency between financial and sustainability reporting. A number of related controls have been implemented to analyse, document and address these risks.

An annual certification process is carried out involving the officers responsible for preparing the information. This process culminates in a joint certification that the executive chairman and the CFO present to the Board of Directors.

In addition, the heads of Sustainability and those responsible for preparing the sustainability information of the Company and of the country subholding companies and head of business companies, together with certain corporate areas, conduct an annual review of the design and operation of the ICSRS, drawing conclusions on its effectiveness and defining action plans to rectify potential weaknesses. In addition, the

Internal Audit and Risk Division assists the Committee by providing independent monitoring of internal control, identifying weaknesses and making recommendations for improvement.

The ICSRS oversight activities carried out by the Committee cover the monitoring of compliance with the certification process; the review of the design and operation of the internal control system, to assess its effectiveness; and are supported by regular meetings with the external auditor, the Finance, Control and Corporate Development Division, the Internal Audit and Risk Division and senior management to review, analyse and comment on the sustainable information, the boundary of companies that it covers and the accounting criteria applied, as well as any significant weaknesses in internal control that have been identified.

Specifically, the Finance, Control and Corporate Development and Internal Audit and Risk divisions independently send the conclusions on the effectiveness of the model to the Committee within the framework of periodic meetings.

External assurance of the information statement

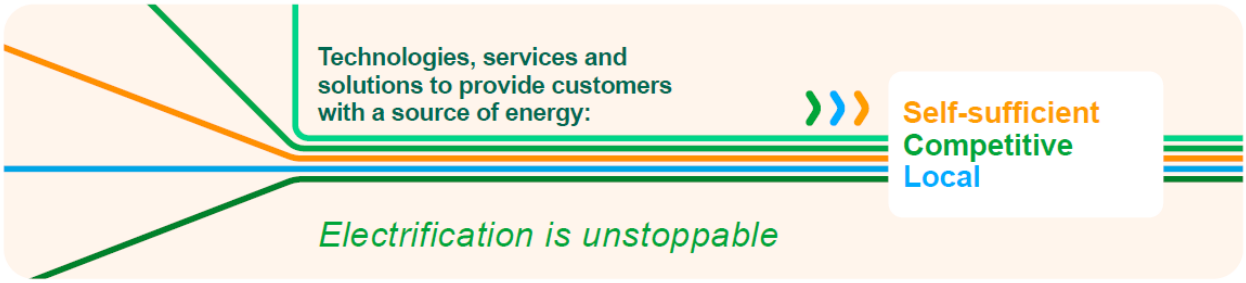
This Sustainability Report has been externally verified by KPMG Auditores, S.L. The Independent Expert Assurance Report is included at the beginning of this document.

SBM-1 – Strategy, business model and value chain

Strategy and business model

After more than 125 years of history, Iberdrola has cemented its position as a world leader in the energy sector and one of the two largest private electricity companies in the world by market capitalisation. Iberdrola's leadership is underpinned by its smart grids, electricity generation from renewables and efficient storage businesses, a diversified portfolio of projects and markets, and a presence in countries with high credit ratings. The Company and its subsidiaries and investees carry out their activities in almost thirty countries.

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



The main product that the Group makes available to its customers is electricity through a broad array of technologies, services and solutions to provide them with a competitive, local and self-sufficient source of energy. The main activities are:

- Transmission and distribution of electricity through the operation and maintenance of smart grid infrastructures.
- Electricity generation from renewable sources: onshore and offshore wind, hydroelectric and photovoltaic.
- Storage at large scale (GWh) through pumped hydroelectricity, at medium scale (MWh) in grids and generation assets through batteries and at small scale (kWh) through end-user solutions.
- Regulated supply and deregulated marketing of electricity, complemented by integral, intelligent, innovative solutions (Smart) in the residential sector (with services such as self-consumption, solar

power, electric mobility and heat pumps); and in the industrial sector (with integral management of installations and energy supplies, industrial heat and the integration of data centres with long-term PPAs).

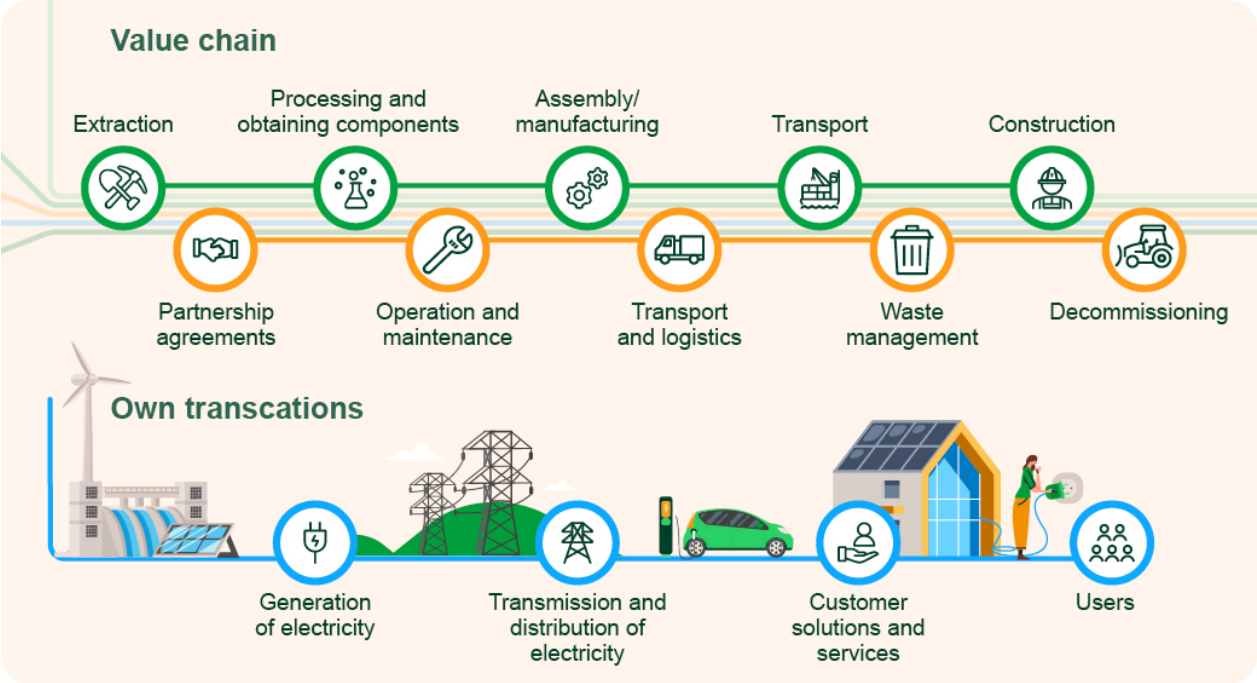
With respect to revenues by significant sectors of the ESRS, the segment-specific information is found in Note 8 of the Annual Financial Report 2025 for Iberdrola, S.A. and its subsidiaries.

Value chain

The European Sustainability Reporting Standards (ESRS) include the value chain within the scope of all topics in Annex 2 of Delegated Regulation 2023/2772 (ESRS). To address this requirement, companies are currently confronted with an absence of mechanisms to trace value chains. This makes it impossible to know which specific actors are part of these value chains, and therefore there is insufficient data either to produce a comprehensive double materiality assessment or to report indicators in a generalised way. This reality is particularly aggravated in industrial sectors that rely on primary and secondary sectors on a global scale.

Taking all of the above into account, this Statement of Non-Financial Information meets the disclosure requirements by presenting the results of an analysis covering the identification of the sectors that are part of the value chain and the identification of potential impacts, risks and opportunities in the value chain. All of this is described in *Section SBM-3 of Chapter ESRS 2.*

The Iberdrola Group's value chain extends beyond its own operations and includes direct and indirect suppliers in all phases of the life cycle of its activities, as well as its business partners. The main industries or sectors identified in the Company's value chain are as follows:



Since the Group is present across the entire electricity value chain, from generation to the marketing of products and services to customers, there are no activities or agents downstream of the activities of the Company and its subsidiaries in the value chain.

Entity specific indicators

Economic/financial impact

Financial assistance received by the Iberdrola Group is shown in the following table on a consolidated basis:

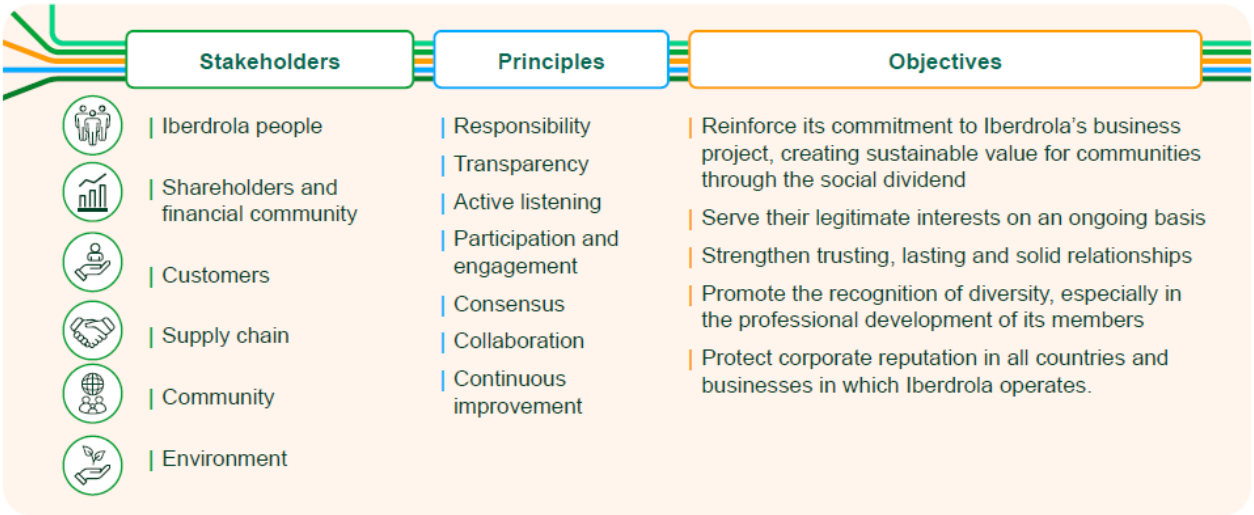
Financial assistance (millions of euros)

Financial assistance	2025	2024
Capital subsidies	74	87
Operating subsidies	7	4
Investment tax credits[5]	101	126
Production tax credits[6]	264	248
Assistance for other items included in the GRI Protocol	0	0
Total Group	**446**	**465**

SBM-2: Interests and views of stakeholders

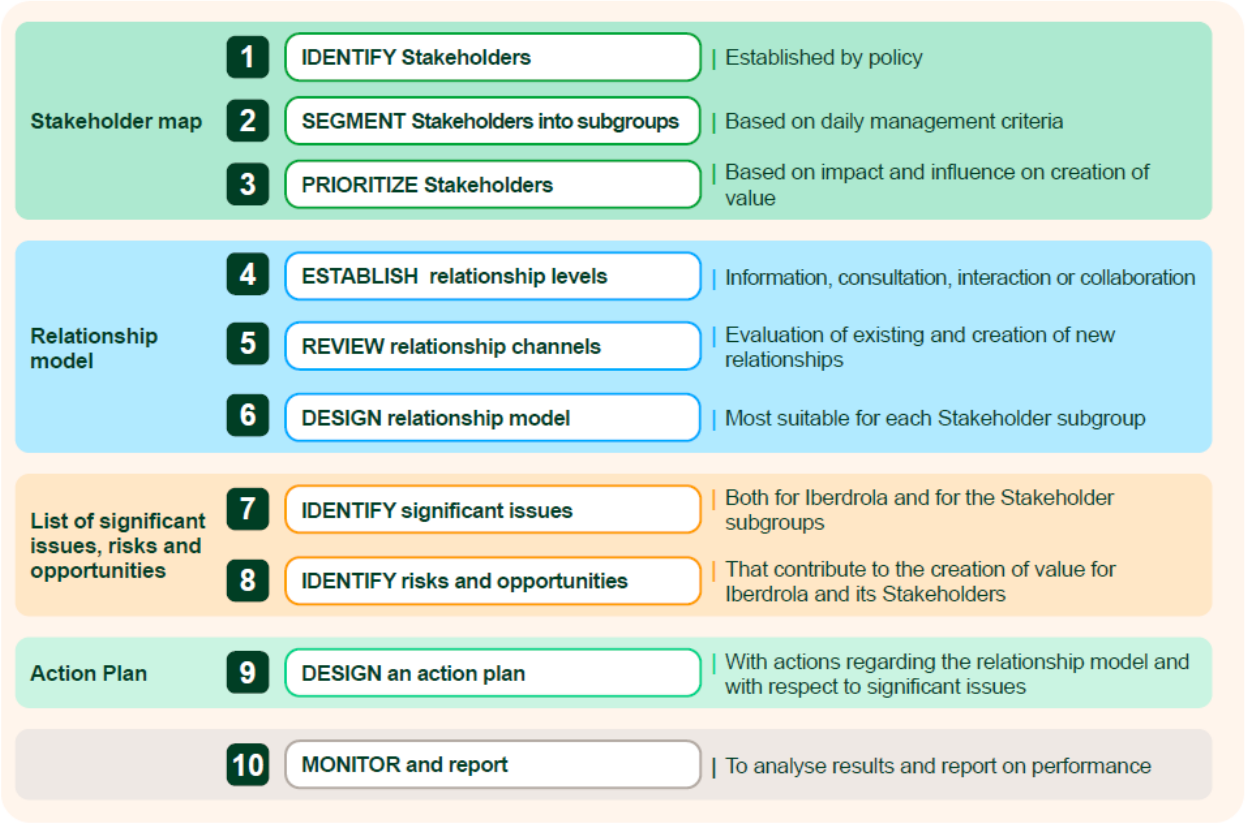
Stakeholder engagement

The *Stakeholder Engagement Policy* establishes six stakeholder groups, five objectives and seven principles of conduct aimed at engaging and establishing relationships of trust with Stakeholders:



The Company has developed its ***Global Stakeholder Engagement Model*** based on the *AA1000 Stakeholder Engagement Standard 2015* (AA1000SES, 2015), *AA1000 AccountAbility Principles 2018* (AA1000AP, 2018). The Model is a key tool for integrating stakeholder interests and opinions into the strategy and business model. The Model is divided into 10 phases and focused on a process of continuous improvement:

[5] Investment tax credits.
[6] Production tax credits.



The Model seeks to ensure that the Group's companies have an in-depth understanding of their Stakeholders; have suitable channels for communicating with them; analyse their expectations and establish appropriate action plans to minimise and mitigate those potentially negative impacts while maximising the potentially positive ones. It also documents the risks and opportunities that are detected.

The Group keeps the relationship channels with its Stakeholders updated (email, in-person meetings, phone, surveys and conferences and events) and makes continuous efforts to identify the issues that are most important to each of them.

Through active listening and ongoing dialogue processes, the Company is aware of the issues that matter to its Stakeholders, as well as the risks and opportunities associated with them, which influences decision-making and actions aimed at contributing value. To this end, action plans are defined and designed and specific targets are set to monitor the effectiveness of these actions. This process serves as a source for the Double Materiality Assessment described in Section IRO-1.

The information gathered from applying the Model, including conclusions on the level of engagement and material issues, is reported to the Company's Sustainability and Reputation Committee, which supervises the implementation of the Model, approves its conclusions and establishes frameworks for coordinating and collaborating with the committees of the country subholding companies, ensuring a consistent sustainability strategy. The Board of Directors is ultimately responsible for approving the *Stakeholder Engagement Policy* and for overseeing the implementation of the Policy. The Director of Corporate Sustainability frequently appears before the Board's Sustainable Development Committee.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In each chapter of this report, the material impacts, risks and opportunities and their interaction with the strategy and business model are detailed through policies, practices, targets and metrics.

As a result of the Double Materiality Assessment described in Section IRO-1, the topics and subtopics of materiality for the Company are all those listed in ESRS1 AR16 except for pollution by substances of concern, substances of very high concern and microplastics, marine resources, and animal welfare.

Identification of impacts, risks and opportunities in the value chain and determination of their materiality

The potential impacts linked to value chain activities are identified based on the sectoral description of the value chain presented in *Chapter SBM-1*. This inventory is based on a general understanding of the industries involved and does not consider geographic, regional or business-specific factors.

Potential impacts are associated with the different stages of the value chain and include:

- Water consumption in resource extraction, processing and manufacturing.
- Emissions, pollution and circular economy throughout all the phases.
- Ecosystem impacts from extraction and construction.
- Impacts on communities linked to extraction and construction activities.
- Impacts on employees present at all stages of the value chain.

Currently, it is not possible to determine the relative importance of these impacts due to a lack of information on the value chain. In order to assess them, it would be necessary to have an exhaustive inventory of all the agents in the chain, including the final link. It would also be necessary to know the representativeness of the Group's purchases within the activity of its suppliers and global value chains, to identify the geographical location of its supplies and to have detailed information on the commercial relations between partners and other agents in its value chain.

Despite these limitations, the Company believes that all material impacts identified in the past are being actively managed:

- Positive and negative impacts related to emissions from supplier activities (Scope 3 in TIER 1).
- Health and safety impacts affecting workers in value chain (Occupational injury in TIER 1).
- Impacts related to forced labour among value chain workers (for example, potential forced labour in the Xinjiang region).

Consequently, the Company does not have sufficient information to apply the materiality criterion to the disclosure requirements associated with the value chain. However, the Group has due diligence processes in place, including monitoring external sources for possible negative impacts, preventing and mitigating any that may occur and reinforcing collaboration with suppliers to help improve their sustainability performance.

The policies, actions, metrics and targets relating to the management of impacts, risks and opportunities are developed in each applicable standard.

Disclosures on the materiality assessment process

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

The Double Materiality Assessment (DMA) is the process by which the organisation identifies material information related to the incidences (impacts), risks and opportunities (IROs) linked to sustainability issues. Double materiality is composed of two dimensions:

- Materiality in terms of impact, which assesses the impact of the Company's activities on the environment and society.
- Financial materiality, which analyses how sustainability risks and opportunities influence the Company's financial performance.

A topic is considered material if it meets the criterion from either or both perspectives.

The Double Materiality Assessment has been developed in four phases: (1) understanding the context, (2) identification of impacts, risks and opportunities, (3) assessment of these impacts, risks and opportunities and (4) subsequent consolidation of results. The analysis is performed separately for impact and financial materiality.

The Corporate Sustainability Division coordinates the process, establishing a common methodological approach for group companies. It also coordinates the assessment of impacts, risks and opportunities carried out by businesses, corporate areas and various country subholding companies and consolidates the results.

In 2025, the analysis was updated to incorporate a review of the context and any relevant changes to the exercise. Participants in the DMA update process were selected based on their experience and connection to the topics under assessment.

In terms of impact materiality, the assessment validated the issues already identified, ensuring methodological consistency. The main change in this update is that the sub-topic "Whistleblower protection" is now considered material as it exceeds the established thresholds, although it was reported at the end of 2024 G1-3.18.a.

In terms of financial materiality, the context has been updated and risks and opportunities have been reassessed, with no changes identified compared to the previous year's results.

The updated results can be found in Section SBM-3.

Ongoing human rights due diligence process

The Company integrates human rights due diligence into the Double Materiality Assessment through a continuous, cross-functional process designed to identify and manage actual or potential risks and impacts arising from its operations, business relationships and value chain, taking into account all stages of the life cycle of its facilities. This process incorporates mechanisms for two-way dialogue with Stakeholders and considers the Group's geographical, social and operational context.

Due diligence is supported by processes implemented within the Group (including Compliance, Health and Safety, the Environment, Procurement and Cybersecurity), which are assessed annually to ensure they cover human rights. Identification of impacts is carried out in accordance with the United Nations Guiding Principles and includes periodic context analyses, stakeholder consultations and support from independent experts. This covers both our own operations and those of our business partners.

The Human Rights Risk Map is updated annually incorporating information from these analyses, the internal control system, the Double Materiality Assessment and the environmental and social processes of the projects. This process constitutes the operational axis of the Group's Policy on Respect for Human Rights and the Ethical and Basic Principles of Governance and Sustainability.

Double materiality assessment process

Stage 1. Understanding the context of the Company, sector and key Stakeholders. This includes a detailed description of the business model, markets and geographic presence, business relationships, key Stakeholders and the applicable regulatory and sustainability frameworks.

Impact materiality

Stage 2. Identifying impacts. Positive or negative, actual or potential impacts are identified based on the issues defined in AR-6 of ESRS 1. The initial inventory is drawn up on the basis of internal information (contextual documentation, ERM system, Stakeholder engagement, Human Rights Map) and external

information (ILO, World Bank, OECD, SASB/ISSB, UNEP, TNFD, UN, IEA and other agencies). Potential value chain impacts are also identified according to the framework of *Section SBM-1 of Chapter ESRS 2.*

Stage 3: Assessing the materiality of impacts. Impacts are classified as either actual or potential, positive or negative by applying the formulas established by the regulatory framework and its implementation guidelines to determine scale, scope, irremediable character and likelihood. Severity is determined by combining these factors, with the severity of impacts on human rights taking precedence. The results are classified into one of five ranges, with those rated as Very Significant, Significant or Important being considered material.

Stage 4. Gathering the impact materiality results. The identified material impacts are presented in the corresponding thematic chapters.

Financial materiality

Stage 2. Identifying risks and opportunities. Short-, medium- and long-term sustainability risks and opportunities are identified in accordance with AR-16 of ESRS 1. The analysis is based on previous impacts and dependencies and is supplemented with external references such as Iberdrola's Risk Map, IFRS guidance, WBCSD, ENCORE and PRIs.

Stage 3. Assessing risks and opportunities: The initial inventory is filtered by excluding risks with no significant financial impact, of very low likelihood, or inherent to regulated activities under sound and mature regulations. The resulting inherent risks are assessed by the organisations responsible for risks of the country subholding companies.

Stage 4. Gathering the financial materiality results. As a result of the above process, the final inventory of inherent risks (with the exception of climate change risks, which are described in E1) includes those of greatest economic significance, and are as follows:

- Supply quality penalties.
- Compensation for damage to ecosystems due to fires in the operation of facilities.
- Fines relating to leaks of private or sensitive data.
- Corruption involving the workforce, as well as cases involving partners or intermediaries.
- Fines for accidents involving people due to electrocution or accidents involving distribution networks.
- Fines due to mortality of birds and other fauna owing to electrocution or collisions in power grids and wind turbines

After analysing the mitigation measures and the actual impact in recent financial years, it is concluded that these risks are immaterial for Iberdrola. The opportunities identified are linked to climate change and are described in *Chapter E1*, as with the risks associated with climate change.

Conclusions on the materiality of each subtopic

The materiality of each sub-topic is determined by assigning it the highest score from among its associated impacts, risks or opportunities, so that a single material IRO is sufficient to consider it a material issue. This approach prevents the presence of multiple IROs of low relevance from reducing the final score, ensuring a consistent and standardised assessment within the sustainability framework. The outcome of the material subtopics is set out in *Section SBM-3 of Chapter ESRS 2*.

IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

The information is broken down in *Section IRO-2 of Chapter ESRS 2.*.

Minimum disclosure requirements of policies and actions

MDR-P: Policies adopted to manage material sustainability matters

The Board of Directors designs, evaluates and reviews the Company's *Governance and Sustainability System*, which constitutes its internal regulations, on an ongoing basis. The system applies to other companies of the Iberdrola Group based on its status as a holding company. It establishes rules, principles and guidelines that inform standards-setting that may be approved by these companies, if any, within their discretionary autonomy.

The corporate website contains the current rules, regulations and policies that make up the System. The Group's policies have been designed with the interests and needs of Iberdrola's key Stakeholders in mind. These Stakeholders were identified through the Stakeholder Engagement Model, which is described in Section SBM-2 of Chapter ESRS 2. The corporate divisions with expertise in each sustainability area are responsible for supervising and implementing the policies relating to the material impacts, risks and opportunities described in this report. The following paragraphs summarise the most significant sustainability-related disclosures.

The *By-Laws* constitute the highest internal regulations and form the backbone of the System. The *Purpose and Values of the Iberdrola Group* constitute the corporate philosophy informing the organisation of the Company and of the other companies of the Group, guiding its strategy and governing its activities. The *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* adhere to the highest standards and requirements in terms of transparency, good governance, human and social capital, natural capital, and compliance.

The *Sustainable Development Policy* establishes the principles that must underpin the strategy for creating sustainable value and articulating the social dividend, working in collaboration with Iberdrola's employees, local communities, supply chain and customers. The *Stakeholder Engagement Policy* establishes ongoing engagement, active listening and two-way dialogue with groups that influence or are affected by the Company, including local communities and legitimate representatives.

The *General Risk Control and Management Foundations of the Iberdrola Group* aim to establish risk management mechanisms and define the general conduct framework for configuring the Comprehensive Risk Control and Management System. The *Policy for the Preparation of Financial and Non-Financial Information* ensures the quality, traceability, reliability and consistency of all financial and non-financial reporting processes, including the SNFI. The *Corporate Tax Policy* reinforces tax transparency and accountability. The *Director Remuneration Policy* and the *Senior Management Remuneration Policy* aim to provide remuneration systems that will attract, retain and motivate the most qualified professionals, enabling the Company and other companies of the Group to achieve their strategic objectives in the increasingly competitive and globalised environment in which they operate.

The *Climate Action Policy* outlines the principles underlying the Company's climate action plans and sets out how climate change risks should be integrated into internal strategic planning and decision-making processes. The *Policy on Management and Protection of Nature* establishes the principles of a common environmental management model with the aim of preventing and mitigating the negative environmental impacts of air, water and soil pollution while promoting the sustainable use of water. The policy also aims to enhance the circularity of the Company's activities and those of its value chain by promoting the sustainable use of natural resources, implementing life cycle analysis and eco-design of infrastructures, applying the waste hierarchy and optimising management and the use of recycled materials. This policy promotes the efficient use of water resources by applying the water use hierarchy (prioritising reduction and reuse), managing risks related to scarcity, and ensuring that water is returned to the environment in the desired condition, while seeking to prevent and reduce pollution in aquatic ecosystems throughout its value chain. It also encourages the responsible use of energy. To avoid negative environmental impacts, the companies of the Iberdrola Group have robust environmental management systems in place, backed

by ISO 14001 and EMAS certifications and designed to manage any anomaly or incident effectively, while applying the principles of precaution and continuous improvement. Through the implementation of risk minimisation plans and predictive, preventive and corrective measures, the natural environment is protected, thereby contributing to the maintenance of ecosystem services. The *Biodiversity Policy*. Its principles include avoiding, as far as possible, the siting of new projects in protected areas or areas of high ecological value, and to promote areas of private protection or conservation. It also establishes the application of the mitigation hierarchy principle (avoid, minimise, restore and compensate) throughout the lifetime of projects and facilities. The *Innovation Policy* outlines the pillars of the innovation strategy: sustainable development; the promotion of renewable energies; making the most of the opportunities offered by digitalisation and automation; and embracing emerging technologies.

The *Sustainable Human Capital Management and Anti-Harassment Policy* establishes a management model that ensures equal opportunities and prohibits discrimination. It fosters a diverse, inclusive and respectful work environment that promotes training and performance, and prevents harassment. The policy also encourages the recruitment, selection, development and retention of the best talent. The *Occupational Health and Safety Policy* outlines the principles of an occupational health and safety management framework that provides safe and healthy working conditions to prevent injury and promote physical, social, mental and emotional wellbeing. At Iberdrola, the health and safety of people are a priority and are integrated into decisions, business processes and work methods.

The *Policy on Respect for Human Rights* ensures that the Company's principles and practices align with key international frameworks and instruments. These include the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact principles, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the International Labour Organisation's conventions (including Convention 169 on Indigenous and Tribal Peoples), the Company's Code of Ethics and any documents that may complement or replace those mentioned above. The policy establishes human rights due diligence processes to identify, prevent, mitigate and account for actual or potential impacts arising from the Company's activities and business relationships.

The *Purchasing Policy* sets out the contractual obligations to comply with corporate standards on human rights, working conditions, health and safety, equal opportunities and responsible business conduct. Suppliers are also required to adhere to the *Code of Conduct for Directors, Professionals and Suppliers*, which sets out specific obligations to reject and prevent forced or compulsory labour, modern slavery, child labour, discrimination, abusive disciplinary practices and violations of freedom of association and the right to collective bargaining. the Group's companies undertake the following: (i) respect the right to freedom of movement within each country or territory, rejecting child labour, forced or compulsory labour and any form of modern slavery; (ii) respect freedom of association and collective bargaining; and (iii) not discriminate on the basis of any condition or characteristic.

The *Security Policy* outlines how people, assets and critical infrastructures are protected and is guided by a commitment to excellence, resilience and reliability. It ensures that security actions comply with the law and the Policy on Respect for Human Rights. The *Personal Data Protection Policy* establishes basic principles for protecting the data of all individuals interacting with the Company, ensuring respect for the right to reputation and privacy. The Policy also incorporates the principle of proactive responsibility, whereby the Company must assess the risks associated with its data processing activities and implement appropriate measures to mitigate them.

The *Anti-Corruption and Anti-Fraud Policy* sets out the fundamental principles of not tolerating, allowing or participating in any behaviour that constitutes corruption in any form, including extortion and bribery, when conducting business or professional activities, whether with the public or private sectors. The Policy promotes a preventive culture based on the principle of "zero tolerance" for business corruption, bribery

and other fraudulent activities. The Policy also provides for the implementation of appropriate training programmes and communication plans for the Company's professionals.

ESRS	Book	Policy / Regulations	
All	Governance and Sustainability System		
All	Introductory Book	Introduction to the Governance and Sustainability System	
		Purpose and Values of the Iberdrola Group	
		Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group	
ESRS 2 GOV-1	Book One. By-Laws and Corporate Organisation	By-Laws	
		Regulations for the General Shareholders' Meeting	
		Rules of the corporate decision-making bodies	
		Foundations for the Definition and Coordination of the Iberdrola Group	
All	Book Two. Corporate Policies	Transparency and good governance	Sustainable Development Policy
All			Stakeholder Engagement Policy
ESRS 2 GOV-3			Director Remuneration Policy
S1			Senior Management Remuneration Policy
Law 11/18			Corporate Tax Policy
All		Human and Social Capital	Policy on Respect for Human Rights
S1; G1			Sustainable Human Capital Management and Anti-Harassment Policy
E2, E3, E4, E5		Natural capital	Policy on Management and Protection of Nature
E1			Climate Action Policy
E4			Biodiversity Policy
S2; G1		Sustainable value chain	Purchasing Policy
S3			Security Policy
S1; S4			Personal Data Protection Policy
S4			Innovation Policy
S4			Quality Policy
S1; S2			Occupational Safety and Health Policy
All	Book Three. Internal Audit and Risk	Risks, Corporate Control and Compliance	General Risk Control and Management Foundations of the Iberdrola Group
All			Iberdrola Group Financial and Non-Financial Information Preparation Policy
S1; S2; G1		Compliance	Code of Conduct for Directors, Professionals and Suppliers
G1			Compliance Policy
G1			Internal Reporting and Whistleblower Protection System
G1			Anti-Corruption and Anti-Fraud Policy

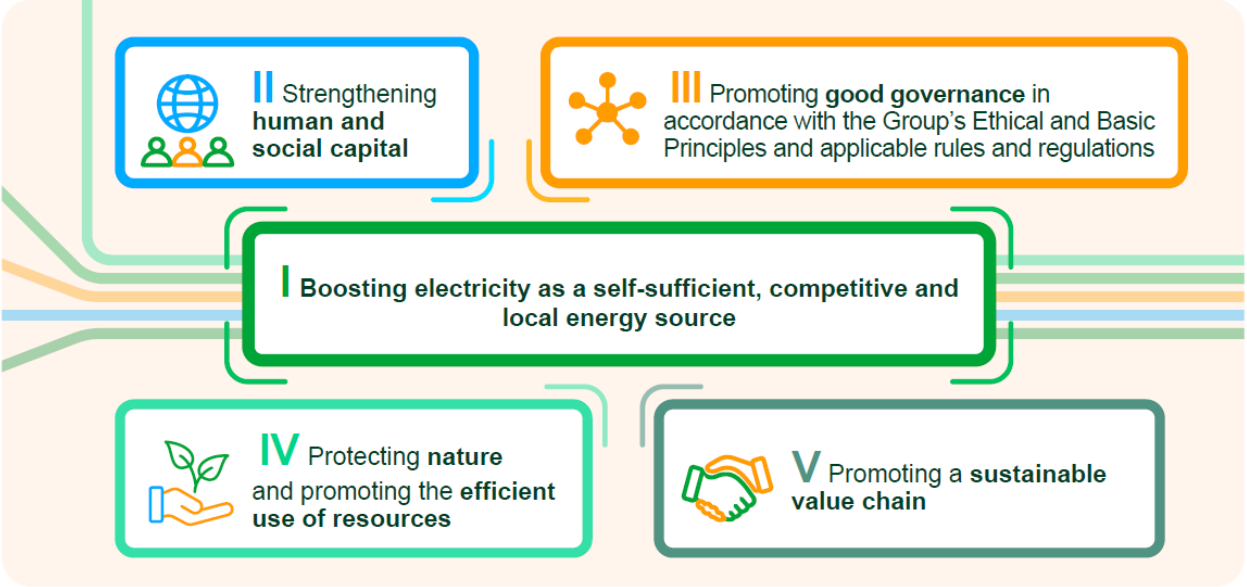
MDR-A: Actions and resources in relation to material sustainability matters

The Company has conducts through which it manages material sustainability issues. These conducts are detailed in each topical standard of this Report.

The Group allocates resources, which are part of its investment and operating costs, to the management systems and measures in place to prevent, mitigate or remediate impacts related to all material sustainability issues, as described in *Section IRO-1 of Chapter ESRS 2*.

MDR-T: Tracking effectiveness of policies and actions through targets

Iberdrola has an active role to play in developing an energy model that promotes the use of electricity as a competitive, locally sourced and self-sufficient energy solution that creates value for all stakeholders. The Company has defined its sustainability roadmap through its Targets, which cover the environmental, social, governance and financial areas and form an integral part of its business model.



The Targets, set on a voluntary basis, are inspired by the main disclosures contained in the *Governance and Sustainability System*, described in *Section MDR-P of Chapter ESRS 2,* and the corporate policies that comprise it. They are deployed, as applicable, in the Group's companies and activities, in an integrated manner consistent with the long-term Strategic Plan, which guides the Group's planning and communicate target values for 2028 and 2030.

The Group also has a Stakeholder Model, described in *Section SBM-2 of Chapter ESRS 2,* which acts as an essential source of information for defining the Company's targets, facilitating the identification and ongoing management of the expectations and interests of stakeholders

These targets are expressed through various performance indicators and projections of short- and medium-term achievement, enabling the effectiveness of the measures implemented in response to the main sustainability issues identified in the Double Materiality Assessment described in *Section SBM-3 of Chapter ESRS 2 to be assessed.*

The preparation and monitoring of the sustainability targets is carried out through an annual process that draws on the input of the Group's various divisions and companies. In accordance with *Section GOV-1 of Chapter ESRS 2,* the Board of Directors and its support bodies supervise and approve the targets within the framework of the Strategic Plan. These are then communicated through digital channels and via this report.

MDR-M: Metrics in relation to material sustainability matters

The Company has established specific metrics linked to material sustainability issues, which allows monitoring of the effectiveness of the actions taken to manage these sustainability issues. These parameters are described in each thematic standard of this report.

[ESRS E1] Climate change

GOV-3: Integration of sustainability-related performance in incentive schemes

The remuneration structure for officers takes into account financial, operational and sustainability parameters, in particular through a long-term share-based remuneration plan (Strategic Bonus), which is described in detail in Section GOV-3.

The 2023-2025 Strategic Bonus considers the reduction of CO_2 emissions intensity among its parameters. This parameter reflects Iberdrola's substantial contribution to sustainable electrification via competitive technologies and local, secure primary energy sources. This parameter carries a weighting of 10%.

This parameter will be considered achieved if, taking into account a normal rainfall period, a level equal to or less than 70g CO_2/kWh is reached in 2025 in terms of the intensity of its own CO_2 emissions. This target represents a demanding reduction of 27% compared to the specific CO_2 emissions intensity of the Iberdrola Group in 2021, and an even greater reduction compared to the 200g CO_2/kWh of the average specific CO_2 emissions intensity in 2021 of all electricity companies included in the Euro Stoxx Utilities Index.

For more information, see the Annual Report on Remuneration of Directors and Officers of Iberdrola.

E1-1: Transition plan for climate change mitigation

Introduction to the transition plan

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

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

Transition plan objectives and actions

Iberdrola has announced its ambition to achieve Net Zero emissions by 2040. In such a scenario, only residual emissions would be neutralised. This trajectory has been certified as consistent with the objectives of the Paris Agreement by the Science Based Target Initiative (SBTi).

The Company's medium-term targets are to reduce the emissions intensity of electricity generation to 32 g CO_2/kWh in a normal rainfall period by 2028, and to achieve CO_2eq neutrality for Scope 1 by 2030, with a target figure of less than 10 g CO_2/kWh in intensity from electricity generation emissions that year. Further details on the Company's reduction targets can be found in *Section E1-4*.

The actions identified so far to achieve this objective, which are presented in more detail in *Section E1-3 of Chapter E-1*, are mainly grouped into the following levers of conduct with an impact on the three emission scopes. For details of the main actions, see *Section E1-3: actions and resources*.

The development of Iberdrola's business model has led to a decrease in emissions within a context of strong operational growth, establishing the Company as a benchmark that demonstrates the viability of an effective transition while creating value for all its stakeholders. Taking all of the above into account and especially the emissions reductions already achieved, at the time of publication of this report, the Company has not defined a specific combination of levers, nor has it taken any decision that will affect the development of its businesses and activities. Nevertheless, the Company will make every effort to achieve

this goal and will continue to align its strategy, investments, operations and public positioning, as it has done in the past. In any event, Iberdrola also commits to handling the energy transition by ensuring the creation of value for its shareholders, employees, customers, suppliers and the communities in which it does business. The Company therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as company value, quality of supply, social/labour conditions and a fair transition.

Values of the Action Plan

Due to its cross-dimensional nature, the *Climate Action Plan* is based on general social interests and contributes to sustainable development, with the aim of building a competitive and self-sufficient energy model that is in harmony with nature and human beings. These two dimensions underpin the plan, ensuring positive impacts on nature and society.

Investment associated with the Transition Plan

In order to fulfil the commitment set out in the Climate Action Plan, Iberdrola will continue to develop a business model and an investment plan to drive a competitive and secure energy model, based on the massive electrification of primary energy demand, met from non-emitting sources. In September 2025, Iberdrola updated its Strategic Plan 2025-2028.

Locked-in emissions

The ambition to achieve Net Zero emissions by 2040 (Scopes 1, 2 and 3) depends both on actions taken by the Group and decisions by third parties, including suppliers and regulators. It is not possible at this stage to predict which assets will be part of the Group in 2030 or 2040, or how they will be used. The Company considers locked-in emissions to be those arising from emitting assets or activities included in the business plan.

All the measures contemplated in the *Climate Action Plan* contribute to reducing the total amount of stranded emissions, together with factors such as the reduction of the carbon footprint of electricity markets.

According to the *Strategic Plan 2025-2028*, the Iberdrola Group will not make any organic capital expenditure (CapEx) related to new carbon-intensive assets. In terms of CapEx invested during 2025, the Group allocated around EUR 164 million of CapEx for gas generation, which represents less than 1% of the Group's total consolidated investment. Gas distribution and marketing activities amounted to EUR 3,950 million in financial year 2025. These data mean that the Company is technically compliant with the requirements for inclusion in the *EU Paris-Aligned Benchmarks*. The absence of investments in coal and coal products, crude oil and petroleum products, and new natural gas facilities in the year is particularly noteworthy.

Monitoring of the Transition Plan

The ambitious climate action plan (Transition Plan) is monitored using four emissions indicators (emissions intensity of generation and total Scope 1, 2 and 3 emissions) and a set of complementary metrics linked to the plan's levers and tools. Progress on the emissions indicators is shown below and the metrics are shown in *Section E1-4 of Chapter E-1*.

It is worth highlighting the strong and continuous reduction in the intensity of direct emissions, from 250 g/kWh in 2010, to 39 gCO_2/kWh in 2025[7], a reduction of 84%. Since 2020, a 60% reduction in emissions intensity has been achieved. This trend is aligned with the fulfilment of the published targets of 32 gCO_2/kWh in 2028, and less than 10 gCO_2/kWh in 2030.

[7] Including discontinued activities, which are not part of the consolidated turnover in the year, emissions would stand at 60 gCO_2/kWh

With regard to evolution of absolute emissions for the three scopes measured in tonnes of CO_2e, in 2025, they stood at 33.3 Mt of CO_2e (calculated using the location-based method). With respect to the aspirational target of achieving net zero emissions by 2040, by the end of 2025, an emissions reduction of more than 54% has been achieved compared to the comparable base year 2020.

The main actions carried out in recent years by the Group in the different scopes:

- In Scope 1: divestment of the gas-fired power plants in Mexico, and closing of the last coal-fired plants, in Lada and Velilla.
- In Scope 2: investment in digitalisation of networks involving reduction of network losses and increase in PPA contracts to acquire renewable energy for own use.
- In Scope 3: divestment of the business in Mexico and divestment of the distributor Maine Natural Gas, electrification and emission reduction projects at suppliers with medium-term impact; reduction of national average factors thanks to investment in grids and renewables and PPA contracts for the supply of renewable energy to customers.

In sum, these actions have led to a cumulative reduction of more than 22 million tonnes of absolute emissions.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

As described in *Section IRO-1 of Chapter E-1,* the Iberdrola Group regularly positions itself and plans its strategy by updating its Strategic Plan in order to maximise the opportunities for transition in all its geographical areas. As part of this plan, the Company has conducted an analysis of physical and transitional climate change risks to inform its operational resilience assessment.

The resilience of electricity infrastructure, both planned and operational, to extreme weather events (physical risk) is analysed in order to assess the need to modify designs, elements, systems and operating procedures. The companies of the Group have specific mechanisms in place to mitigate physical risks arising from climate change, including design specifications, management systems, asset diversification (in terms of business, geography and technology), insurance coverage for natural events, regulatory coverage and the integration of climate change risk into investment decision-making processes.

It is important to note that the scenarios indicate many impacts (mainly chronic physical risks) would occur in the long term. Given that facilities are progressively renewed as they reach the end of their useful life, the most severe consequences would be borne by future assets, rather than those currently in operation.

The resilience of the main risks identified is assessed on the basis of three concepts: resilience, recovery capacity and adaptability. These three aspects generally contribute to minimising the potential impact of climate events and facilitating recovery in the shortest possible time.

In the specific case of electricity grids, which, as described in *Chapter ESRS E-1 Conclusions on physical risks*, may be exposed to a material risk as a result of the expected evolution of extreme weather events, the Group companies that operate them have invested heavily in recent years and this investment will increase in the coming years. The objectives include more reliable, secure and robust networks. Investment in further digitalisation and automation is improving response times during extreme weather events and ensuring more reliable, secure and robust networks.

One example illustrating this is Iberdrola's response to the torrential rains (DANA) that hit Valencia, Spain, in October 2024, severely affecting infrastructure and the local population. The digitalisation of distribution facilities, coupled with the rapid mobilisation of all available resources, enabled the restoration of 85% of the electricity supply within 48 hours. After the DANA storm, Iberdrola restored the electricity supply and launched the Illumina project, allocating EUR 100 million to rebuilding and adapting the affected distribution network to make it more resilient.

In terms of transition risks, Iberdrola is in a favourable position to face these risks due to its historical investment focus on transmission and distribution networks, renewable energy and efficient storage.

The business model has already transitioned to a low-emission model and the Company has no material dependence on fossil fuels. Furthermore, 93% of its investments align with the European taxonomy of sustainable activities as part of its growth strategy.

The opportunities arising from the transition to an electrified global economy (such as growth in renewable energy, investment in and development of transmission and distribution networks, increased demand for data centres and storage and the electrification of transport and energy use in buildings and industry) are considered too far outweigh the risks.

IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Analysis of impacts

As part of the Double Materiality Assessment described in *Section IRO-1 Chapter ESRS 2,* the following material impacts relating to climate change have been identified.

Positive impacts:

- Contribution to the stability, security and resilience of the electricity system.
- Contribution to regulatory frameworks and approaches favourable to sustainable electrification.
- Promoting the electrification of demand through investment in electricity networks.

Negative impacts:

- Direct and indirect impact of CO_2 emissions.

As can be seen, the negative impact derives from activities that emit greenhouse gases. It is important to note that the Iberdrola Group is one of the vertically integrated electricity companies with the lowest emissions in the world, as its emissions are 75%[8] lower than those of its European peers. In any case, the residual negative impacts are dealt with in the *Climate Action Plan,* as described in *Chapter ESRS E1-1.*

The potential risks arising from this impact, as well as the opportunities arising from our strategy, are considered below in the section on the analysis of transition risks.

Physical risks arise from the main long-term and extreme climatic threats, the development of which could affect the normal operation of facilities and, in some cases, jeopardize the integrity thereof.

Analysis of climate change-related physical risks

Physical risks are specific to each site, potentially gradual, associated with each technology and occur over very long periods, although, as in the specific case of extreme weather events, an increase in the frequency and intensity thereof may already be seen in the short term.

In 2025, the analysis of the physical risks to which the Group may be exposed was further refined. As in 2024, the analysis was performed at site level, focusing on the Group's energy assets and excluding the underground transmission and distribution of electricity and gas, as the effect of climate on these assets is considered negligible compared to the climatic consequences for other types of assets. The geographies considered are therefore those in which the Group has a presence (primarily Spain, the United States, the United Kingdom and Brazil, as well as other countries in which the subsidiary Iberdrola Energía Internacional operates, including Australia, Germany, Greece, France, Portugal, Italy, etc.).

The identification process is based on the physical climate hazards listed in *Section II* of *Appendix A* of *EC Delegated Regulation (EU) 2021/2139*. After analysing the 28 hazards, a total of 14 were identified as having a theoretical potential impact on the Group's operations. The physical hazards could have potential financial impacts related to loss of efficiency and potential damage to assets and maintenance operations.

[8] The data refers to the emissions generated by Iberdrola's facilities in Europe in 2025. The average factor data is sourced from Climate Change and Electricity: European Carbon Factor. PwC France. Dec. 2025 (using the European area of 2024).

Physical climate risk assessment essentially consists of three main variables: sensitivity, exposure and adaptation. The first step is to determine the level of inherent risk (IR) for each asset analysed, i.e. without taking into account any adaptation (mitigation) measures that may have been implemented at the site. On the basis of the inherent risk result obtained, the material risks are identified through an assessment of adaptive capacity, taking into account the degree of actual or planned implementation of mitigation measures, their degree of coverage and other elements such as insurance coverage or regulatory issues.

Time horizon and climate scenarios of the physical risk analysis

It is important to emphasise that, in order to assess the potential physical risks arising from the different identified hazards, the projection of different climate variables is studied over three time horizons: short-/medium-term (2021-2040), long-term (2041-2060) and very long-term (2080-2100). The time horizons defined allow the evolution of climate events to be correctly observed, as no significant differences between the projections would be observed if the time periods used were closer.

The climate scenarios were chosen based on those defined in the latest version (CMIP6) of the Coupled Model Intercomparison Project (CMIP) for climate projections. The analysis used the SSP2-4.5 (+2.7°C global warming compared to the pre-industrial median) and SSP5-8.5 (+4.4°C global warming compared to the pre-industrial median) scenarios, as these have a larger number of recognised models and data sources. SSP5-8.5 is the most pessimistic emissions scenario, making it the most conservative, while SSP2-4.5 is a more moderate emissions scenario. It was also decided to include the SSP1-2.6 scenario (+1.8°C global warming compared to the pre-industrial median) in the analysis.

Conclusions on physical risks

The following table summarises the assessment of operational assets as of the 2025 closing date, for which a total of 14 potential threats were detected. It can be concluded that in the long term, for the 2041-2060 time horizon and in the scenarios of higher emissions, taking into account the adaptation measures already implemented, only one risk is currently assessed as material in the scenarios of higher emissions, associated with the impact of an increase in extreme weather events that could affect network assets. This risk is associated with the need for additional resilience plans that are already planned, and the associated investments will be taken into account in regulatory reviews in any case.

Inherent risk	Technology	Region	Scenario	Horizon	Examples of adaptation measures / Mitigation Element	Material Risk
Increased frequency and severity of cyclones and hurricanes	Wind	Australia, USA (East Coast)	SSP2-4.5 - +2.7ºC/ SSP 2-8.5 - +4.4ºC	2050	| The infrastructure design for each site takes into account extreme gusts of wind based on historical data | Insurance cover against cyclones and hurricanes in the most exposed areas	No
Increase of fires in the surrounding area due to an increase in extreme temperatures	Solar Photovoltaic	Australia, USA and Spain	SSP2-8.5 - +4.4ºC	2050	| Fire plans strengthened | Implementation of cold welding at some photovoltaic plants | Insurance cover against fire risk	No
Increased frequency and intensity of extreme events (cyclones, tornadoes, floods, fires, etc)	Networks	USA, Spain, Brazil and United Kingdom	SSP2-4.5 - +2.7ºC/ SSP 2-8.5 - +4.4ºC	2050	| Specific resilience plans | Digitalisation | Undergrounding lines | Design specifications | Investment | Meshing | Management of vegetation	Yes
Increased periods of drought affecting the operation of water assets	Hydro	Spain, Brazil and Portugal	SSP2-8.5 - +4.4ºC	>2050	| Development of new pumping | Turbine operation at ecological flow rates | River basin diversification	No

Given the nature of climate threats and the associated uncertainty, particularly with regard to extreme events, Iberdrola monitors and manages physical climate change risks through a continuous improvement process integrating climate science analysis, operational team experience and the application thereof to customary company procedures.

In addition to the mitigation elements listed in the table above, in general terms the Company has elements in place to strengthen its resilience in the face of the expected future evolution of climate variables, such as:

- Gradual renewal of the assets: the fact that the impacts are primarily long-term means that, to a large extent, it is the future assets, rather than its current assets, that will bear the most severe impacts.
- Diversification (from the business, geographic and technological standpoint)
- Consideration and analysis of the risks of climate change in investment decisions on new assets and projects.
- Regulatory coverage in the networks business.
- Insurance cover for natural phenomena

Climate change transition risk analysis

The identification and assessment of transition risks related to potential changes in markets, regulation, products or business models as a result of climate change is performed for each “activity” carried out by

the Group's head of business companies (HBCs). For each of these HBCs, the climate change transition events that could have an impact at the "activity" level are assessed.

The identification of transition risks is based on the list of events contained in the Implementation Guide of the *Task Force on Climate-related Financial Disclosures* (TCFD), which groups risks into four main types (regulatory and legal, technological, market and reputational) and into the different categories identified within them. In addition, a review was conducted of the sector's standards and regulations, industry trends in the area of environmental transition related to the energy sector, and expert criteria from different business areas of the Company.

As a result, there is a list of potential transition risks arising from climate change, of which eight have been identified by expert judgement as most relevant to the group's business and climate change strategy and have been subject to the assessment process to determine their relative importance.

The assessment of transition risks for each activity is based on a quantitative methodology whereby the inherent risk is calculated as the product of impact and vulnerability. Three assessment criteria have been considered to evaluate the impact: magnitude, probability and duration of the events. In this impact assessment, current company information is taken into account through a number of inputs provided by the different business areas, as well as projections of key parameters in the transition climate scenarios over different time horizons in which these events could occur (2030, 2040 and/or 2050). These horizons have been defined according to the projections of the scenarios, the useful life of the assets and/or internal assumptions about the future of the sector. In terms of likelihood, the various transition climate scenarios considered have been assumed to be true. The concept of vulnerability is also included to define the level of sensitivity of the various activities of the Iberdrola Group to each risk in each region.

In addition, the risks assessed at the corporate level (litigation exposure and stakeholder opinion) are qualitatively analysed on a global basis, taking into account the general context of both risks, both of which are considered to be non-material for the year under review.

Based on the results of the inherent risks of each activity and HBC for each climate scenario and time horizon, the analysis is complemented by integrating all the specific mitigating factors and their business models in each geographical area. This finally yields the material risks.

Time horizons and climate-related transition scenarios

The assessment horizons are 2030, 2040 and 2050 for the short-, medium- and long-term, respectively. This choice is in line with the Company's strategic vision, the information provided by the climate scenarios used (WEO 2023), and the Climate Transition Plan.

The climate scenarios used were *Stated Policies* (STEPS), *Announced Pledges* (APS) and *Net Zero* (NZE), with the main source of information being the International Energy Agency's *World Energy Outlook 2023*. These scenarios are consistent with the key climate assumptions included in the financial statements. The manner in which the particular features of each scenario have been factored into the risk analysis is reflected in the specific "projection parameters" for each time horizon, including the price of direct CO_2 emissions, conventional generation, electricity pool prices, etc.

Conclusions on transition risks

Based on the analysis of transition risks across various time horizons and climate scenarios, it can be concluded that the inherent risks primarily relate to conventional combined cycle generation activities and gas distribution. The identified mitigating actions and measures have led to the final assessment of these risks (described below) being deemed non-material. Additionally, the IEA's projections, as presented in the WEO 2025, generally indicate a slowdown in the transition to natural gas. This suggests that the transition risks associated with this sector are tending towards reduction.

The inherent risks and the conclusion as to their status as financially non-material, are described below:

- Potential reduction in gas distribution activity in the United States: it was identified as an inherent risk for the APS and NZE scenarios in the 2040 and 2050 horizons. The risk of a shutdown of this activity was identified as inherent in the same scenarios, but only in 2040. In both cases, mitigating actions have been taken into account to conclude that the risk is not material, including customer conversion to greater electrification of these services (which is already happening), increasing electricity demand, as well as the recovery of the value of the assets, either through regulatory action or the market. In addition, the current US regulatory environment would contribute to reduce this potential risk.
- Possible cessation of combined cycle activity in Spain has been identified for the APS and NZE scenarios and for the 2040 horizon. Mitigation measures include actions to guarantee supply in Spain and recover the value of assets. In any case, the contribution of these generation technologies continues to be demonstrated in terms of ensuring the stability of electricity systems through the provision of capacity assurance, balancing, voltage control, service restoration, etc.
- Potential scenario of lower electricity prices in the short-term spot markets in Spain, especially in the NZE scenario, for a growing electricity system based on a zero-emissions generation base. The resulting risk is not material because the Company mitigates it in the short term through various measures:
  - Integration into planning of electricity price forecasting.
  - Centralised management of positions by an area with market expertise.
  - Forward sales to end customers at fixed or indexed prices (natural hedging) via PPAs or retail activity
  - The remaining risk is mitigated through wholesale market transactions (through physical and derivative transactions)

TCFD type	TCFD category	Transition risk	Focus of analysis
Regulatory and legal	Increased cost of GHG emissions	Rising price of carbon emissions subject to existing regulated markets	Conventional generation
	New mandates and regulations for products and services + Change in consumer behaviour	Decline in conventional generation activity and in gas distribution and marketing(1)	Conventional generation Gas distribution Gas marketing
	Increased exposure to litigation and administrative sanctions	Increased climate litigation in the energy sector	Corporate
Technological	Substitution of conventional products and services with low-carbon products and services	Potential shutdown of conventional generation and gas distribution and marketing activities	Generación convencional Distribución de gas Comercialización de gas
	Costs associated with a transition to lower-emission technologies	Inclusion of equipment without SF6	Electricity distribution Renewable generation
Market	Uncertainty in market signals	Reduction in the price of electricity in wholesale markets(2)	Conventional generation Renewable generation Nuclear generation
	Uncertainty in market signals	Increased competition in the electricity sales market	Electricity marketing
Reputation	Increased concern or poor opinion of Stakeholders	Social perception of Iberdrola in relation to new renewable energy developments and plant closures	Corporate

(1) Risk corresponding to a combination of the "Regulatory" and "Market" typologies
(2) Risk considered in the short-term before these markets are redefined to enable transition

Analysis of transition opportunities

The identification of climate change related transition opportunities is based on the list of categories included in the TCFD Implementation Guide, which groups opportunities into five main typologies (resource efficiency, energy sources, products and services, markets and resilience), all of which are strongly correlated with the overall electrification of the economy.

Eight significant potential opportunities have been considered in relation to the activities carried out. These are the opportunities that could make the greatest contribution to higher growth rates of some of the businesses. These opportunities are analysed using an assessment and quantification model.

All these opportunities would materialise in the form of increased revenues as a result of increased demand for electricity due to the electrification of applications that currently use fossil fuels. This increased demand will require investment in all activities in the sector, from renewable generation, transmission and distribution networks, storage, mobility, etc. The expanded asset base and the increase in invested capital are drivers of growth opportunities in terms of earnings.

TCFD type	TCFD category	Opportunity
Products services	Development and/or expansion of low-emission goods and services	Heat pump
	Development and/or expansion of low-emissions good and services	EV charging
	Capacity to diversify activities	Transmission and distribution
	Capacity to diversify activities	Electricity
	Capacity to diversify activities	Pumped storage
	Capacity to diversify activities	Battery storage
	Change in consumer preferences	Electricity marketing
Market	Diversification of the activities of the business	Voluntary carbon credit markets

The Company integrates all these opportunities into its Strategic Plan 2025-28. This planning incorporates all identified or anticipated opportunities at all times and is reviewed annually. The assessment of each opportunity is kept confidential due to its high strategic importance. The information publicly disclosed by the Company on its investment and growth plans provides an adequate and appropriate description of sustainability-related opportunities.

E1-2: Policies related to climate change mitigation and adaptation

The Company has policies in place to address the management of the climate change mitigation and adaptation-related impacts, risks and opportunities described in *Section MDR-P of Chapter ESRS 2.*

E1-3: Actions and resources in relation to climate change policies

Mitigation actions

In order to achieve the objectives of the transition plan, the Iberdrola Group has identified four levers which bring together the various actions that have been or could be carried out.

Levers	Actions	Scope of action
Sustainable investments in smart grids	Investments Digitalisation, quality and efficiency (reduction of losses) Reduction of fugitive emissions (e.g. SF6-free switchgear) Innovation centres and projects Decarbonisation of the mix	S2 S3
Sustainable investments in power generation and other technologies	Investments in renewables Increase in storage capacity New technologies Thermal: For capacity (neutralise) and divestments - Total divestment of assets in Mexico - MNG divestment - Closure of 17 coal and oil-fired power plants	S1 S2 S3
Solutions for customers	Deployment of Smart Solutions and digitalisation Partnerships in green technology and decarbonisation For gas networks: divestments, other fuels	S2 S3
Purchases: Energy	Increased electricity sales from own production and purchase of green electricity Renewable electricity in buildings and auxiliary systems	S1 S2 S3
Purchases: Suppliers	Joint emission reduction projects Emissions in selection criteria Sale of electrification solutions Partnerships in green technology and decarbonisation	S3

Some of these actions are reflected in the Sustainability Targets of the Company and its subsidiaries and therefore serve as additional metrics for monitoring the climate action plan.

The monitoring metrics associated with each of the levers can be found in *Sections* E1-4, S2-5 and S4-5.

In addition, the Plan is underpinned by an effective framework of internal and generalised tools, which can also be used to implement various actions and which include other Sustainability Targets, thus serving as complementary metrics.

Tools	Actions	Complementary indicators	2025	2028	2030
Climate governance	The remuneration plan includes parameters related to climate change Annual reporting based on high standards (SNFI, indices)	Remuneration linked to climate targets	O.K.	N/A	N/A
Risk and opportunity strategy and management	90% of the 2025-2028E organic CAPEX plan aligned with the European Taxonomy Periodic climate scenarios exercise. Strengthen climate risk analysis and management with actions and indicator development Ongoing process of trend analysis, including climate change science and collaboration with third parties	% of CAPEX aligned with European Taxonomy	92.9%	~ 90%	~ 90%
Technological innovation and digitalisation	Investment in R&D Smart grids Measures to promote clean technologies	Smart grids (% Asset automation)	85.8%	~ 90%	> 90%
Alliances and partnerships	Alliances and participation in institutions, coalitions, etc. Participation in the global and regional debate consistent with its governance and sustainability system Social awareness-raising	Activities performed	Qualitative		
Green financing	>80% of cumulative green/sustainable financial instruments by the end of the 2025-2028 plan	Millions of Euros (accumulated)	11,686	> 30,000*	

Financial resources

The actions to be taken by the Company and its subsidiaries are included in the planned medium and long-term investment. The indicator that best represents the Group's level of sustainability is the ratio of CapEx to total, which stands at 93%, thanks to its growth strategy based on smart grids and renewable energy generation, activities on which it is focusing the bulk of its investment. The Company has announced its intention to maintain its sustainable CapEx ratio in the region at around 90% in the coming years.

Details of the CapEx associated with the Group's different eligible activities are set out in the European Taxonomy of Environmentally Sustainable Activities chapter.

E1-4: Targets related to climate change mitigation and adaptation

In accordance with the disclosure requirements set out in *Section MDR-T of Chapter ESRS 2 and Section E1-1*, the Company has set two main aspirational targets (Emission Intensity in electricity generation and Net Zero in Scopes 1, 2 and 3 by 2040, meeting SBTI milestones) and four complementary targets (increasing managed stored energy capacity, advancing in smart grids, maintaining a CapEx aligned with the European Taxonomy and accrued millions of euros of Green Financing).

Boosting electricity as a self-sufficient, competitive and local energy source	METRIC	2025	2028e	2030e
Emission Intensity in Electricity Generation	g CO_2 /kWh	39.2	32	Carbon Neutral(1)
Net Zero in scopes 1, 2 and 3 before 2040	Comply SBTi milestone in 2030 & 2040	In process		√
Managed Stored Energy Capacity	GWh / year	10,232	>10,500	>11,000
Smart Grids	% asset automation	85.8%	~90%	>90%
CAPEX aligned	% Taxonomy Aligned Capex (2)	92.9%	~90%	~90%
Green Financing	Million Euros (cumulative) (3)	11,686	>30,000	-

(1) <10 gCO_2/kWh

(2) Organic CapEX; according to European Taxonomy Regulation.

(3) New accumulated green financing for the period 2025–28. New accumulated sustainable financing for the period 2025–28, > €35 billion.

These targets build on the principles of the *Climate Action Policy* and give concrete form to the ambition of achieving CO_2 emissions neutrality in Scope 1 by 2030 and net zero emissions in all scopes by 2040, following the pathway certified by the Science Based Targets initiative and aligned with the objectives of the Paris Agreement.

The calculation of emission reduction targets is based on the externally verified emissions inventory according to ISO 14064, in accordance with Section E1-6. Gross emissions are used, without reductions from carbon credits or other emissions offsetting.

E1-5: Energy consumption and mix

Intra-organisational energy consumption includes the energy consumed by all the facilities, buildings and offices of the Iberdrola Group. The same perimeter is used as for the reporting of GHG Scope 1 and 2 emissions. For Scope 2, both *Location-based* and *market-based* methods are used (see *Section E1-6* for more information).

Consumption of fossil fuels is shown broken down by fuel type in the table below.

Total energy consumption, broken down by source [MWh]

Source	2025	2024
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)[9]	634,729	700,585
(3) Fuel consumption from natural gas (MWh)[10]	23,979,638	23,892,290
(4) Fuel consumption from other fossil sources (MWh)[11]	30,652	41,616
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	8,658,906	8,144,270
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	33,303,924	32,778,761
Share of fossil sources in total energy consumption (%)	32.8 %	31.5 %
(7) Consumption from nuclear sources (MWh)	67,598,546	71,022,841
Share of consumption from nuclear sources in total energy consumption (%)	66.6 %	68.1 %

[9] Consumption of fuel oil, diesel, petrol, ULSD, kerosene and CTV diesel is included.
[10] Consumption of natural gas and CNG gas is included.
[11] Consumption of propane, ethanol and heating oil is included.

Source	2025	2024
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	399,541	212,399
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	270,508	201,257
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	670,049	413,657
Share of renewable sources in total energy consumption (%) - Continuing activities	**0.7 %**	**0.4 %**
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11) - Continuing activities	**101,572,520**	**104,215,259**
Share of fossil sources in total energy consumption (%) - Discontinued activities	**100.00 %**	**100.00 %**
Total energy consumption (MWh) - Discontinued activities	**18,978,163**	**35,361,389**

Energy intensity per net revenue

Source	2025	2024	% 2025/2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€) - Continuing activities	0.0023	0.0024	-5 %

Energy production

Source	2025	2024
Energy production from renewable sources (MWh)	88,190,000	83,294,000
Energy production from non-renewable sources (MWh) - Continuing activities	31,818,000	32,773,000
Energy production from non-renewable sources (MWh) - Discontinued activities	9,036,000	16,389,000

Net revenues from activities in sectors with a high climate impact are related to the generation, distribution, transmission and supply of energy and represent approximately 99.8 % of the Group's total revenues, as only the non-energy businesses and the corporation are excluded from this category (see Note 38 to the Annual Financial Information of Iberdrola S.A.).

E1-6: Scope 1, 2, 3 and total gross GHG emissions

The Group's inventory of emissions has been verified in accordance with UNE ISO 14064-1:2018 for the direct and indirect emissions from all of its activities. The verified information is available in the Greenhouse Gas Inventory (Carbon Footprint) section of the Company's corporate website.

The information included in the scope of the GHG inventory encompasses the Company, the country subholding companies and the head of business companies, as well as the companies in which it has an interest. This inventory therefore includes the emissions from the activities of the entire Iberdrola Group. The consolidation of GHG emissions is addressed based on an operational control approach[12].

Calculation methodology for GHG emissions[13]

Product of activity data multiplied by the corresponding emission factor in each country (direct fuel analysis or emission factors (EFs) from internationally recognised official sources).

The sources used for the EFs are: MITERD (Spain), DEFRA (UK and International), EPA (United States and Mexico); Ferramenta (Brazil); IPCC (AR6); EEA (Europe); EIA (United States); DCCEEW (Australia).

[12] With the exception of nuclear power plants, Spanish investee cogeneration plants and Brazilian hydroelectric power plants, which are reported on the basis of the share of ownership in the SNFI-SR.

[13] Emissions that are not considered relevant and cannot be quantified are excluded from the inventory. No exclusion exceeds 2% of the total emissions in its category.

In this inventory, the Greenhouse Gases considered[14] are:

- CO_2 (Emissions from stationary and mobile combustion).
- SF_6 (Fugitive emissions expressed in tCO_2 e)[15].
- CH_4 (Fugitive emissions and emissions associated with fuel consumption expressed in tCO_2 e).
- N_2O (Emissions associated with fuel consumption expressed in tCO_2 e).
- HFCs (Fugitive emissions of coolant gases expressed in tCO_2 e).

Direct Scope 1 GHG emissions

GHG sources owned or controlled by the Company. They include:

Stationary combustion emissions

- CO_2 emissions from electricity generation facilities (arising from the combustion of any type of fuel) and from the stationary combustion of fossil fuels in gas turbines, boilers and others at thermal generation facilities.
- Methane (CH_4) and nitrous oxide (N_2O) emissions associated with the combustion of generation fuels.
- Emissions from fuel combustion in buildings. These are emissions from the consumption of fuels used for other services such as heating, hot water, emergency power generators, in buildings, offices, etc. The most commonly used fuels are: diesel and natural gas.
- CO_2 emissions from the combustion of fuels in gas storage facilities.

Direct fugitive emissions in anthropogenic systems

- Methane (CH_4) due to methane (CH_4) leakage from gas transmission pipelines and storage facilities.
- Sulphur hexafluoride (SF_6) due to SF_6 leakage from medium and high voltage equipment using this gas as a dielectric and coolant.
- Coolant gases (HFCs) from air conditioning system due to leakage of gases. Refrigerants from air conditioning systems (R-407C, R-404A, R-410, R-422A, R-438A, R-134A, R-32, R-134 and R-141).

Emissions from mobile combustion

- Emissions resulting from the fuel consumption of the organisation's means of transport (fleet vehicles, ships and company aircraft used to transport staff).

Emissions from land use

- Associated with felling and pruning tasks.

Scope 2 indirect GHG emissions (GHG Protocol Scope 2)

From electricity, heat or steam consumed by the organisation and supplied by third parties and other indirect emissions associated with electricity generation.

- Associated with the consumption of electricity during stoppages at power generation plants (renewable and non-renewable): for the operation of auxiliary systems.
- Associated with the consumption of electricity for pumping at hydroelectric plants[16].
- Associated with electricity consumption at the Group's buildings and network installations (substations and radio base stations). Calculated in "Location based" as well as "Market based".
- Emissions associated with network losses in the transmission or distribution of electricity.

[14] NF_3 is not considered in this inventory as it is not produced in the Group's processes.
[15] Fugitive emissions for SF6 amount to 49,176 tCO_2e.
[16] Only Iberdrola España is considered.

Scope 3 GHG emissions

The life cycle perspective is incorporated into the management model, including incidents along the value chain.

- **Emissions associated with the transport of employees for work purposes** (hired and private vehicles, aircraft and trains). (GHG Protocol Cat. 7).
- **Emissions associated with the supply chain**. (GHG Protocol Cat. 1 and Cat. 2).
- **Emissions associated with the transport of employees commuting from their residence to their workplace.** (GHG Protocol Cat. 6).
- **Emissions associated with electricity purchased from third parties for sale to end customers** (GHG Protocol Cat. 3, Activity D). Arising from the electricity acquired on markets or from third parties.
- **Emissions associated with gas purchased from third parties for sale to end customers** (GHG Protocol Cat. 11). Relating to gas distribution or marketing activities.
- **Emissions arising from activities upstream of the fuels purchased and consumed** (GHG Protocol Cat. 3, Activity A). Upstream life cycle emissions from all fuels used, including those associated with electricity transmission and distribution losses, electricity consumed and gas sold to end customers (Well to Tank, WTT).

Greenhouse Gas Inventory[17]

The company has not set targets other than those described in *Section E1-4*. In this table, milestones that are not available are indicated as N/Av.

Scope 1 GHG emissions

[CO_2eq]	Retrospective			Milestones and target years			
Tons	2024	2025	% 25/24	2026	2040	2050	Annual % target / Base year
Gross Scope 1 GHG emissions (tCO_2eq) - Continuing activities	5,179,674	5,246,890	1.3	N/AV.	N/AV.	N/AV.	N/AV.
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) - Continuing activities	94	94	0.0	N/AV.	N/AV.	N/AV.	N/AV.
Gross Scope 1 GHG emissions (tCO_2eq) - Discontinued activities	3,733,766	3,233,218	-13.4	N/A	N/A	N/A	N/A
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) - Discontinued activities	0	0	N/A	N/A	N/A	N/A	N/A

Scope 2 GHG emissions

[CO_2eq]	Retrospective			Milestones and target years			
Tons	2024	2025	% 25/24	2026	2040	2050	Annual % target / Base year
Gross location-based Scope 2 GHG emissions (tCO_2eq) - Continuing activities	2,455,201	2,816,413	14.7	N/AV.	N/AV.	N/AV.	N/AV.
Gross market-based Scope 2 GHG emissions (tCO_2eq) - Continuing activities	2,424,223	2,778,809	14.6	N/AV.	N/AV.	N/AV.	N/AV.
Gross location-based Scope 2 GHG emissions (tCO_2eq) - Discontinued activities	13,715	8,107	-40.9	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO_2eq) - Discontinued activities	13,696	8,088	-40.9	N/A	N/A	N/A	N/A

[17] "Emissions with low materiality and for which sufficient evidence is not available to enable quantification are excluded from this inventory. In any case, no exclusion exceeds 2% of the total emissions with its respective category.

Significant scope 3 GHG emissions

[CO_2eq]	Retrospective			Milestones and target years			
Tons	2024	2025	% 25/24	2026	2040	2050	Annual % target / Base year
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq) Continuing activities	24,878,798	25,209,659	1.3 %	N/AV.	N/AV.	N/AV.	N/AV.
1 Purchased goods and services	3,393,010	3,507,454	3.4 %	N/AV.	N/AV.	N/AV.	N/AV.
[Optional sub-category: Cloud computing and data centre services]	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
2 Capital goods	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	10,321,771	10,066,244	-2.5 %	N/AV.	N/AV.	N/AV.	N/AV.
4 Upstream transportation and distribution	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
5 Waste generated in operations	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
6 Business travel	51,275	36,946	-28.0 %	N/AV.	N/AV.	N/AV.	N/AV.
7 Employee commuting	39,949	49,695	24.4 %	N/AV.	N/AV.	N/AV.	N/AV.
8 Upstream leased assets	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
9 Downstream transportation and distribution	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
10 Processing of sold products	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
11 Use of sold products	11,072,794	11,549,320	4.3 %	N/AV.	N/AV.	N/AV.	N/AV.
12 End-of-life treatment of sold products	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
13 Downstream leased assets	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
14 Franchises	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
15 Investments	N/A	N/A	N/A	N/AV.	N/AV.	N/AV.	N/AV.
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq) Discontinued activities	6,581,780	4,803,372	-27.0 %	N/A	N/A	N/A	N/A

Total GHG emissions

[CO_2eq]	Retrospective			Milestones and target years			
Tons	2024	2025	% 25/24	2026	2040	2050	Annual % target / Base year
Total GHG emissions (location- based) (tCO_2eq)	32,513,673	33,272,961	2.2 %	N/AV.	See E1-4 Targets	N/AV.	N/AV.
Total GHG emissions (market- based) (tCO_2eq)	32,482,695	33,235,357	2.2 %	N/AV.	N/AV.	N/AV.	N/AV.
Discontinued activities Total GHG emissions (location- based) (tCO_2eq)	10,329,261	8,044,697	-22.1 %	N/A	N/A	N/A	N/A
Discontinued activities Total GHG emissions (market- based) (tCO_2eq)	10,329,242	8,044,678	-22.1 %	N/A	N/A	N/A	N/A

GHG intensity per net revenue

[CO_2eq]/€	Retrospective			Milestones and target years			
Tons	2024	2025	% 25/24	2026	2040	2050	Annual % target / Base year
Total GHG emissions (location- based) per net revenue (tCO_2eq/€)	0.001	0.001	-0.2 %	N/AV.	N/AV.	N/AV.	N/AV.
Total GHG emissions (market- based) per net revenue (tCO_2eq/€)	0.001	0.001	-0.2 %	N/D	N/D	N/D	N/D

Calculation of gross Scope 3 GHG emissions: Percentage of value chain emissions calculated from primary data

The majority of reported Scope 3 emissions reported are derived from primary data, i.e. meter readings or supplier billing. The only items calculated using estimation methods are those relating to categories 1 and 7. All the others use primary data.

Percentage of value chain emissions calculated from primary data

Country	2025	2024
Spain	80.1	79.0
United Kingdom	89.1	92.8
United States of America	90.9	88.0
Brazil	58.3	64.4
Other countries	81.9	61.9
Discontinued activities	98.4	98.8

Category 1 emissions related to purchased goods and services are calculated from a list of invoices from the Group's suppliers. Each invoice is classified by sector of activity and country of origin and assigned an emission factor according to Exiobase. In the future, it is planned to gradually introduce primary emissions data from suppliers of purchased goods and services.

Category 7 emissions, related to employee commuting, are calculated based on internal surveys. An emission factor is calculated for each country and extrapolated to the total number of employees in each country subholding company.

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

The ultimate aim of the Company's Climate Action Plan is to achieve Net Zero emissions in all scopes (1, 2 and 3) by 2040, and the neutralisation of residual emissions.

The companies of the Group currently undertake certain activities within the framework of voluntary markets, but in no case are they linked to the achievement of emission reduction targets. In other words, the Company will only consider using carbon credits to neutralise its future residual emissions in accordance with best practices.

On the one hand, the Company occasionally participates in the voluntary carbon credit market on a voluntary and insignificant basis, occasionally purchasing carbon credits outside its value chain in order to offset certain actions or events, but these are not counted towards the achievement of its emission reduction targets, nor are they linked in any way to them. In 2025, 356 tCO_2eq were cancelled on a voluntary basis.

Furthermore, in 2023, Iberdrola launched a new business area related to the carbon credit market. The company *Carbon2Nature* (C2N) was created with the mission of developing high-impact nature-based

solutions projects that reduce the overall carbon footprint, improve biodiversity and promote a sustainable economy.

Thus, technical and management capacities in the field of carbon credit markets are strengthened in order to establish the best framework for offsetting and neutralisation as a contribution to reducing the impact of emissions while integrating the most up-to-date science-based guidance and best practices available.

E1-8: Internal carbon pricing scheme

The Company applies an internal carbon pricing system, specifically a shadow pricing system. This system is used to support some of the company's decisions, such as investment decisions, where revenues (taking into account energy market prices) and production costs are analysed, internalising the price of carbon emissions when local regulations require it. In addition, decisions on the operation of CO_2-emitting power plants include an estimate of the carbon price as part of the production costs.

Processes involving the evaluation of revenues and production costs over the useful life of generation assets:

- Long-term financial prospects: margins
- Investment analysis: decisions on new projects, lifespan extensions, repowering, closures
- M&A processes for the sale and purchase of assets

In the past, the internal coal price was a key factor in decisions to close coal plants in Spain and the United Kingdom. Today, 93% of investments are geared towards the green economy.

Carbon pricing is an important tool for driving the development of innovative decarbonisation solutions, focusing on industrial decarbonisation solutions such as electrolysers or heat electrification technologies.

It should be noted that carbon pricing applies to items that have an impact on Scopes 1, 2 and 3 of CO_2 emissions. This includes actions such as the plan to increase the use of materials with low environmental impact, low-emission steel, the use of renewable energy at plants, policies to replace fleet vehicles and low-emission solutions for employee transport.

An average 2025-2050 price of between approximately €90-150/tCO_2 (nominal), depending on the time frames, is assumed. Three factors are taken into account in determining shadow prices:

1. Alignment with the prices of the carbon credits that are subject to the emissions trading system in the markets in which Iberdrola operates these assets.
2. Costs of implementing the measures needed to meet emission reduction targets.
3. Benchmarking of competitors.

When estimating prices, both a differentiated approach (it does not apply the same price to all products) and an evolutionary approach (the price is not static over time, but changes according to the circumstances of the context) are used.

For further information see Section E1-6.

Entity-specific indicators

Innovation

Iberdrola's innovative strategy, which cuts across all its businesses and activities and positioned it 20 years ahead of the energy transition, has made it one of the world's leading energy companies. Thanks to its ongoing commitment to innovation and technology as a driver of growth, Iberdrola has been recognised for the fifth consecutive year as the private utility that invests the most in R&D in the world, according to the European Commission's ranking. In 2025, the group invested a total of EUR 425 million in R&D, 6 % more than in 2024, based on three main pillars of innovation, aligned with the key vectors of transformation in the energy sector:

- **Technologies and Innovation:** applied to business projects to improve efficiency, accelerate the integration of renewable energy sources and storage solutions, facilitate the transition to more flexible and digital electricity networks and promote the sustainable electrification of demand.
- **Open innovation ecosystem**: establishing connections with universities, start-ups, suppliers and other stakeholders to promote collaboration, technological development and the creation of new business models.
- **Innovation culture**: based on continuous training, internal talent, intrapreneurship and the recognition of innovative practices within the organisation, as well as collaboration with the external ecosystem.

To implement this strategy, Iberdrola relies on a global network of seven centres of excellence, including the *Global Smart Grids Innovation Hub*, *Iberdrola Innovation Middle East*, the Centre of Excellence in Artificial Intelligence, the *Smart Mobility Lab* and the Research and Training Campus. These entities act as catalysts for applied innovation and technological experimentation, developing solutions that have a tangible impact on sustainability, competitiveness and the shared creation of value.

[ESRS E2] Pollution

IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The Company has assessed the material impacts, risks and opportunities related to pollution by applying the process described in *Section* IRO-1. This assessment has led to the identification of material pollution-related impacts:

- Emissions to air from combustion associated with the production of electricity in gas-fired power plants.
- Alterations to soil properties due to the construction of hydroelectric power generation facilities.

The Double Materiality Assessment performed by Iberdrola and described in *Section IRO-1*, is based on the results of an analysis conducted using the LEAP (Locate, Evaluate, Analyse and Prepare) methodology, which is recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). The Group has not identified any material risks using this analysis.

Facilities considered as material are those that:

- contribute to the described impacts through their activities
- with emissions to air from the combustion of fossil fuels and located within 50 km of a community with a population of more than 50,000 inhabitants.

The Group maintains ongoing contact with Stakeholders and local communities, especially during the design and construction phases of its infrastructure. This contact provides knowledge that has been used in impact assessment.

The following table shows a descriptive summary of **material facilities.**

Country subholding company	Country	Technology	Total no. of facilities	Material facilities (number)	Material facilities (%)
Iberdrola España	Spain	Cogeneration	15[18]	9	60%
Iberdrola España	Spain	Combined Cycle	7	6	83%
Iberdrola España	Portugal	Hydroelectric	3	1	33%
Avangrid	United States	Combined Cycle	3	2	67%
Iberdrola Energía Internacional	Australia	Combined Cycle	2	2	100%
Neoenergia	Brazil	Combined Cycle	1	1	100%
Discontinued activities	Mexico	Cogeneration	4	4	100%
Discontinued activities	Mexico	Combined Cycle	2	2	100%

For all technologies, air pollution has been identified as an impact, with the exception of hydroelectric power, where alteration of soil properties associated with construction has been identified as an impact. No dependencies have been detected in any case.

E2-1: Policies related to pollution

The Company has policies in place to address the management of incidents relating to air, water and ground pollution described in *Section MDR-P of Chapter ESRS 2.*

E2-2: Actions and resources related to pollution

The Group addresses air, water and soil pollution issues by applying the precautionary principle and following strict environmental guidelines to prevent pollution.

[18] Includes the four Energyworks companies, owners of the four facilities of Milagros, San Millán, Foz and Monzón, for which a sale agreement was reached in December 2025 and formalised in January 2026.

Actions related to air emissions

Iberdrola's climate action plan, as set out in Chapter ESRS E1, involves reducing the use of gas-fired power plants in favour of renewable energy sources to cut NO_x, SO_2 and particulate emissions. The Company periodically updates its investments in new renewable capacity. Significant actions were taken in 2025: sale agreement that will come into effect in 2026 for 1,368 MW of combined cycle and cogeneration plants in Mexico, in addition to the divestment of 8,539 MW in 2024; the completed closure of the Villarobledo cogeneration plant and the sale of the Carballo cogeneration plant, as well as the Velilla thermal plant; and an agreement to sell stakes in four cogeneration plants in Spain, formalised in January 2026. Operating renewable capacity increased by 1,820 MW, which represents 4.1 %. The strategic plan until 2028 does not contemplate investments in fossil fuel facilities and sets out emission reduction targets for 2030 and 2040.

Actions relating to soil properties

Electricity storage technology, particularly pumped storage, is essential for ensuring a reliable supply, network stability and the efficient integration of other renewable energy sources. In Spain, Iberdrola is developing pumped-storage projects at existing hydroelectric plants, such as those at Torrejón and Valdecañas, which are similar to the Valparaíso project on the Tera River, enabling the reversible exploitation of the Middle Tagus without building new reservoirs or impacting soil properties.

Building on this, the Company is spearheading the European SHERPA project within the Horizon programme, focused on designing innovative technologies to modernise and improve the performance and environmental impact of hydroelectric plants without creating or modifying reservoirs. The Company plans to continue developing this type of initiative in the coming years.

Actions relating to Environmental Management Systems

The Group has ISO 14001 and EMAS certified Environmental Management Systems, which in 2025 cover 94% of the energy produced. These systems ensure compliance with regulations, control of emissions and discharges, and prevention of impacts through procedures integrated into the operation and updated according to regulatory requirements.

Actions relating to the replacement of elements with less polluting ones and installation of spill containment systems

Depending on the life cycle of each facility, the Group applies a variety of measures to mitigate, prevent and control air, water and soil pollution. During construction, specific areas are designated for the storage and separation of waste, and spill retention systems and water line protection are installed.

During the operation and maintenance phase, action is taken to prevent leaks through the use of waterproof basins, the removal and decontamination of transformers containing PCBs, their replacement with dry models, the reinforcement of septic tanks and oil separators, the use of less polluting oils and the adaptation of storage facilities.

In 2025, the phase-out of transformers containing PCBs continued under the Stockholm Convention, which set 2025 as the deadline for their use and 2028 for their total withdrawal.

E2-3: Targets related to pollution

As set out in *Section MDR-T of Chapter ESRS 2* and in *Sections E2-1* and *E2-2* relating to the Group's processes and conduct, the Company has defined the following pollution target, which aligns fully with the European Union's objective of reducing air pollution by 55% by 2030 and with the principles set out in the *Policy on Management and Protection of Nature*.

Green Electrification (Net Zero 2040)	METRIC	2025	2028e	2030e
Zero pollutant emissions in electricity generation by 2030	(NOx + SOx + particulates in g / kWh)	0.02	0.018	<0.016

E2-4: Pollution of air, water and soil

Iberdrola's business model promotes an energy model based on electricity as a competitive, local and self-sufficient primary source. To this end, it deploys and operates electricity networks, as well as generation based on renewable or non-emitting sources and efficient storage as described in *Chapter E-1*. The Group's growth plans focus on investing in these technologies and, together with the application of advanced technologies in combined cycle plants, which generally offer system guarantee and regulation services, has enabled the continued reduction of pollutant emissions, a trend that is set to continue in the coming years.

The Company has developed a set of metrics to track and evaluate this reduction in pollutant emissions, within the scope of the Group's environmental management systems. These evaluation tools are essential to ensure the effectiveness and efficiency of the initiatives that are undertaken in relation to pollution.

Metrics related to air pollution

Metrics related to air pollution	Description	Unit	2025	2024
Continuing activities	NO_x emissions	*t*	2,017	2,812
	SO_2 emissions	*t*	34	215
	Emissions of particulates (PM10)	*t*	46	51
Discontinued activities	NO_x emissions	*t*	9,349	17,424
	SO_2 emissions	*t*	100	186
	Emissions of particulates (PM10)	*t*	191	357
Calculation methodology	Iberdrola España, NO_x is monitored continuously (equipment calibrated in accordance with ISO 9000), while SO_x and particulates are calculated using measurements by an external body, OCA. Iberdrola Mexico, emissions are monitored through fuel consumption and EPA factors. At Avangrid, NO_x, SO_x and Particulates are measured directly at the facility. At Neoenergia, NO_x and SO_x are calculated based on fuel consumption and the emission factor set by ANEEL, while particulates are measured directly.			
Validation of metrics by an independent external party	The information is validated as part of the EMAS reports and the certified environmental management systems via the accredited bodies.			

When comparing the performance in 2025 with 2024, there is a significant reduction in emissions, mainly due to the sale of the combined cycle assets in Mexico, completed on February 2024.

[ESRS E3] Water and marine resources

IRO-1: Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The Company has assessed the material water and marine resources-related impacts, risks and opportunities using the process described in *Section IRO-1 of Chapter ESRS 2.*

This assessment has led to the identification of negative material water and marine resources-related impacts:

- Water consumption by evaporation in cooling processes of thermal power plants.
- Changes in water availability in river basins due to their use for hydropower generation.

The Double Materiality Assessment performed by Iberdrola and described in *Section IRO-1 of Chapter ESRS 2*, is based on the results of an analysis conducted using the LEAP (Locate, Evaluate, Analyse and Prepare) methodology, which is recommended by the *Taskforce on Nature-related Financial Disclosures* (TNFD) and described in detail in *Section E4-2*. Based on this analysis, the Group has not identified any material risks or opportunities.

To identify material facilities in relation to water resources, the activities and technologies that could affect them were analysed and assessed at each location using specific metrics for each impact. Material sites in relation to water resources have therefore been defined as those which:

- Are located in areas at risk of water stress (high and extremely high) according to the Water Risk Atlas[19].
- Use fresh water in their energy production processes.

Thermal power plants that use salt water in their cooling processes are not considered material, nor are run-of-the-river hydroelectric plants included.

For sites that use freshwater in their energy production processes, Iberdrola is in constant contact with the authorities responsible for managing river basins and other water sources, so as to ensure that the shared use of the resource is compatible and avoids impacts on all Stakeholders.

The following table shows a descriptive summary of **material facilities.**

Country subholding company	Country	Technology	Total no. of facilities	Material facilities (number)	Material facilities (%)
Iberdrola España	Spain	Cogeneration	15[20]	14	93%
Iberdrola España	Spain	Combined Cycle	7	4	57%
Iberdrola España	Spain	Nuclear	5	3	60%
Iberdrola España	Spain	Hydroelectric	112	59	53%
Discontinued activities	Mexico	Cogeneration	4	3	75%
Discontinued activities	Mexico	Combined Cycle	2	2	100%

For all technologies, water consumption has been identified as an impact, with the exception of hydroelectric power, where changes in water availability have been identified as an impact. In all cases, water supply and water quality were identified as a dependency.

E3-1: Policies related to water and marine resources

The Company has policies in place to address the management of impacts related to rational and sustainable water use, as described in *Section MDR-P of Chapter ESRS 2.*

[19] Water Risk Atlas. Aqueduct 4.0. World Resources Institute

[20] Includes the four Energyworks companies, owners of the four facilities of Milagros, San Millán, Foz and Monzón, for which a sale agreement was reached in December 2025 and formalised in January 2026.

E3-2: Actions and resources related to water and marine resources

Actions aimed at reducing water consumption from evaporation in the cooling processes of thermal power generation plants

Iberdrola's climate action plan, described in *Section E1-1*, provides for a reduction in the use of gas-fired thermal power plants in favour of renewable energy, which will entail a significant reduction in water consumption.

In 2024, the sale of 13 power plants with an installed capacity of 8,539 MW was finalised, 99% of which corresponded to gas combined cycle plants. As indicated in *Section E2-2*, the sale of businesses in Mexico, with a combined capacity of 1,368 MW from combined cycle and cogeneration plants, was announced in 2025, and is expected to close in 2026. These divestments will reduce the Group's annual water consumption by a total of more than 26 Mm^3, including over 7 Mm^3 in areas affected by water stress.

The current Strategic Prospects run until 2026. For its part, the Climate Action Plan has defined emissions reduction targets for 2030 and 2040.

Actions to ensure water availability in river basins due to their use for hydropower generation.

To increase the availability of reservoir water and renewable energy generation, the Company has invested in pumping stations for decades. In 2025, improvements were made to one module of the Torrejón pumping station as part of the Torrejón-Valdecañas project, which began in 2024.

E3-3: Targets related to water and marine resources

As set out in *Section MDR-T,* the Company has set the following targets in accordance with the *Policy on Management and Protection of Nature,* the investment strategy described in *Chapter E1* and the current plans of the Spanish government for the progressive closure of nuclear power plants.

Furthermore, the target aligns with the goals of the Water Framework Directive, addressing the impacts identified in the double materiality assessment and the importance of water availability noted during the Stakeholder Engagement process. This will help to enhance the availability of water resources in operational areas, particularly those experiencing high or extreme water stress.

Efficient use of resources	METRIC	2025	2028e	2030e
Reduction of water intensity in energy production	% (reduction vs 2025) in m^3/M€	Base	-20%	-40%

E3-4: Water consumption

Water consumption

The key performance indicators are shown below:

Metrics related to water consumption	Description	Unit	2025	2024
Metric	Total water consumption - Continuing activities	m^3	45,642,187	55,354,884
	Total water consumption - Discontinued activities	m^3	2,476,639	6,142,768
	Total water consumption in water stress areas - Continuing activities	m^3	41,912,946	51,195,637
	Amount of water recycled/reused - Continuing activities	m^3	8,466,671,184	7,356,902,458
	Total stored water - Continuing activities	m^3	9,281,265,000	8,991,636,000
	Changes in the stored water - Continuing activities	m^3	289,629,000	-1,329,780,000
	Water intensity - Continuing activities	m3/€M	1,036	1,288
Calculation methodology and contextual information	Water consumption is calculated as the difference between water withdrawn and water discharged (data measured at each facility). The amount of recycled/reused water is obtained by adding the water pumped in hydroelectric power plants and the water reused in thermal power plants. The change in stored water is measured as the difference between the figure at the end of the year compared to the beginning of the year. The water stress zones are determined on the basis of information from the *Water Risk Atlas 28 (a-b-c-d)*, the quality of the discharged water complies with the water quality standards established for the receiving environment.			
Validation of metrics by independent external party	The information is validated as part of the EMAS reports and the certified environmental management systems via the accredited bodies.			

As describe above, main water-related impacts are evaporation consumption in thermal plants and use in hydroelectric generation.

The change in stored water indicator reflects the state of the reservoirs at the end of the year. The value depends on the rainfall during the year and the different uses of the stored water that have been made, beyond the use linked to the production of electricity.

Entity-specific indicators

The following table breaks down water withdrawal by source and water stress area, classified according to the Aqueduct Water Risk Atlas. Of the water withdrawn, 96% is returned to the environment.

Water withdrawal by source ([21]ML)

Water withdrawal by source	All areas 2025	All areas 2024	Water stress areas 2025	Water stress areas 2024
Surface water (river, lake, reservoir, wetland)	429,417	476,858	297,020	356,144
Seawater	834,279	907,429	491,040	170,230
Groundwater	2,425	2,549	2,046	2,381
Third-party water	8,851	12,395	4,054	5,597
Total	**1,274,971**	**1,399,231**	**794,159**	**534,352**

Total water withdrawal (ML)

Total water withdrawal	All areas 2025	All areas 2024	Water stress areas 2025	Water stress areas 2024
Freshwater	440,693	491,802	303,119	364,122
Other water	834,279	907,429	491,040	170,230
Total	**1,274,971**	**1,399,231**	**794,159**	**534,352**

Total water withdrawal is the sum of the various sources and is obtained by direct measurement (flowmeters) or by estimating the output of the water withdrawal pumps.

100 % Of total water withdrawn is used in cooling processes.

[21] 1 ML equals 1,000^{m3}.

All of the withdrawals of water intended for use in generation are regulated strictly by government authorities, which issue the permits and determine the maximum permissible consumption volumes, to avoid significant negative effects.

After use in cooling and other auxiliary processes, 96 % of the water withdrawn at thermal generation and cogeneration facilities returns to the environment.

Use of water in generation - Uptake (ML)[22]

Uptake	2025
Office water	478
Auxiliary process and services	3,872
Cooling	1,270,623
Total	**1,274,971**

Water discharge (ML)

All areas 2025	All areas 2024	Water stress areas 2025	Water stress areas 2024
1,226,777	**1,337,682**	**750,078**	**479,691**

Water discharge by destination (ML)

Destination	2025	2024
Sea	835,795	905,422
Rivers	143,171	131,799
Lakes and reservoirs	244,718	296,654
Purification network	3,093	3,807
Total	**1,226,777**	**1,337,682**

Total discharge by water type (ML)

Type of water	2025	2024
Freshwater	390,982	432,260
Other waters	835,795	905,422

Discharged water that returns to the receptor environment does so in physicochemical conditions allowing it to be used by other users without affecting the natural environment.

Water treatment (ML)

Treatment	2025	2024
No treatment	23,081	66,527
Primary treatment	285,481	242,109
Secondary treatment	907,162	999,591
Tertiary treatment	11,053	29,456

[22] Withdrawal of water at the combined cycle, nuclear and cogeneration thermal generation facilities

[ESRS E4] Biodiversity and ecosystems

E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Introduction to the Transition Plan

Iberdrola develops a sustainable business model that contributes to the well-being of people by integrating the protection of nature and biodiversity into its strategy and activities to safeguard ecosystems and ensure the resilience of its operations. Through its operations in various territories, it maintains a close relationship with local communities and ecosystems, incorporating the sustainable management of natural capital into its policies, procedures and investments.

Consistent with the Kunming-Montreal Global Biodiversity Framework 2022, that same year Iberdrola defined its Biodiversity Plan 2030 with the central objective of achieving a net positive impact on biodiversity by 2030. To achieve this, the Company works to avoid contributing to the five main drivers of biodiversity loss: land and sea use change; direct exploitation of organisms; climate change; pollution; and invasive species. In doing so, it is moving towards the 2050 Vision of the United Nations Convention on Biological Diversity, “Living in Harmony with Nature”.

The Plan is implemented in all of the countries in which Group operates and is based on the mitigation-conservation hierarchy, incorporating nature and biodiversity into all decision-making processes. This improves, strengthens and implements the mechanisms necessary for Iberdrola to contribute to a Nature-positive vision.

The Plan articulates three priority lines of action:

- Measure: identifying and assessing biodiversity-related impacts throughout the life cycle of facilities, using net impact metrics and an accounting framework to determine losses or gains in ecosystems and species.
- Act: implementing specific biodiversity plans that incorporate restoration and conservation practices to contribute to increasing the economic impact of nature in the territories where the Group operates.
- Transform and lead: driving change through partnerships with stakeholders, public and private entities and the scientific community in order to strengthen the conservation and preservation of nature.

The Plan also endorses the principle of no net deforestation, promoting it among key suppliers through awareness-raising initiatives. Implementing the Plan encourages continuous improvement in identifying, mitigating and managing risks and opportunities relating to natural, economic and social capital through ecosystem services.

Resilience of the current business model and strategy to biodiversity and ecosystems-related physical, transition and systemic risks

Following the recommendations of the *Taskforce on Nature-related Financial Disclosures* (TNFD), Iberdrola has performed a Double Materiality Assessment using the LEAP (Locate, Evaluate, Analyse, Prepare) methodology to assess the interaction between its facilities and nature and biodiversity. This approach enables Iberdrola to identify material assets based on their impact and dependencies, and to evaluate the associated risks (physical, transitional and systemic) and financial opportunities, taking into account various timeframes, as described in *Section IRO-1.* Thanks to its business model, which is centred on electricity networks and renewable energy generation, and its Biodiversity Plan, the Company can strengthen its resilience to these risks.

The Group’s companies have similarly established consultation processes with parties affected by the construction or operation of their facilities. This interaction provides valuable insights that are incorporated into policies and the Biodiversity Plan 2030, thereby reinforcing the conservation of ecosystems and their biodiversity.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

As discussed in *Section E 4-1*, the Group identifies sites (production facilities and networks) that are significant with respect to biodiversity. In doing so, their location, the sensitivity of the territory, and the potential impact of each technology during the different phases of the useful life of the assets are taken into account, as described in the Environmental Impact Assessments in *Section E4-3*. Additionally, for generation facilities, actual impacts and alignment with the Biodiversity Plan are assessed.

The following tables present the results of the materiality analysis for the sites in relation to biodiversity. They identify the proportion of material sites located in biodiversity-sensitive areas, the types of sensitive areas and the types of biodiversity impacts and dependencies identified.

Materiality of electricity production sites in relation to biodiversity

Country subholding company	Country	Technology	No. of material facilities	Material facilities (%)	Material facilities sensitive areas (%)	Sensitive area type[23]
Avangrid	United States	Photovoltaic	11	45%	9%	HBV
Avangrid	United States	Hydroelectric	9	100%	0%	
Iberdrola España	Spain	Cogeneration	15[24]	7%	7%	PS and HBV
Iberdrola España	Spain	Onshore wind	208	18%	15%	PS, HBV, COM
Iberdrola España	Spain	Photovoltaic	43	5%	2%	HBV
Iberdrola España	Spain	Hydroelectric	112	87%	57%	PS, HV and COM
Iberdrola España	Portugal	Hydroelectric	3	100%	33%	PS, HBV
IEI	Germany	Offshore wind	2	50%	0%	
IEI	Germany	Photovoltaic	2	100%	50%	PS
IEI	Australia	Batteries	1	100%	100%	COM
IEI	Australia	Onshore wind	9	100%	100%	COM, HBV
IEI	Australia	Photovoltaic	2	100%	100%	COM, HBV
IEI	Australia	Combined cycle	2	100%	100%	COM
IEI	Cyprus	Onshore wind	1	100%	100%	PS
IEI	Greece	Onshore wind	23	35%	35%	PS, HBV
IEI	Italy	Photovoltaic	4	25%	0%	
IEI	Portugal	Onshore wind	3	33%	33%	PS, HBV
IEI	Portugal	Photovoltaic	7	14%	0%	
Neoenergia	Brazil	Onshore wind	44	41%	41%	COM
Neoenergia	Brazil	Diesel generation	1	100%	100%	PS, HBV
ScottishPower	United Kingdom	Offshore wind	2	100%	100%	PS
Total group - Continuing activities	**NA**	**All**	504	30 %	22 %	PS, COM, HBV
Discontinued activities	**Mexico**	**Combined cycle**	2	50%	50%	COM
		Cogeneration	4	50%	50%	COM
		Onshore wind	7	43%	43%	HBV, COM
		Photovoltaic	3	33%	33%	COM

Materiality of electricity transmission and distribution networks

Networks in biodiversity-sensitive areas are considered material.

[23] HBV: High biodiversity value, PS: Protected spaces, COM: Indigenous or local communities.

[24] Includes the four Energyworks companies, owners of the four facilities of Milagros, San Millán, Foz and Monzón, for which a sale agreement was reached in December 2025 and formalised in January 2026.

Country subholding company	Country	Type	Area occupied (ha)	Sensitive area (%ha)	Sensitive area type
Avangrid	United States	Transmission	49,752	2%	PS, HBV
Avangrid	United States	Distribution	72,352	2%	PS, HBV
Neoenergia	Brazil	Transmission	22,977	5%	PS, HBV
Neoenergia	Brazil	Distribution	730,437	12%	PS, HBV
Iberdrola España	Spain	Distribution	224,961	29%	PS, HBV
ScottishPower	United Kingdom	Transmission	21,431	10%	PS, HBV
ScottishPower	United Kingdom	Distribution	77,628	12%	PS, HBV

Section IRO-1 Incident identification and assessment in Chapter E4 below presents the impacts and dependencies of power generation assets by technology and network.

To prevent, mitigate, repair and compensate for these impacts, the Group's companies implement measures such as conducting environmental impact assessments before starting construction projects. They also study compensation measures that go beyond legal requirements and use sustainable construction practices to restore affected habitats. Additionally, the Group's companies work to develop ecological corridors and restoration projects that facilitate biodiversity conservation and the movement of species, thereby ensuring that infrastructure development is in harmony with the natural environment.

Any potentially negative effects are addressed through various mitigation and conservation measures. It is essential to be aware of the species living in the vicinity of facilities to prevent impacts on them. Iberdrola identifies endangered species included in the International Union for Conservation of Nature (IUCN) Red List, as well as those on national and regional lists in areas where Iberdrola operates that may be affected. Monitoring programs and species research projects are also carried out to better understand their behavioural patterns and incorporate this knowledge into operation and maintenance criteria. Some of these actions are listed in *Section E4-3*.

IRO-1: Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The Double Materiality Assessment is the process applied to identify and assess material impacts, risks and opportunities. This process is based on the results of the LEAP methodology proposed by TNFD. The scope of the analysis, as described in *Section* IRO-1 *of Chapter ESRS 2*, includes the Group's business activities.

Identification of sensitive sites

The identification of the interrelationship between sites and biodiversity has followed a sequential process in which the actual or potential impact on environmental assets was assessed, resulting in the identification of material sites. This site-level analysis is part of the Double Materiality Assessment undertaken.

The first step was to carry out a geospatial analysis by intersecting layers of sensitivity of the territory with the Group's inventory of sites. Thus, for each site, this analysis identified its location in relation to areas of biodiversity importance, areas of high ecological integrity and areas important for services provided to local communities or indigenous peoples. The sites were categorised according to their location in relation to these areas as "non-sensitive", "sensitive" and "highly sensitive", the latter being considered a priority.

Although there are facilities in areas identified as sensitive for biodiversity, their activities do not necessarily have a negative impact on the environmental assets that make these areas sensitive. In fact, some of these areas have been designated as sensitive because of hydroelectric infrastructure. The list of facilities in or near biodiversity sensitive areas is included in *Section E4-5* of this topical standard.

Identification and assessment of impacts

In a second step, the impacts per site were identified and metrics and thresholds were defined and established to evaluate these impacts. The following potentially material impacts have been identified and classified by impact factor (direct, status of ecosystems, status of species and ecosystem services) for each technology that the Group operates:

Impact driver	Material impacts	Technologies
Direct impact drivers	Climate change.	Cycles, cogeneration and diesel generation
	Land-use, freshwater-use and sea-use change.	New generation or network infrastructure projects
	Other (fire).	Networks, Photovoltaic
	Other (Disturbance to biodiversity and species displacement).	New generation or network infrastructure projects
Impact on the condition of ecosystems	Change in condition and extent of ecosystems.	New generation or network infrastructure projects
	Fires.	Networks, Photovoltaic
Impacts on the condition of species	Electrocutions and collisions Habitat fragmentation.	Networks, onshore and offshore wind Hydroelectric
Impacts and dependencies on ecosystem services	Provisioning ecosystem services.	New generation or network infrastructure projects

Finally, once the impact data had been reported, the severity was calculated per site, taking into account the defined metrics and thresholds. The severity values were ranked as low, medium, high and very high. Impacts are classified as material if their severity at the specific site is high or very high.

Identification and assessment of dependencies

The ENCORE[25] tools and the STBN [26]materiality tool were used as a starting point to identify and assess site dependencies related to nature. The results were cross-checked with the results of the assessment carried out by the Spanish Energy Sector Natural Capital Working Group (Trabajo de Capital Natural del Sector Energético Español) and the internal assessments carried out by the Company. This process has allowed the identification of the ecosystem services on which the different technologies operated depend, following the classifications of both the *System of Environmental Economic Accounting (SEEA)* and that produced by the *Common International Classification of Ecosystem Services (CICES)*.

Technologies with inherent dependencies on nature are shown below.

Function	Dependencies	Technologies
Physical *inputs*	Water supply.	Hydroelectric, Thermal, Hydrogen
	Other: Wind.	Onshore and offshore wind
	Other: Solar radiation.	Photovoltaic
	Other: availability of mineral and non-mineral resources.	Thermal
Enables production process	Rational water use.	Hydroelectric, Thermal, Hydrogen
	Flow regulation services.	Hydroelectric and Thermal
Protection against interruptions	Soil and sediment retention services.	Hydroelectric
	Protection against fires.	Networks, Photovoltaic and Batteries
	Mitigation services against storms, floods, extreme temperatures.	Hydroelectric, networks, photovoltaic, batteries

The site-level assessment of dependencies can be equated with the qualitative assessment of the identified technological dependencies.

[25] ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).
[26] Materiality screening – Science Based Targets Network.

Value chain impacts and dependencies

The Company identifies the potential impacts and dependencies of its value chain as described in *Section SBM-1 of Chapter ESRS 2.* It has identified the consumption of materials containing wood as a potential impact, and due to its relevance to biodiversity conservation, the Company is working to avoid deforestation in its supply chain. To this end, in its supplier code of conduct, Iberdrola establishes the commitment to prevent deforestation, ensuring that the products supplied do not cause deforestation or loss of biodiversity and guaranteeing the conservation of land and water resources in those environments in which it operates or has the capacity to exert influence.

Identification and assessment of risks and opportunities

For a number of years, and as part of its Comprehensive Risk Control and Management System, which is described in *Section GOV-5 of Chapter ESRS 2*, the Company has been analysing and identifying the environmental risks of its activities. This analysis considers the inherent physical and transitional risks related to biodiversity and ecosystems. In order to assess the Company's resilience to these risks in the baseline nature scenario over the time horizons, the adopted mitigation tools and mechanisms are also considered qualitatively. Risks are categorised as low, medium or high with only high risks being considered material.

The scope of the resilience analysis covers the Company's operational electricity distribution and transmission networks, as well as its generation facilities. The risks related to climate change, which is one of the main drivers of biodiversity loss, are analysed in *Section IRO-1 of Chapter ESRS E1.*

Three time horizons are defined for the risk analysis in the chosen scenario:

- The short term is aligned with the period published by Iberdrola in its Strategic Perspectives of the Company 2025-2028.
- The medium term 2028-2030.
- The long-term scenario, with a vision for the global framework up to 2050, which is poorly developed due to the lack of international assessment frameworks and/or standards, makes it very difficult to estimate in this scenario.

The Company has used the biodiversity and ecosystem scenario analysis to identify and assess material risks and opportunities over short-, medium- and long-term time horizons. Following the recommendations of the *Taskforce on Nature-related Financial Disclosures (TNFD)*, four possible scenarios were identified, organised around two axes of critical uncertainties related to ecosystem degradation (physical risks) and the alignment of market and non-market forces (transition risks).

The following table identifies the physical and transitional risks associated with each technology and shows the results of the risk materiality assessment.

Risk	Category (Impact/ Dependency)	Description	Technology	Material risk
Physical	Impacts (on the condition of species)	Operational shutdowns for repairs following electrocutions or collisions on electrical networks and wind farms.	Networks and wind farms	No
Physical	Impact (Accidental propagation of fires)	The impact of fires caused by the infrastructure on ecosystems could result in high costs to repair damage to the ecosystems and assets affected.	Networks and photovoltaic	No
Physical	Dependency (Soil and sediment retention services)	Increased erosion in the vicinity of hydroelectric facilities can affect operations and lead to higher maintenance and repair costs.	Hydroelectric	No

Risk	Category (Impact/ Dependency)	Description	Technology	Material risk
Physical	Dependency (Water quality regulation service)	Deterioration of the natural environment can affect the quality of water resources, resulting in increased pre-treatment costs or impacts on generation operations.	Green hydrogen, Thermal, Hydroelectric	No
Physical	Dependency (Flow regulation service)	Operational shutdowns due to changes in available flow rates.	Thermal, Hydroelectric	No
Physical	Dependency (Fire protection service)	Operational shutdowns due to infrastructure damage caused by fires in the vicinity. Costs associated with asset repairs.	Networks, Photovoltaic, Batteries, Onshore wind	No
Physical	Dependency (Mitigation services against storms, floods, extreme temperatures)	Operational shutdowns for repairs following extreme weather events.	Hydroelectric, Networks, Wind, Photovoltaic, Batteries	No
Transition	Impact • Direct impact drivers (Occupation and change of land use new developments, water supply, water quality, disturbance to wildlife, fire) • Impact on the condition of ecosystems • Impact on the condition of species (electrocution, collision, territorial fragmentation)	Increased regulation and stricter policies on species and ecosystem protection that limit and reduce opportunities for renewable energy development, could increase CAPEX due to stricter compensatory measures and/or increase delays/rejections in project approvals. Tighter regulations to protect species and ecosystems, which could increase the OpEx of projects through increased operational requirements, increased fines and penalties, or production restrictions.	Photovoltaic, Wind, Hydroelectric, Hydrogen, Batteries and Networks	No
Transition	Impact • Direct impact drivers (Occupation and change of land use new developments) • Provisioning ecosystem services • Impact on the condition of ecosystems • Impact on the condition of species (electrocution, collision)	Potential conflicts with interested parties when establishing new developments in areas where services are provided (agriculture, forestry or fisheries) may limit the opportunities for new developments. Increase in demands of Stakeholders.	Photovoltaic, Onshore and offshore wind, Networks, Hydroelectric	No
Transition	Impact • Direct impact drivers (Occupation and change of land use new developments, water supply, water quality) • Impact on the condition of ecosystems • Impact on the condition of species (electrocution, collision, territorial fragmentation)	Stricter financial requirements for nature-related impacts and dependencies may have a bearing on access to finance or investment.	Photovoltaic, Wind, Hydroelectric, Hydrogen, Batteries and Networks	No

To address these risks, the main mitigation tools and mechanisms are listed below:

- Cross-functional
  - *Biodiversity Policy*.
  - Biodiversity Plan 2030 and specific biodiversity action plans.
  - Goal of Net Positive Impact on biodiversity by 2030.
  - Robust internal governance and investment plan.
  - Stakeholder Management Model.

- Identification and analysis of nature-related risks in new investments and operations.
- Consultations through the Environmental and Social Impact Assessment process.
- Environmental liability insurance.
- Avoid facilities in protected areas.
- Project portfolio diversity.
- Applying the mitigation and conservation hierarchy in projects.
- Impact reduction programmes in high-risk areas.
- Participation in alliances and working groups.
- Internal control procedures.
- Transparency and disclosure of non-financial information.
- Excellence in maintaining the classification in sustainability-related indices and ratings.
- Initiatives focusing on social and biodiversity aspects such as the Convive Project.

- Technology-specific:
  - Adapting pylons and installing anti-collision and anti-electrocution systems.
  - Compacting substations.
  - Undergrounding overhead lines.
  - Fire prevention plans.
  - Vegetation management with livestock.
  - Agrovoltaic projects.
  - Commitment to efficient water management.
  - Reforestation in river basins.
  - Adjustment of operating conditions of hydroelectric plants with respect to correct water oxygenation.
  - Installing bird deterrent systems and detection cameras with automatic turbine shutdown at wind farms
  - Shutdowns of wind turbines with speeds below 5 m/s.

An assessment of risks by technology has been carried out, concluding that the business model is resilient overall in terms of short- and medium-term physical and transition risks as no material risks have been identified. The implementation of the Biodiversity Plan is a key action for mitigating biodiversity transition risks.

E4-2: Policies related to biodiversity and ecosystems

The Company has policies in place to address the management of the biodiversity-related impacts described in *Section MDR-P of Chapter ESRS 2.*

E4-3: Actions and resources related to biodiversity and ecosystems

The priority lines of action defined in the *Biodiversity Policy* and the mechanisms and tools defined in the Biodiversity Plan 2030 are integrated into the management of the operational units in action programmes and specific actions.

All actions are governed by the mitigation and conservation hierarchy (avoid, minimise, restore and compensate as a last resort), which is applied systematically throughout the life cycle of projects. This demonstrates a preventive and proactive approach, as well as generating value for nature, society and the economy of the territories.

In accordance with the Stakeholder Engagement Model described in Section SBM-2, the Company maintains ongoing consultation mechanisms with its Stakeholders that allow their contributions to be considered when defining conduct and generating knowledge on the perceived impacts on local communities. This information is integrated into the review of policies and the Biodiversity Plan 2030.

Actions related to the direct impact drivers of biodiversity loss.

Implementation of a biodiversity accounting framework for the Group.

Ecological processes are complex, and a standardised global protocol for accounting for biodiversity losses and gains has yet to be established. The Biodiversity Plan 2030 Plan therefore defines a biodiversity net balance accounting framework applicable to all facilities and countries. This framework quantifies the material impacts of land use change and species impacts over the life cycle of facilities.

The framework, aligned with the 2030 net positive impact target, incorporates two metrics as described in *Section E4-5*:

- Ecosystem metric: used in new developments and decommissioning processes to measure changes in the extent and condition of ecosystems (in equivalent hectares), taking into account indicators such as land use, vegetation cover and the presence of protected species.
- Species metric: applied to operating assets to assess the balance between impacts and conservation measures using a “species equivalent” index.

This accounting framework enables Iberdrola to understand and manage the impact of its operations. If necessary, it facilitates the implementation of biodiversity action plans in its assets, in accordance with the mitigation and conservation hierarchy. In 2025, Iberdrola measured the impact on ecosystems of all new developments and continued to implement the species metric.

Environmental Impact Assessment (EIA) Processes

The Group’s companies use Environmental Impact Assessments to avoid locating new projects in protected areas or areas of high biodiversity value, when doing so could affect the value of such areas, unless there are no alternatives. If significant impacts are identified, the project is redesigned using the best available techniques. EIAs adhere to the mitigation and conservation hierarchy, playing a pivotal role in safeguarding and promoting biodiversity in accordance with the principles set out in the *Biodiversity Policy*. EIAs also contribute to biodiversity targets, which include a net positive impact on biodiversity by 2030 and zero net deforestation by 2025.

The EIA process covers the entire life cycle of the asset. It identifies incidents, analyses alternatives and defines preventive, corrective or compensatory measures within a monitored environmental management plan, ensuring the correct implementation of such measures. Additionally, processing procedures incorporate various forms of public consultation and stakeholder participation and are complemented by the Stakeholder Engagement Model and a specific guide of recommendations for preparing public consultations. This helps to integrate contributions and minimise impacts during construction. All of this is documented in an EIA report, which summarises the findings and recommendations, and is reviewed by the relevant authorities responsible for making the final decision on project approval. Finally, ongoing monitoring is established to ensure compliance with the approval conditions and the effectiveness of the mitigation measures.

Actions related to the direct impact drivers: climate change

Actions related to climate change are described in *Sections E1-1 and E1-3*.

Actions related to the direct impact drivers: Other (Disturbance to biodiversity and species displacement)

During the project phase, the companies of the Group identify all actions throughout the asset’s life cycle that could impact fauna due to disturbance or displacement, with the aim of minimising such impacts. During the design phase, alternative locations and measures are selected to reduce the impact on species, including maintaining or improving ecological corridors. During construction, prior field studies are conducted and work schedules are adjusted to avoid critical reproduction periods. During the operational phase, progress is made in identifying incidents and implementing new fauna protection methodologies.

Actions relating to the prevention, reduction and mitigation of fires caused by the operation of facilities

The Group's companies develop fire prevention plans to prevent, reduce and mitigate fires associated with facilities, applying the protection and prevention principles set out in the *Biodiversity Policy*. These actions include environmental and facility improvements, awareness-raising measures among personnel and vegetation control on power lines and photovoltaic plants, a practice extended to all of the Group's companies.

Actions related to the impacts on the condition of species

The Group's companies operate under the principle of minimising their impact on wildlife and reinforcing its protection and conservation. Particular attention is given to birds and bats in grids and wind farms. This includes adapting supports, introducing new protection methodologies and installing detection and identification systems that allow wind turbines to be stopped when birds or bats are present. Some of the most significant measures are outlined below:

Programmes for the protection of birdlife and bats

In Spain, the Improvement Project for the overhead network (a continuation of the ALETEO programme) extends the adaptation of pylons not only to the protection areas but also to the entire territory where the Company operates. These measures include insulating crossarms, lining the phases, increasing the safety distances and installing anti-nesting devices, thus achieving annual reductions in the number of electrocutions. In the context of onshore wind power, measures such as applying vinyl decals and painting blades have been implemented, as well as installing advanced detection systems based on high-resolution cameras and artificial intelligence to identify endangered birds and bats.

In Brazil, there is a Bird Team Programme for the protection of migratory birds, resulting in a 92% reduction in collisions thanks to the signalling of the network and the Arara-Azul-de-Lear (Lear's macaw) project, in collaboration with scientific institutions, which has modified more than 4,600 pylons to improve the safety of the species.

Wildlife tracking and monitoring programmes.

The Group's companies carry out monitoring programmes for endangered species in all countries where they have renewable energy projects, in order to detect incidents, assess the effectiveness of measures and adjust their management. Focusing on birdlife, bats and fish, these programmes form the basis for continuous improvement in conservation, applying the principles of identification, quantification and assessment of impacts set out in the *Biodiversity Policy*. Key initiatives in 2025 included tracking birdlife and bats at onshore wind farms, as well as wildlife monitoring plans at photovoltaic and offshore wind farms.

Programmes for species conservation and improvement of knowledge

The Group's companies develop multi-year species conservation programmes. In 2025, work continued on projects aimed at strengthening the populations of species such as the European eel, the Pyrenean desman, the Cabrera vole and the gliding squirrel. Other projects are also active in different areas:

- The project for the lesser kestrel in Guadalajara, Spain, run by GREFA, stands out as it has established more than 15 breeding pairs.
- In the United States, work to recover the condor is ongoing. Meanwhile, ecological corridors are being restored in transmission line easement areas in New York to conserve the monarch butterfly, by planting native species and eliminating invasive ones. A total of 160 hectares were added in 2025, bringing the total area under management to 3,800 hectares.
- In the Baltic Sea, acoustic mitigation measures have been implemented during the construction of the Baltic Eagle offshore wind farm to protect sensitive marine mammals, such as the harbour porpoise (including the use of double bubble curtains and acoustic dampers).

The Company promotes research and knowledge to conserve and protect biodiversity through projects such as Coralizar (coral reefs) and Flyways (migratory waders).

Actions related to direct drivers: land use change and change in condition and extent of ecosystems

Use of offsetting measures in the Biodiversity Plan

The Group's companies apply the conservation hierarchy principle (avoid, reduce, restore and regenerate) and assess the net biodiversity balance throughout the asset's life cycle. If it is not possible to avoid impacts (particularly those affecting forest vegetation), offsetting measures are implemented through nature-based solutions or biodiversity projects. These measures follow the principle of "like-for-like" compensation, i.e. with the same type of affected habitat and species.

The most common biodiversity offsets include ecosystem restoration, agreements and payments to conservation or other banks. In 2025, 254 hectares of non-forest ecosystems (including a major peatland in Scotland) and 695 hectares of forest were restored.

Land conservation, restoration and reforestation programmes

Since 2020, the Trees Programme has promoted the planting of approximately 8 million trees, which will capture 2.36 million tCO_2 over 30 years[27]. The programme encompasses three lines of conduct: the conservation of natural heritage, voluntary regeneration and social value. These activities help to mitigate and compensate for the impact of new infrastructure on habitats and reverse deforestation on both Group-owned and third-party land.

Iberdrola has also established Carbon2Nature (C2N), a company that develops nature-based solutions to enhance biodiversity and minimise the carbon footprint. Since 2023, over four million trees have been planted in Spain, Brazil, Mexico and Australia. These are long-lasting projects, involving the conservation and monitoring of restored ecosystems for periods of over 30 years.

E4-4: Targets related to biodiversity and ecosystems

As outlined in *Section MDR-T of Chapter ESRS 2*, the Company has set the following objective in accordance with Iberdrola's *Biodiversity Policy* and the primary international agreements in this field. This goal also aligns with the Global Goal for Nature, which was promoted by the Nature Positive Alliance and presented at the Biodiversity Summit (CBD COP-15) in Kunming–Montreal. The Biodiversity Plan, which is being developed in relation to this goal, is described in *Section E4-1*.

Biodiversity preservation	METRIC	2025	2028e	2030e
Net positive impact in 2030	Number of facilities aligned with a biodiversity plan	199	>450	~700

While biodiversity offsets were not specifically considered in the setting of this target, this is a practice that will be used where appropriate as part of the application of the conservation hierarchy. Linked to the target is the development of the Biodiversity Plan, which has as its main principle the application of the mitigation and conservation hierarchy. The target therefore covers all levels of the mitigation hierarchy (prevention, minimisation, restoration and offsetting). Similarly, and motivated by this connection with the Biodiversity Plan, although the target is to achieve the positive contribution and ecological thresholds are not primarily considered in the preparation of the plan, it is indirectly linked to them.

The ecological thresholds are considered in the biodiversity action plans associated with:

1. species plans, where species protection categories are used as a basis, with a focus on threatened species and
2. ecosystem plans, where the condition of the ecosystem is measured with several specific indicators.

[27]Estimated based on an average of 0.3 tCO_2 /foot over 30 years (Ministry for Ecological Transition and the Demographic Challenge, 2021). Instructions for using the calculator to estimate the ex ante CO_2 removal of Spanish tree species.. Madrid: MITECO.

E4-5: Impact metrics related to biodiversity and ecosystems change

Understanding the sensitivity of the territory in terms of protected areas or areas of high biodiversity value is a fundamental aspect in order to properly manage activities, understand the possible impacts on sensitive areas and adopt mitigation measures or develop restoration and conservation projects. The following table shows the Group's facilities and the area they occupy (or road width in the case of power lines) in protected spaces or sites of high biodiversity value.

Metric	Description	Unit	2025	2024
Continuing activities	Sites located within sensitive biodiversity areas	*No.*	225	221
		Area (ha)	218,349	253,792
Calculation methodology	The number of facilities and the area of sites located in sensitive areas are identified and calculated through a geospatial intersection between the layers of Iberdrola's assets and the global layers of Protected Spaces and High Biodiversity Value areas. The following criteria have been defined for the area of occupation and influence of the assets. To calculate the number of sites, only generation facilities have been taken into account, while in the calculation of the surface area, the easement areas of the transmission and distribution networks have been included.			
	Technology	**Area occupied**	**Area of influence**	
	Photovoltaic, thermal, hydrogen, batteries	Boundary	200 m	
	Onshore and offshore wind	Blade projection	200 m	
	Hydroelectric	Reservoir area	Sub-basin (Spain) Permanent Protection Areas (Brazil)	
	Lines	Easement	-	
External validation	Limited assurance of this sustainability report.			

The construction of new developments has an impact on land-use change and potentially on ecosystems and associated ecosystem services.

The area occupied by new developments and their ecosystem type is presented below:

Metric		Description	Unit	2025	2024
Continuing activities	Impact drivers of land-use change, freshwater-use change or sea-use change	Total Conversion over time of land occupation	Hectares	4,379	1,181
Calculation methodology		Sum of the area occupied by all generating facilities in operation in 2025. Excludes network developments.			
External validation		Limited assurance of this Sustainability Report.			

[ESRS E5] Resource use and circular economy

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The Company has assessed the material impacts, risks and opportunities related to the use of resources and the circular economy by applying the assessment process described in *IRO-1*.

This assessment has resulted in the identification of negative material impacts in three subtopics:

- Input of materials, in particular the use of methane gas and uranium as fuels in thermal plants.
- Resource outflows related to the distribution and marketing of gas to customers.
- The generation and management of waste relating to spent nuclear fuel and decommissioned wind turbine blades.

Therefore, the activities related to these material impacts are those that operate power generation facilities (combined cycle gas turbines and cogeneration plants), nuclear thermal power plants, wind farms and regulated gas distribution or gas sales to customers. *Section SBM-1 of chapter ESRS 2* describes the composition of installed capacity by technology, energy produced and energy distributed.

No material risks related to the use of resources and the circular economy have been identified.

In addition, several positive impacts have been identified in relation to the inflow and outflow of resources associated with the recycling of materials at the end of the life of facilities and the sourcing of materials with higher levels of secondary raw materials. However, the opportunities have not been identified as having a material financial impact on the Company.

E5-1: Policies related to resource use and circular economy

The Company has policies in place to address the management of impacts relating to improvement of the circularity of its activity and that of its value chain described in *Section* MDR-P.

E5-2: Actions and resources in relation to resource use and circular economy

As established in *Section E5-1*, Iberdrola applies the waste hierarchy, optimises waste management and promotes the use of recycled materials. In 2025, it developed circular economy initiatives related to wind turbine blade recycling, the storage of radioactive waste and the reduction of energy consumption.

Wind turbine blade recycling

The Group recycles or reuses a high percentage of the blades it removes. While the solutions currently employed are appropriate for the low volume of existing retired blades and in line with industry practices, not all of them would be scalable. In anticipation of the increased demand for blade recycling services resulting from the dismantling or repowering of wind farms in Spain, Iberdrola and other partners established EnergyLOOP in 2022. This company specialises in recycling techniques with the aim of generating secondary raw materials for use in other sectors. The blade recycling plant, which began operating in 2025, is already processing blades from two repowered Spanish wind farms. Throughout the year, the value chain was analysed in various countries to identify recycling solutions adapted to each region.

Storage of radioactive waste arising from the operation of nuclear power plants

Iberdrola España owns the Cofrentes nuclear power plant and has stakes in Almaraz I-II (53 %), Trillo (49 %), Vandellós II (28 %) and Ascó II (15 %), operated through economic interest groupings, described in detail in *Section BP-1.*

Individualised Temporary Storage facilities are financed by the fund in charge of the activities of the 7th General Radioactive Waste Plan managed by the National Waste Company (ENRESA) and are used to meet the spent fuel storage needs of each of the plants. In view of the forecast high occupancy of the pools in 2027, construction has begun at Cofrentes on a second Individualised Temporary Storage with a capacity for 100% of the fuel for its entire operation, with completion scheduled for 2026. The facilities under construction at the partially-owned plants are also expected to come on stream by the end of 2026.

This action manages waste without modifying the nuclear generation process, as the current technology does not allow for the reuse of spent fuel.

Reduction of gas consumption

The most relevant action in 2025 is the announcement of the sale of businesses in Mexico, which includes 1,368 MW of combined cycle and cogeneration plants (and which will occur in 2026), in addition to the sale of assets in 2024, described in *Chapter ESRS E1.*

E5-3: Targets related to resource use and circular economy

In accordance with the disclosure requirements set out in *Section MDR-T of ESRS 2* , the Company has set a blade and panel recycling target of more than 90% by 2030. The target is aligned with the new *Policy on Management and Protection of Nature and the principles of conduct thereof.*

Efficient use of resources	METRIC	2025	2028e	2030e
Blades and Solar Panels Recycling	Number (cumulative) (1)	947	>3,000	>5,000 (90%)

(1) Estimation of recycled blades in 2030 according to the current operational plan and subject to revision based on its evolution. 2030 Goal: recycling 90% of blades and panels.

E5-4: Resource inflows

According to the materiality analysis, Group's main input resources are: natural gas, both for thermal generation and for consumption by customers, and uranium for nuclear power plants.

Weight and % of high materiality fuels, biological material and secondary materials[28]

Resource	Weight (t) 2025	Weight (t) 2024	Weight of secondary materials (t) 2025	Weight of secondary materials (t) 2024	Secondary materials % 2025	Secondary materials % 2024
Uranium	68	40	0	0	0.00	0
Gas for customers	4,982,591	4,778,947	0	0	0.00	0
Gas for generation	3,091,458	4,274,006	29,753	15,111	0.96	0.35

Biological material and biofuels are not used.

The value of uranium consumed is estimated on the basis of new fuel elements introduced into the core.

The gas used for generation is calculated on the basis of gas meter measurement and gas supplier billing. The data is collected in Nm^3 units and is transformed to kg using the gas density factor provided by GASNAM[29] of 0.743 kg/Nm^3.

The gas sold to the customer is calculated based on the Company's billing data.

[28] Secondary components reused or recycled.
[29] Information on the conversion factor can be found at https://gasnam.es

E5-5: Resource outflows

The Iberdrola Group's main product is electricity, throughout the different stages of its production process: generation of electricity, mainly from renewable sources; electricity transmission and distribution; electricity supply and marketing.

Iberdrola's electricity generation activity does not produce large amounts of waste because it mainly comes from renewable or non-emitting sources (85 % in 2025). The resulting electricity is fully in line with the principles of circularity and does not produce waste. In contrast, nuclear thermal power plants produce waste that must be treated, while gas-fired power plants mainly produce CO_2. With regard to the durability and repairability of products and the percentage of recyclable content, these factors do not apply to the main product, which is electricity.

The main categories of waste are: construction waste, electrical and electronic equipment waste and municipal solid waste. This notably includes metallic materials, earth and non-metallic minerals.

The total amount of waste generated by the company in 2025 was 656,344 tonnes. It is then broken down into hazardous and non-hazardous waste, and in turn into different types of recovery operations and their different treatments.

Waste allocated to recovery (t)

Recovery	NHW 2025	NHW 2024	HW 2025	HW 2024
Reuse	166,246	225,738	1,363	1,542
Recycling	226,936	141,566	10,261	5,816
Other recovery operations	133,974	86,564	3,474	12,465
Total	**527,156**	**453,868**	**15,098**	**19,823**

Waste allocated to disposal (t)

Disposal	NHW 2025	NHW 2024	HW 2025	HW 2024
Incineration (with energy recovery)	267	4,908	1,096	1,500
Incineration (without energy recovery)	147	12	85	109
Traslado a vertedero	89,375	79,352	6,552	9,616
Otras operaciones de eliminación	15,314	2,249	1,254	1,499
Total	**105,103**	**86,521**	**8,987**	**12,723**

The total non-recycled waste for the reporting year was 114,090 tn, which represents 17 %

The quantities of radioactive waste generated are:

Waste generated at nuclear power plants 2025

Central	Low- low activity Produced (m^3)	Low- low activity Produced (m^3 / Gwh)	Low- medium activity Produced (m^3)	Low- medium activity Produced (m^3 / Gwh)
Cofrentes nuclear power plant	57	0.008	162	0.023
Partially-owned nuclear plants	70	0.006	85	0.005

Information relating to the output of waste from photovoltaic blades and panels is provided in *Section E5-3* of targets related to resource use and circular economy.

Waste management is regulated. It is carried out by an authorised waste manager, which makes it possible to account for and classify the different forms of waste generated.

European Taxonomy of Environmentally Sustainable Activities

This section complies with Article 8 of Regulation (EU) 2020/852, reporting on the extent to which the Company's activities are eligible and aligned with the EU Taxonomy according to the criteria set out in its delegated regulations. Furthermore, the new reporting templates of Delegated Regulation (EU) 2026/73 are applied in advance, maintaining the previous technical criteria, and the eligibility and alignment indicators on Turnover, CapEx and OpEx are presented.

Description of the activities of the Group

The principal activities of the Group are described in *Section SBM-1 of Chapter ESRS 2.*

As described in Chapter ESRS 2, *Section BP-2*, in July 2025, the Group signed a sale and purchase agreement with COX ABG Group, S.A. for Iberdrola México, the company that owned the Group's businesses in Mexico, and which is presented as a discontinued operation. The financial statements for the year present the earnings classified under the heading "Net profit for the year from discontinued activities (net of tax)". For this reason, the turnover and OpEx of this activity are not included for the calculation of the two taxonomy-aligned ratios.

Assessment of eligibility, compliance with substantial contribution criteria, absence of significant harm and existence of social safeguards:

In 2025, the Company carried out an eligibility and alignment assessment using the same methodological approach as in previous years. No simplification options allowed by subsequent regulations were applied.

Identification of eligible economic activities:

Eligible economic activities are those described in *EU Regulations 2021/2139, 2022/1214, 2023/2485 and 2023/2486*. These activities can potentially contribute to one or more of the European Union's environmental objectives.

Activities were identified based on the corporate object of the Group's companies and accounting records, in line with previous years' procedures. For the purposes of the Taxonomy, internal, intermediate or ancillary tasks that do not directly generate turnover are not considered economic activities.

Scope of the analysis with respect to environmental objectives:

Following the exercises carried out in previous years and a review of the activities defined in Delegated Regulation (EU) 2023/2486, it was found that the CapEx and OpEx associated with these activities mostly relate to intermediate or support tasks. These amounts are already included in the economic items associated with eligible activities linked to Climate Change Mitigation and Adaptation objectives.

As a consequence, as in past years, the Group's activities have been evaluated with regard to climate change mitigation and adaptation objectives for purposes of eligibility and alignment.

Eligible economic activities of the Group:

The economic activities carried out by the Group are described in the tables at the end of this section and the following activities are eligible: *3.10 Manufacture of hydrogen; 4.1 Electricity generation using solar photovoltaic technology; 4.3 Electricity generation from wind power; 4.5 Electricity generation from hydropower; 4.9 Transmission and distribution of electricity; 4.10 Storage of electricity; 4.29 Electricity generation from gaseous fossil fuels; 7.3, 7.4, 7.5 and 7.6 Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulating and controlling the energy efficiency of buildings and renewable energy technologies*[30].

[30] This heading includes the following products that are sold: Smart Home: control of the energy consumption of each household appliance, changes in consumption and advice on how to save on bills. Smart Mobility: solution for charging electric vehicles with 100% renewable energy. Installation of a charging point, electric contract with zero CO_2 emissions and control from mobile phone with the Smart Mobility Home App. Smart Solar: complete solar solution, with installation and maintenance of solar panels so that customers can generate their own electricity.

Furthermore, according to the definitions set forth in Delegated Regulation 2022/1214, the generation of electricity at nuclear plants does not constitute an eligible activity for the Iberdrola Group. The distribution of gas and the sale of electricity or gas to end customers are not eligible activities under the above mentioned regulation.

Verification of the Do No Significant Harm (DNSH) principle:

For eligible activities that substantially contribute to one or more environmental objectives, compliance with the criteria of Do No Significant Harm (DNSH) is assessed, applying the requirements set out in the delegated acts in force prior to Delegated Regulation (EU) 2026/73 without modification.

Verification of compliance with minimum guarantees:

Finally, the compliance of activities that have passed the contribution and harm criteria with the minimum safeguards was assessed. These safeguards refer to the procedures that a company implements to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

As in previous years, the Company has adopted the same methodological approach, based on human rights due diligence mechanisms, the Group's compliance systems and analysis through structured questionnaires.

The Group continuously monitors relevant human rights issues using a combination of quantitative and qualitative indicators, as well as internal and external sources of information and existing ethical and grievance channels.

As an additional contrast, the consistency between this assessment and the content of the following indicators was analysed:

- *ESRS G1-4 Confirmed incidents of corruption or bribery,*
- *ESRS S1-17 Incidents, complaints and severe human rights impacts.*
- *ESRS S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns and*
- *ESRS S4-5 -Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.*

No material inconsistencies have been identified between the reported performance and the assessment of the absence of harm or minimum safeguards.

Evaluation of the alignment

The criteria applied to calculate the eligibility and alignment percentages are described as follows:

Calculation of eligibility percentage and alignment

To calculate alignment percentages with the climate change mitigation and adaption objective: it is important to note that vertically integrated companies in the electricity sector, such as the Iberdrola Group, carry out various activities throughout the electricity value chain, all of which are necessary for the operation of the system. Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible under the Taxonomy framework, while other, such as the sale of electricity to end customers is not considered eligible.

In cases where the same entity or group both generates electricity and sells it to final customers, it is common for there to be intra-group transactions whereby the retail activity purchases electricity produced by the generation activity.

In accordance with accounting rules, revenues from sales to final customers are part of the consolidated turnover and the effect of the intercompany transaction is removed in the consolidation process.

To accurately reflect the degree to which the Group's operations align with the European Union's Taxonomy of Sustainable Activities, the revenue ratio incorporates turnover associated with the generation of electricity from renewable sources. Without applying this approach, the revenue indicator would show a consistently low level of alignment, which would be inconsistent with the high degree of alignment observed in the CapEx and OpEx indicators and the Group's operational reality.

Consequently, the turnover attributed to the generation of electricity with renewable sources is included in the numerator of the turnover ratio and corresponds to that indicated in Note 38 -net revenue-, included in the Annual Financial Information of Iberdrola S.A. and its subsidiaries.

In view of the above and to ensure consistency between the economic indicators required by the Taxonomy (turnover, CapEx and OpEx), the eligibility and alignment percentages presented in this section have been calculated using the same criteria as in previous years.

The criteria applied to calculate the eligibility and alignment percentages are described as follows:

Calculation of the percentage of eligible and aligned turnover

The share of eligible OpEx is calculated as the ratio of OpEx associated with eligible economic activities (numerator) over the total OpEx defined by the Taxonomy (denominator).

Net turnover includes revenue recognised in accordance with (IAS) 1, paragraph 82(a), as adopted by Regulation (EC) No 1126/2008

The denominator of the eligibility and turnover alignment ratios is 100% of the net turnover reported in Note 38 of the Group's consolidated financial statements. This ensures consistency and traceability between the financial information and the indicators required by Article 8 of Regulation (EU) 2020/852.

The numerator of the alignment ratio includes only those activities that are considered to be environmentally sustainable.

Calculation of the percentage of eligible and aligned CapEx

The share of eligible CapEx is calculated as the ratio of CapEx associated with eligible economic activities (numerator) over the total CapEx of the financial year (denominator).

The denominators of the eligibility and alignment ratios consist of additions to tangible and intangible assets made during the year, before depreciation, amortisation, revaluation or impairment are taken into account, excluding changes in fair value. This also includes additions arising from business combinations, as set out in Delegated Regulation (EU) 2021/2178.

For non-financial entities applying (IFRS), CapEx comprises IAS 16, 38, 40 and IFRS 16. Leases that do not give rise to the recognition of a right to use the asset are not accounted for as CapEx for the purposes of the Taxonomy.

The methodology applied in previous years is maintained for calculating the Group's consolidated CapEx: the denominator corresponds to total CapEx, including accrued investments in intangible assets, property, plant and equipment, assets by right of use, investments and work carried out by the Company for its own fixed assets, as well as capitalised financial expenses. The numerator of the eligibility ratio only includes the CapEx of eligible activities, while the alignment ratio only includes the CapEx associated with environmentally sustainable activities.

The amounts used are primarily recorded in the fixed assets and investments listed in the various notes to the Group's financial information (Notes 9, 10, 11, 12, 15 and 20 to the Annual Financial Information of Iberdrola, S.A. and its subsidiaries).

To avoid any misinterpretation, the amount in the CapEx denominator does not necessarily coincide with the investment magnitudes presented in the consolidated financial statements. This is because it excludes items that do not represent cash outflows (provisions for decommissioning, warehouse additions...) and therefore provides a more accurate reflection of investments allocated to aligned economic activities.

The numerator of the alignment ratio only includes CapEx corresponding to eligible economic activities that are considered environmentally sustainable. Additionally, it includes investments forming part of investment plans (CapEx plans) intended for the expansion of aligned activities or the future alignment of eligible activities, as well as certain enabling and energy transition investments, as described in points 7.3 to 7.6 of Annex I of the delegated Act on climate, where applicable.

Calculation of the percentage of eligible and aligned OpEx

The share of eligible OpEx is calculated as the ratio of OpEx associated with eligible economic activities (numerator) over the total OpEx defined by the Taxonomy (denominator).

The OpEx denominator includes the direct, non-capitalised costs necessary to operate the assets —such as R&D, building renovations, short-term leases, maintenance and repairs— whether these costs are incurred internally or by third parties. In entities that apply national GAAP without recognising right-of-use assets, leasing costs are included in OpEx. The same applies under IFRS when such leases do not give rise to a right of use, in accordance with Article 8.

- Denominator: includes non-capitalised direct costs necessary for operating assets —R&D, building refurbishment, maintenance and repairs, short-term leases and other direct costs incurred by the Company or third parties— excluding both capitalised costs (which form part of CapEx according to the Taxonomy) and indirect or operational costs that do not fit the definition of OpEx in Article 8.
- In the eligibility and alignment numerator, they correspond to eligible and aligned activities, respectively.

It should also be noted that the segment information included in the Annual Financial Information. Iberdrola, S.A. and subsidiaries, as set out in “Segment Reporting”, cannot be directly compared with the eligibility/alignment ratios, particularly turnover, due to the elimination of intra-group transactions inherent in the consolidation process. This is a common characteristic of vertically integrated groups and does not affect the methodology of Article 8.

Finally, it should be noted that the quality controls applied when preparing the Group’s audited consolidated financial statements ensure that the financial information can be traced back to the KPIs set out in Article 8.

Results

1. Degree of eligibility and alignment of turnover.

Eligible activities account for 64.7% of consolidated turnover. Based on this, the percentage of aligned turnover amounts to 60.7% of the consolidated total, representing an alignment of 93.8% of the eligible activities, as explained below.

In the electricity sector, particularly within vertically integrated groups, deregulated marketing invoices end customers for all service components (energy cost, network access, regulated charges, taxes and levies), which are fully recorded as revenue for accounting purposes. However, for the Taxonomy, amounts billed for network access are considered ineligible when linked to marketing. In groups that combine regulated distribution and marketing, this classification means that part of the ineligible marketing billing reduces the eligible and aligned turnover generated by network activities.

To facilitate a better understanding of the degree to which the Group's operations are aligned and the above-described effects, the Company presents additional metrics to complement, not replace, the regulatory indicator:

- analysing the alignment of turnover with respect to eligible activities**, and
- isolating the impact that network access costs have on the consolidated revenue indicator*.

The result of this analysis is presented in the table below which includes:

	Proportion of taxonomy-aligned turnover/total turnover		Proportion of taxonomy-aligned turnover/turnover of ineligible activities
	Reported (A.1.)(%)	Adjusted (A.1.) (%)*	(A.1.) / (A.1. + A.2.) (%)**
Turnover	60.7	66.2	93.8

These complementary measures enable the results of the turnover indicator to be contextualised and facilitate an understanding of why a high degree of CapEx alignment can coexist with a comparatively lower percentage of revenue alignment in vertically integrated groups. This is due to the structural characteristics of the electricity sector and the methodological treatment envisaged in the regulatory framework of the Taxonomy.

In this context, and despite this structural effect, the Group has increased its degree of alignment compared to the previous period. Turnover has increased by almost 3 percentage points, and eligible CapEx that complies with the taxonomy has increased by up to 3.9 percentage points, reaching an alignment rate of 92.9%. This increase is primarily due to higher volumes of taxonomy-compliant business, driven by favourable developments in activity 4.9 Transmission and Distribution of Electricity in the United Kingdom, the United States and Spain, where a greater proportion of assets meet the applicable technical criteria.

With regard to turnover, the only Iberdrola Group activity that does not align with the current technical criteria is the generation of electricity from fossil fuels.

2. CapEx ratio as an indicator of the sustainability of the Group's operations

The aligned CapEx reached 92.9% of total CapEx, a figure consistent with the Capex ratio, both ratios being a positive consequence of Iberdrola's business model and its strategy of investing in sustainable activities.

For the purposes of the disclosure requirements set out in Delegated Regulation (EU) 2021/2178, which apply to non-financial companies that have issued environmentally sustainable bonds or debt securities intended to finance activities that comply with the EU Taxonomy, the Company provides this information through the following sources:

On the one hand, the Sustainable Financing Report 2025, which contains a detailed list of green bonds and other debt securities corresponding to live green transactions, as well as reporting on the returns on its green financing. The projects financed in this report are selected in accordance with Iberdrola's Financing Framework, the eligibility criteria of which include compliance with the EU Taxonomy.

On the other hand, in relation to the two debt issue transactions conducted in 2025 under the European Green Bond scheme, the Company will publish a report describing the specific allocation and impact of these issues.

Proportion of turnover, CapEx and OpEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities. Disclosure corresponding to the year 2025 - KPI summary

Financial year (N)	2025														
KPI	Total (EUR thousands)	Proportion of taxonomy-eligible activities (%)	Taxonomy-aligned activities (EUR thousands)	Proportion of taxonomy-aligned activities (%)	Breakdown of taxonomy-aligned activities by environmental objectives (%)						Proportion of enabling activities (%)	Proportion of transition activities (%)	Activities not evaluated considered as non-material (%)	Taxonomy-aligned activities in the previous year (N-1) (EUR thousands)	Proportion of taxonomy-aligned activities in the previous year (N-1) (%)
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity					
Turnover	44,075,556	64.7	26,734,396	60.7	60.7	-	-	-	-	-	45.0	0.0	-	24,838,574	57.8
CapEx	18,702,523	93.8	17,382,587	92.9	92.9	-	-	-	-	-	70.2	0.0	-	10,631,086	89.0
OpEx	-1,911,475	90.4	-1,696,044	88.7	88.7	-	-	-	-	-	63.0	0.0	-	-1,902,181	90.1

Proportion of turnover from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities. Disclosure corresponding to the year 2025 - Breakdown by activity.

Economic activities	Code[31]	Proportion of taxonomy-eligible Turnover (%)	Taxonomy-aligned Turnover (EUR thousands)	Proportion of taxonomy-aligned Turnover (%)	Environmental objectives of taxonomy-aligned activities (%)						Enabling activity	Transition activity	Proportion of taxonomy-eligible and taxonomy-aligned Turnover (%)
					Climate change	Climate change	Water	Circular economy	Pollution	Biodiversity			
Manufacture of hydrogen	CCM 3.10./ CCA 3.10.	0.0	14,579	0.0	0.0	N/A	-	-	-	-			100
Electricity generation using solar photovoltaic technology	CCM 4.1./ CCA 4.1.	0.9	397,444	0.9	0.9	N/A	-	-	-	-			100
Electricity generation from wind power	CCM 4.3./ CCA 4.3.	11.2	4,928,046	11.2	11.2	N/A	-	-	-	-			100
Electricity generation from hydropower	CCM 4.5./ CCA 4.5.	3.6	1,581,818	3.6	3.6	N/A	-	-	-	-			100
Transmission and distribution of electricity	CCM 4.9./ CCA 4.9.	43.6	19,213,714	43.6	43.6	N/A	-	-	-	-	E		100
Storage of electricity	CCM 4.10./ CCA 4.10.	0.9	394,672	0.9	0.9	N/A	-	-	-	-	E		100
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3./ CCA 7.3.	0.1	35,707	0.1	0.1	-	-	-	-	-	E		100
Installation, maintenance and repair of recharge stations for electric vehicles in buildings	CCM 7.4./ CCA 7.4.	0.1	55,528	0.1	0.1	-	-	-	-	-	E		100
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5./ CCA 7.5.	0.2	77,949	0.2	0.2	-	-	-	-	-	E		100
Installation, maintenance and repair of renewable energy technologies	CCM 7.6./ CCA 7.6.	0.1	34,940	0.1	0.1	-	-	-	-	-	E		100
Electricity generation from gaseous fossil fuels	CCM 4.29./ CCA 4.29.	4.0	0	0.0	0.0	-	-	-	-	-			0
Sum of adaptation by objective					**60.7**	**-**	**-**	**-**	**-**	**-**			
Total turnover		**64.7**	**26,734,396**	**60.7**	**60.7**	**-**	**-**	**-**	**-**	**-**	**45.0**	**-**	**93.8**

[31] CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular Economy; PPC: Pollution Prevention and Control; BIO: Biodiversity and Ecosystems.

Proportion of OpEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities. Disclosure corresponding to the year 2025 - Breakdown by activity.

Economic activities	Code[32]	Proportion of taxonomy-eligible OpEx (%)	Proportion of taxonomy-aligned OpEx (EUR thousands)	Proportion of taxonomy-aligned OpEx (%)	Environmental objectives of taxonomy-aligned activities (%)						Enabling activity	Transition activity	Proportion of taxonomy-eligible and taxonomy-aligned OpEx (%)
					Climate change	Climate change	Water	Circular economy	Pollution	Biodiversity			
Manufacture of hydrogen	CCM 3.10./ CCA 3.10.	0.2	-4,622	0.2	0.2	0.2	-	-	-	-			100
Electricity generation using solar photovoltaic technology	CCM 4.1./ CCA 4.1.	1.1	-21,101	1.1	1.1	1.1	-	-	-	-			100
Electricity generation from wind power	CCM 4.3./ CCA 4.3.	23.5	-449,339	23.5	23.5	23.5	-	-	-	-			100
Electricity generation from hydropower	CCM 4.5./ CCA 4.5.	0.9	-16,899	0.9	0.9	0.9	-	-	-	-			100
Transmission and distribution of electricity	CCM 4.9./ CCA 4.9.	62.4	-1,192,820	62.4	62.4	62.4	-	-	-	-	E		100
Storage of electricity	CCM 4.10./ CCA 4.10.	0.0	-935	0.0	0.0	0.0	-	-	-	-	E		100
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3./ CCA 7.3.	0.1	-1,758	0.1	0.1	-	-	-	-	-	E		100
Installation, maintenance and repair of recharge stations for electric vehicles in buildings	CCM 7.4./ CCA 7.4.	0.1	-2,734	0.1	0.1	-	-	-	-	-	E		100
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5./ CCA 7.5.	0.2	-3,838	0.2	0.2	-	-	-	-	-	E		100
Installation, maintenance and repair of renewable energy technologies	CCM 7.6./ CCA 7.6.	0.1	-1,999	0.1	0.1	-	-	-	-	-	E		100
Electricity generation from gaseous fossil fuels	CCM 4.29./ CCA 4.29.	1.7	0	0.0	0.0	-	-	-	-	-			0
Sum of adaptation by objective					**88.7**	**88.2**	**-**	**-**	**-**	**-**			
Total OpEx		**90.4**	**-1,696,044**	**88.7**	**88.7**	**-**	**-**	**-**	**-**	**-**	**63.0**	**-**	**98.1**

[32] CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular Economy; PPC: Pollution Prevention and Control; BIO: Biodiversity and Ecosystems.

Proportion of CapEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities. Disclosure corresponding to the year 2025 - Breakdown by activity.

Economic activities	Code[33]	Proportion of taxonomy-eligible CapEx (%)	Taxonomy-aligned CapEx (EUR thousands)	Proportion of taxonomy-aligned CapEx (%)	Environmental objectives of taxonomy-aligned activities (%)						Enabling activity	Transition activity	Proportion of taxonomy-eligible and taxonomy-aligned CapEx (%)
					Climate change	Climate change	Water	Circular economy	Pollution	Biodiversity			
Manufacture of hydrogen	CCM 3.10./ CCA 3.10.	0.0	8,087	0.0	0.0	0.0	-	-	-	-			100
Electricity generation using solar photovoltaic technology	CCM 4.1./ CCA 4.1.	5.5	1,020,561	5.5	5.5	5.5	-	-	-	-			100
Electricity generation from wind power	CCM 4.3./ CCA 4.3.	16.6	3,102,310	16.6	16.6	16.6	-	-	-	-			100
Electricity generation from hydropower	CCM 4.5./ CCA 4.5.	0.7	122,172	0.7	0.7	0.7	-	-	-	-			100
Transmission and distribution of electricity	CCM 4.9./ CCA 4.9.	68.7	12,849,407	68.7	68.7	68.7	-	-	-	-	E		100
Storage of electricity	CCM 4.10./ CCA 4.10.	0.7	138,605	0.7	0.7	0.7	-	-	-	-	E		100
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3./ CCA 7.3.	0.1	11,244	0.1	0.1	-	-	-	-	-	E		100
Installation, maintenance and repair of recharge stations for electric vehicles in buildings	CCM 7.4./ CCA 7.4.	0.2	31,037	0.2	0.2	-	-	-	-	-	E		100
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5./ CCA 7.5.	0.4	77,415	0.4	0.4	-	-	-	-	-	E		100
Installation, maintenance and repair of renewable energy technologies	CCM 7.6./ CCA 7.6.	0.1	21,749	0.1	0.1	-	-	-	-	-	E		100
Electricity generation from gaseous fossil fuels	CCM 4.29./ CCA 4.29.	0.9	0	0.0	0.0	-	-	-	-	-			0
Sum of adaptation by objective					**92.9**	**92.2**							
Total CapEx		**93.8**	**17,382,587**	**92.9**	**92.9**	**-**	**-**	**-**	**-**	**-**	**70.2**	**-**	**99.1**

[33] CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular Economy; PPC: Pollution Prevention and Control; BIO: Biodiversity and Ecosystems.

[ESRS S1] Own workforce

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The Company has both employee and non-employee workers. At the end of 2025, the Group had 45,400 employees on its workforce (understood as those who have a contract with any of the companies of the Group, whether permanent or temporary, or full-time or part-time).

The Company considers that non-employee workers refers exclusively to workers provided directly by temporary employment agencies (Empresas de Trabajo Temporal, or ETTs). These people are not part of the Company's workforce, but are hired through these agencies to cover temporary or specific staffing needs.

At the close of 2025 there are 557 own personnel who are non-employees, of whom 11 are part-time.

The Company has assessed the material impacts, risks and opportunities related to its own staff by applying the double materiality assessment process described in *Section IRO-1 of Chapter ESRS 2*.

This assessment has led to the identification of potential negative material impacts related to the Company's own personnel:

- Accidents, fatalities and work-related ill-health (physical and mental).
- Leaks of private data (due to human error or cyber-attacks)
- Lack of representation of vulnerable groups and minorities.

Over the reporting period, there have been no widespread or systemic negative material impacts, but there have been individual cases, which are described in this chapter.

Positive material impacts have also been identified and promoted. These positive impacts illustrate the Company's commitment to the well-being and development of its own personnel, and are reflected in various activities and programmes that benefit both employee and non-employee workers.

These positive impacts and related activities are described in *Section S1-4,* although noteworthy are those relating to:

- Talent attraction, development and loyalty.
- Social benefits and work-life balance.
- Cybersecurity and data protection.
- Equal opportunities.
- Safety and health.
- Volunteering.

No activities have been identified as involving child, forced or compulsory labour, nor do operations take place in countries with potential risk in these respects.

The Company has conducted an assessment of the main risks and opportunities arising from impacts affecting specific groups within its own workforce and related entities. This assessment has made it possible to identify areas requiring attention and to develop strategies appropriate to their purpose, scale and context, in order to mitigate risks and exploit opportunities.

With regard to material impacts on its own workforce arising from the transition plans, these are managed through the Group's transition plans themselves and the business strategy and they are included in the risk and opportunity assessments referred to above. For more information regarding the Global Stakeholder Engagement Model, *see SBM-2.*

S1-1: Policies related to own workforce

The Company has the *Sustainable Human Capital Management and Anti-Harassment Policy* and the *Occupational Health and Safety Policy* in place to, among other things, address the management of impacts to its own workforce and which are described in *Section MDR-P*.

S1-2: Processes for engaging with own workers and workers' representatives about impacts

The Company has processes and mechanisms in place to ensure continuous interaction with its personnel and their representatives for the management of the impacts developed in *Section SMB-3*:

- Ongoing dialogue is maintained with workers' representatives, including negotiating and updating collective bargaining agreements, and working with trade unions. Negotiation is the primary means of defining the rights and responsibilities of the parties involved, and is integrated into the labour relations model within the Group's companies. This gives rise to collective agreements that reflect advanced labour practices adapted to regional characteristics. The coverage of collective bargaining is set out in *Section S1-8*.
- In countries with a small workforce and no collective bargaining agreements (such as Cyprus, Greece and Poland), labour relations are managed according to the practices of the country subholding company. This ensures consistency in rights and duties, regardless of headcount or local agreements.
- Climate surveys are carried out and focus groups are organised to gather opinions and suggestions and to detect areas for improvement in order to develop specific action plans.
- An Employee Experience Continuous Improvement Plan is implemented to proactively address employees' needs.
- Various mailboxes are available for staff to submit suggestions, queries or reports of incidents. These are analysed and responded to individually or globally as appropriate.

Listening tools focused on improving the experience of staff have been strengthened based on the continuous identification of needs and the appropriate action taken in response. These include periodic surveys and pulse checks, which are managed by external providers to ensure confidentiality. Following analysis, action plans are designed and communicated to officers, managers and staff, identifying best practices and areas for improvement. These plans include cross-functional lines for the entire Iberdrola Group and others specific to each country subholding company. Managers play a key role in defining and monitoring these plans. These mechanisms ensure effective and transparent collaboration with workers' representatives and other stakeholders. If a vulnerable situation is identified among the Company's own workforce, corrective measures are implemented to ensure their inclusion and well-being. These tools facilitate the continuous and effective collection of employee opinions, ensuring they are considered in decision-making processes and promoting an inclusive and participatory work environment. The frequency of communications varies according to the topic and the group involved. More information can be found in *Section SBM-2.*

The Company fosters a favourable working environment that encourages the development of human capital. This is achieved through the use of formal tools that assess employee perceptions and encourage their participation in an ongoing dialogue.

The highest function and position within each company in the group operationally responsible for ensuring collaboration between own personnel and workers' representatives is the People division.

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

The Group's companies have complaint and grievance mechanisms that allow them to express concerns and manage impacts, offering appropriate redress when necessary. The Company provides internal channels such as the corporate website, intranet, mailboxes at facilities, corporate mailboxes, and judicial or administrative channels, including ethics mailboxes and complaint channels that guarantee

confidentiality of the complainant and protection against retaliation, as described in *Section G1-1*, accessible to all employees. These mechanisms are aligned with the United Nations Guiding Principles (UNGPs) and make it possible to address negative impacts at an early stage, register concerns and assess the effectiveness of previous mitigation or remediation measures.

Ethics mailboxes provide a confidential and accessible channel for queries and complaints while fostering relationships with employee representatives helps improve labour practices and address concerns effectively. Working with existing trade unions within the Group's companies identifies areas for improvement and enables the development of joint strategies, thereby strengthening the organisational culture and sustainability of the Company.

Various strategies are implemented to assess the effectiveness of remediation in situations of negative impact. These include climate pulses, focus groups, equality plans with indicators, monitoring and follow-up meetings, internal regulations including mediation and possible disciplinary measures, and communication channels aimed at active listening. These tools enable issues to be prioritised and action plans to be defined with the aim of improving staff experience.

Taken together, these mechanisms allow material impacts to be recorded and monitored, ensuring that timely responses and appropriate solutions are provided, and that impacts are remedied where possible. They also facilitate the assessment of staff awareness of, and confidence in, the management processes in place.

S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group's companies implement measures to manage the positive and negative impacts described in *Section SBM-2 of Chapter S1*, focusing on improving the experience of the Group's own personnel, promoting diverse and inclusive internal talent, favouring work-life balance and reinforcing occupational safety. These conducts not only reduce risks, but also generate a safe and healthy environment, incorporating actions to promote positive impacts through wellness programmes, professional development and benefits that improve quality of life. Among the areas highlighted are: attracting, developing and retaining talent; social benefits and work-life balance; cybersecurity; equal opportunities; health and safety; and volunteering. The People division draws up a map of structural, emerging and priority impacts and risks, reviewed quarterly, which enables negative impacts to be identified and action plans to be defined.

In 2025, a number of initiatives were implemented to prevent negative impacts and reinforce positive ones.

1. People Plan 2024-2026: improving the attraction and retention of talent by continuously reviewing recruitment processes, strengthening the employer brand, promoting internal mobility and attending to the candidate experience.
2. "C3 #BreakingSilos" Knowledge Communities: fostering collaboration and knowledge sharing in a secure, multi-cultural and multi-language corporate environment, connecting, collaborating and contributing to strategic capabilities.
3. Masterclass: 18 masterclasses given in 2025 by officers and internal experts on strategic capabilities, with high ratings and consolidated presence in the agenda.
4. Young Talent: promoting *STEM* vocations, qualifications and equal opportunities, with coordinated global programmes and recognition in Spain as the first company with AENOR certification as an "organisation committed to *STEM* talent".
5. Mobility: strengthening international mobility as a foundation for professional development, overseen by the Global Mobility and Talent Committee which identifies opportunities and facilitates flexible, international management.
6. Corporate volunteering programme: channelling participation in social and environmental projects, recognised by the United Nations through IMPACT2030, the *Innovation Award*, and by the AECC in 2025. Its initiatives include:
    - *INVOLVE*, supporting young people in Mexico and Brazil to improve their employability through training in digital and social skills;

- Breaking Barriers, university access, placements and skills for young people with learning difficulties;
- Environmental actions such as reforestation and recovery of spaces.

These initiatives aim to prevent and remedy negative impacts, while promoting positive ones to foster well-being and professional development. The Company continuously monitors and evaluates the effectiveness and alignment of these actions with the strategy through mechanisms and reports. There are monthly scorecards containing metrics such as job creation, training hours and types, and satisfaction with masterclasses which are complemented by the other aforementioned metrics.

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As described in *Section MDR-T of Chapter ESRS 2*, the Company has established targets that specify the lines of conduct derived from the *Sustainable Human Capital Management and Anti-Harassment Policy* with regard to equal opportunities, welfare and knowledge management and occupational health and safety, in line with the Framework Directive on Safety and Health at Work.

Human and social capital	METRIC	2025	2028e	2030e
Equal opportunities	External EDGE plus certification	In process	√	√
Wellbeing Program	Certification ISO 45003	In process	√	√
Occupational Safety	TRIR	In process	Improve	Improve

S1-6: Characteristics of the undertaking's employees[34]

Number of employees (number of people at year-end)

	2025					2024				
Country	W	M	Other	Not reported	Total	W	M	Other	Not reported	Total
Spain	2,334	7,417	0	0	9,751	2,352	7,460	0	0	9,812
United Kingdom	2,880	6,880	0	0	9,760	2,059	4,539	0	0	6,598
United States of America	2,306	6,163	21	0	8,490	2,278	5,973	18	0	8,269
Brazil	3,363	12,162	0	0	15,525	3,297	12,231	0	0	15,528
IEI	435	764	1	0	1,200	403	767	0	0	1,170
Mexico (Discontinued activity)	193	481	0	0	674	233	598	0	0	831
Total	**11,511**	**33,867**	**22**	**0**	**45,400**	**10,622**	**31,568**	**18**	**0**	**42,208**

[34] The figures in the table reflect the number of employees at year-end 2025, regardless of the type of working day. The average number of contracts is not reported because there is not a significant variation with respect to the contracts at year-end.

Distribution of employees by gender (headcount at year-end)

2025					2024				
W	M	Other	Not reported	Total	W	M	Other	Not reported	Total
Number of employees									
11,511	33,867	22	0	45,400	10,622	31,568	18	0	42,208
No. of permanent employees									
11,439	33,728	22	0	45,189	10,597	31,481	18	0	42,096
No. of temporary employees									
72	139	0	0	211	25	87	0	0	112
No. of non-guaranteed hours employees									
0	0	0	0	0	0	0	0	0	0
No. of full-time employees									
10,929	33,140	22	0	44,091	10,128	30,886	18	0	41,032
No. of part-time employees									
582	727	0	0	1,309	494	682	0	0	1,176

Distribution of employees (headcount at year-closing) by region

Spain	United Kingdom	United States of America	Brazil	IEI	Mexico (Discontinued activity)	Total 2025
Number of employees						
9,751	9,760	8,490	15,525	1,200	674	45,400
No. of permanent employees						
9,749	9,576	8,480	15,524	1,192	668	45,189
No. of temporary employees						
2	184	10	1	8	6	211
No. of non-guaranteed hours employees						
0	0	0	0	0	0	0
No. of full-time employees						
9,749	9,251	8,481	14,746	1,190	674	44,091
No. of part-time employees						
2	509	9	779	10	0	1,309

Spain	United Kingdom	United States of America	Brazil	Other countries	Mexico (Discontinued activity)	Total 2024
Number of employees						
9,812	6,598	8,269	15,528	1,170	831	42,208
No. of permanent employees						
9,811	6,567	8,222	15,528	1,158	810	42,096
No. of temporary employees						
1	31	47	0	12	21	112
No. of non-guaranteed hours employees						
0	0	0	0	0	0	0
No. of full-time employees						
9,809	6,231	8,259	14,747	1,155	831	41,032
No. of part-time employees						
3	367	10	781	15	0	1,176

As of year-end 2025, the Iberdrola Group has 45,400 employees on its workforce. The workforce data presented in this report correspond to the end of the financial year and are based on the total number of employees.

A full-time employee is an employee who performs their job functions for the maximum time established by the labour legislation of their country of residence or the conditions established in the various collective bargaining agreements that may apply.

Iberdrola maintains a strong commitment to quality employment, as reflected by the fact that more than 99 % of the workforce is made up of employees with permanent contracts and 97 % on a full-time basis. This approach facilitates job stability for employees and fosters a motivating and productive work environment, aligned with corporate values and long-term objectives. There were no significant variations in the number of part-time employees during the year.

Impacts and cases related to discrimination, if any, are reported in *Section S1-17*.

Employees leaving their job	2025	2024
Total no. of employees leaving the undertaking	3,738	3,795
Employee turnover rate (% of total workforce)	8.2 %	9.0 %
Voluntary employee turnover rate (% of total workforce)	3.0 %	3.1 %

This table shows the total number of departures during the reporting period, including those that were voluntary, involuntary or due to retirement, as well as any other applicable reasons.

The figures in the table reflect the number of employees at year-end 2025, regardless of the type of working day. The average number of contracts is not reported because there is not a significant variation with respect to the contracts at year-end, due to the high percentage of permanent full-time contracts and low employee turnover rate. Note 40 included the Annual Financial Information of Iberdrola, S.A. contains average headcount information expressed in FTEs (full-time equivalents).

S1-7: Characteristics of non- employee workers in the undertaking's own workforce

Non-employees

It is not a standard practice in the group to have non-employee workers, and this type of service is only used in Spain and the United Kingdom through temporary employment agencies, in the cases provided for by law. They usually perform short-term work, helping to cover some of the functions of employees who are on sick leave or to assist with occasional additional workloads, generally in administrative tasks. They can also provide specialised work required for a specific project.

At year-end 2025, there were 557 non-employee workers (11 of whom were part-time) representing 1 % of the workforce. The average number of workers during the year was 567, with no significant fluctuations in this group in the year.

S1-8: Collective bargaining coverage and social dialogue

The relationship between the Company and trade unions is based on respect and recognition of the legitimacy of these institutions as workers' representatives, within the principles and ethical values that guide good union practices. To this end, negotiation is the main form of establishing rights and duties between the parties.

Negotiations with trade union organisations form part of the Labour Relations management model in the group's companies, and Collective Bargaining Agreements[35] are entered into that reflect modern and advanced labour practices, respecting local characteristics and the different activities of the various group companies. In this way, they seek to go beyond compliance with legal requirements.

Generally speaking, the collective bargaining agreements of the Iberdrola Group apply to all the professionals working under an employment relationship and for the account of the companies of the group, regardless of the type of contract entered into, the professional group to which they are assigned,

[35]The scope of the 7th Collective Bargaining Agreement, referred to in this report, includes the following companies at 31 December 2025: Iberdrola, S.A., Iberdrola España, S.A.U., Iberdrola Generación, S.A.U., Iberdrola Generación España, S.A.U., Iberdrola Generación Nuclear, S.A.U., Iberdrola Clientes, S.A.U., Iberdrola Operación y Mantenimiento, S.A.U., i-DE Redes Eléctricas Inteligentes, S.A. (Sociedad Unipersonal), Iberdrola Infraestructuras y Servicios de Redes, S.A.U., Iberdrola Renovables Energía, S.A.U. and Iberdrola Ingeniería y Construcción, S.A.U.

their occupation or the job performed. The coverage broken down by country is shown in the following table:

Personnel covered by a collective bargaining agreement, by region

Country	No. of Employees 2025	% 2025	No. of Employees 2024	% 2024
Spain	8,562	87	8,677	88
United Kingdom	6,035	62	3,790	57
United States of America	3,699	44	3,737	45
Brazil	15,511	100	15,528	100
IEI	405	36	310	27
Mexico (Discontinued activity)	76	11	76	9
Total	**34,288**	**76**	**32,118**	**76**

The percentage of employees covered by employee representatives in Spain is 98 %. Otherwise, there is no representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

	Collective bargaining agreement coverage 2025		Social dialogue 2025	Collective bargaining agreement coverage 2024		Social dialogue 2024
Ratio	EEE Employees	Non-EEE employees	Workplace representation (EEE only)	EEE Employees	Non-EEE employees	Workplace representation (EEE only)
0-19%	N/A	Mexico (Discontinued activity)	N/A	N/A	Mexico	N/A
20-39%	N/A	IEI	N/A	N/A	IEI	N/A
40-59%	N/A	United States United Kingdom	N/A	N/A	United States United Kingdom	N/A
60-79%	N/A	N/A	N/A	N/A	N/A	N/A
80-100%	Spain	Brazil	Spain	Spain	Brazil	Spain

S1-9: Diversity metrics

The Company adopts and promotes, as one of its core values, the encouragement of multi-faceted representation at the various decision-making bodies and levels, as well as the reinforcement of respect and equal opportunities, both internally and externally.

With regard to leadership positions, for purposes of this indicator S1 9, the group is made up of 797 people at the end of 2025 (806 people in 2024). Of the total, 248 arewomen in 2025 (233 in 2024), i.e. 31.1 % and 549 aremen in 2025 (573 in 2024), i.e. 68.9 %.

Distribution of employees by age

Category	No. 2025	% 2025	No. 2024	% 2024
Up to 30 years old	8,187	18	7,677	18
Between 31 and 50 years old	28,289	62	26,420	63
Over 50 years old	8,925	20	8,112	19
Total	**45,400**	**100**	**42,208**	**100**

S1-10: Adequate wages

The Company considers it a priority for the remuneration systems to promote the selection and retention of human capital as a factor differentiating it from its competitors and ensure stable, quality jobs and fair wages.

To this end, the principles of employee remuneration policy provides for the payment of decent and fair salaries in cash, above the benchmark index in accordance with the legal regulatory framework of country,

and an array of social benefits and entitlements adapted to the different social and labour realities of the territories in which the Group operates. In terms of pension plan and savings benefits and health insurance, these are above the average for companies in each country *(see Section S1-11).*

S1-11: Social protection

Iberdrola's employees are covered against loss of income due to major life events. The Company provides its employees with social protection through public programmes, where required by law, and also through private insurance policies against loss of income due to any of the following major life events:

- sickness,
- unemployment starting from when the own worker is working for the undertaking,
- employment injury and acquired disability,
- parental leave and
- retirement.

Social protection is understood to refer to all measures that provide access to health care and income support in case of life events such as job loss, illness, childbirth and raising a child, retirement, etc.

There are no significant differences in the benefits offered to part-time employees compared to those offered to full-time employees of Iberdrola, S.A., subsidiaries of Iberdrola España, Iberdrola Internacional, ScottishPower, Avangrid, Neoenergia and Iberdrola México.

S1-12: Persons with disabilities

As part of the *Sustainable Human Capital Management and Anti-Harassment Policy,* the Company adopts and promotes physical and technological accessibility, as well as support for professionals with disabilities and their effective employment, in line with the main principles of conduct relating to the promotion of a diverse, inclusive and non-discriminatory professional environment**.**

The information available on employees with disabilities is based on the definitions and legal register of each country [36].

Employees with disabilities

Employees	2025	2024
Men	901	597
Women	522	338
Total	**1,423**	**933**
Total (%)	**3.1**	**2.2**

S1-13: Training and Skills Development metrics

At the Iberdrola Group, employees undergo annual evaluations of their contributions and skills, according to their professional level. These evaluations include self-assessment and the design of development plans and are carried out uniformly throughout the group using a digital tool. In 2025, 79 % of employees participated.

[36] Persons with disabilities are persons with long-term physical, mental, intellectual or sensory impairments which, when combined with various barriers, may prevent their full and effective participation in society on an equal basis with others.

Employees with performance reviews (%)

Categoría	Men 2025	Men 2024	Women 2025	Women 2024
Leadership	91.2	89.2	93.1	88.6
Qualified technicians	87.8	88.6	88.9	89.3
Skilled workers and support personnel	72.8	73.9	62.1	61.1
Average	**79.3**	**80.2**	**79.9**	**80.0**

A total of 36,067 reviews were carried out, of which 35,857 were agreed by management. This process enables individualised monitoring, encouraging the responsible management of human capital and facilitating development plans, training, career counselling and equal opportunities, as well as promoting continuous learning.

The Company considers continuous training to be essential for the success of its operations and the development of its people and teams. In 2025, the annual training plan was significantly exceeded, with around 3.6 million hours of training being delivered, equating to 79 hours per employee (13% more than in 2024), achieving 100% coverage of the workforce.

Hours of training by professional category and gender[37]

Category	Men 2025	Men 2024	Women 2025	Women 2024
Leadership	55,818	63,175	30,383	32,093
Qualified technicians	625,596	562,598	310,571	280,213
Skilled workers and support personnel	2,141,554	1,751,632	395,111	390,109
Total	**2,822,967**	**2,377,405**	**736,066**	**702,415**

As can be seen, the averages for each category are very similar, and therefore the divergence in the total is due to the different number of male and female employees in each category.

Average hours of training by average personnel, professional category and gender[38]

Category	Men 2025	Men 2024	Women 2025	Women 2024
Leadership	31.9	36.9	39.7	43.9
Qualified technicians	50.2	49.2	46.9	45.2
Skilled workers and support personnel	110.5	96.1	100.5	114.1
Total	**84.1**	**75.8**	**65.0**	**67.9**

S1-14: Health and safety metrics[39]

Occupational health services

The Group companies have occupational risk prevention, health and wellbeing programmes in place that include regular legal assessments, hygiene measurements, internal and external audits, ISO 45001:2018 management system controls, health monitoring, and accredited medical services.

The companies of the Iberdrola Group have professional occupational health services, advice and support to effectively manage health and safety risks at work, performing absence management, drug and alcohol testing, health monitoring, protection of specific communities, international travel assistance, management of retirement on health grounds, first aid, rehabilitation, specialist health counselling, overseas employee services, overseas business travel health assessment, voluntary medical exams and for personnel especially sensitive to specific risks, employee self-referrals, early intervention, specialist support services, wellness programmes, mental health programmes, skills development programmes and healthy eating programmes.

[37] Does not include information on non-employees.
[38] Does not include information on non-employees.
[39] In terms of health and safety indicators, the scope of the occupational health and safety management system in Spain is strictly limited to the legal requirements for the Joint Prevention Service. It does not cover companies without management control or those not currently included in the information collection systems.

These services are protected by medical confidentiality and files are kept in such a way so as to guarantee the confidentiality of the information contained in the files.

Workers covered by an occupational health and safety management system

The Group's Occupational Health and Safety Management Systems are designed in accordance with current legal and regulatory requirements and apply to the entire workforce, contractors, suppliers and visitors to protect their health and safety.

Information on incidents is collected, assessed and reported in accordance with the procedures established by law and internal company regulations. Certification of management systems under the ISO 45001 standard ensures consistency in the implementation methodology.

Almost all employees are covered by the Occupational Health and Safety Management System at their respective workplaces. This system is designed to cover 100% of professionals and ensure that all staff adhere to the same standards, processes, and principles of continuous improvement.

As a general rule, these Occupational Health and Safety systems are externally certified to ISO 45001. However, there are exceptions to this certification coverage in certain locations due to local particularities.

In 2025, 84 %% of employees were covered by health and safety systems certified by an external body.

Main elements of the health and safety systems

Elements	Spain	United Kingdom	United States	Brazil	IEI	Mexico (Discontinued Activities)
Is there a system?	Yes	Yes	Yes	Yes	Yes	Yes
Reference regulation	Law 31/1995 R:D:39/1997	UKHS-GSP-SMS2008 Health & Safety Legal Register - Lists all the Legal Requirements SPENW SHE Legal Register	ISO 45001	Decree Law 5454/43 - Consolidation of Labour Laws	Different local regulation	ISO 45001
Scope	All employees	All employees	All employees	(*)[40]	Onshore wind O&M, Offshore wind O&M, Customers in different countries	All employees
Certification	ISO 45001	ISO 45001	ISO 45001	ISO 45001	ISO 45001	ISO 45001
Are there formal risk identification procedures?	Yes	Yes	Yes	Yes	Yes	Yes
Are there action plans linked to risks?	Yes	Yes	Yes	Yes	Yes	Yes
Are there formal procedures for giving notification of hazards?	Yes	Yes	Yes	Yes	Yes	Yes
Are there policies and procedures for withdrawing from situations that may cause injury or ill health?	Yes	Yes	Yes	Yes	Yes	Yes
Are there processes for investigating work-related incidents?	Yes	Yes	Yes	Yes	Yes	Yes

In Brazil, work is ongoing to ensure that 100% of employees are covered, with certification being implemented progressively according to the established plan.

In the United States, the certification approach is consistent and aligned with the health and safety management system. It covers Power and Networks, but not offshore wind at this time. Certain assets, such as newly commissioned facilities or sites in transition phases, are not incorporated into the certificate immediately, but are integrated progressively as they meet the eligibility criteria. This gradual inclusion justifies the current coverage rate of almost 100%.

Regarding Iberdrola International, while Iberdrola has a presence in several countries, it does not have the minimum number of employees required for certification in all of them.

Occupational diseases among own personnel (no.)

Diseases	2025	2024
Fatalities	0	0
No. occupational diseases	6 [41]	4

[40] (*) Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Cosern, Neoenergia Elektro and Neoenergia Brasilia, Operation of hydroelectric and wind farms, maintenance and operation of thermoelectric plants, operational and administrative transmission activities, installation of photovoltaic systems and electric chargers (Mobility).

[41] In compliance with Law 11/2018, it is hereby noted that the gender of persons with occupational ill health is five men and one woman.

Number of days lost for own staff

Days lost	2025	2024
Number of days lost for own staff	8,091	9,345

Days lost are calculated as calendar days lost per accident from the first day of sick leave, excluding exemptions defined under ESRS standards. Days lost in 2025 due to incidents in previous years are also included in the calculation.

Accident rate among own personnel[42]

Category	Employee 2025	Employee 2024	Non-employee 2025	Non-employee 2024
Number of accidents	**1,067**	**969**	**0**	0
Men	894	800	0	0
Women	114	96	0	0
Number of accidents with sick leave	**106**	**99**	**0**	**0**
Men	93	92	0	0
Women	10	7	0	0
Number of accidents with fatalities[43]	**1**	**1**	**0**	**0**
Men	1	1	0	0
Women	0	0	0	0
Injury rate (IR)	**1.19**	**1.17**	**0**	**0**
Men	1.37	1.43	0	0
Women	0.47	0.35	0	0
Covered by the health and safety system	**99.5 %**	**99.1 %**	**100.0 %**	**85.5 %**

Accident rates Total - Iberdrola

Rate	2025	2024
Injury rate per work-related accident - (Own personnel)[44]	3.14	3.17
Injury rate per work-related accident - (Subcontractor personnel)	2.85	3.24
Injury rate per work-related accident - (Combined)	3.03[45]	3.21

Accident rate among value chain personnel

During 2025, there were 6 fatalities among subcontractor staff. The accident frequency rate is described in the following table:

Rate	2025	2024
Injury rate (IR)[46]	**1.24**	**1.77**

Occupational diseases among subcontractor personnel (no.)

Diseases	2025	2024
Fatalities	0	0
No. occupational diseases	0	2

In the event of a serious occupational accident, a risk assessment is carried out with the aim of classifying the risk as low, medium or high. Based on the final score, the relevant measures will be taken to eliminate and/or minimise such risks.

[42] This table represents individuals who identify as men or women at the time the accident was recorded, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.
[43] The figure for fatal accidents is included in the values for accidents with sick leave.
[44] Rate of work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [1,000,000]
[45] Does not include ENW
[46] Methodology used for calculating the indicators:
Injury rate (IR) = (number of accidents with leave*1,000,000)/hours
As the percentage interests in certain companies may not be 100%, sums may not correspond to the total presented due to rounding.

In 2025, specific programmes were developed across different businesses to strengthen risk identification, improve communication, and enhance occupational health and safety standards. Following the occurrence of fatalities, these initiatives were reinforced, enabling stricter preventive controls and compliance requirements to be established for contractors and subcontractors. This has fostered the integration of the value chain into the corporate preventive culture and enhanced risk management in an environment characterised by varying levels of traceability.

Absenteeism among own personnel

Absenteeism (hours lost)	2025	2024
Occupational injury and disease	48,776	53,031
Common illness[47]	1,620,991	1,406,649
Total	**1,669,767**	**1,459,680**

Worker participation, consultation and communication on occupational health and safety

The Iberdrola Group companies promote a culture of communication, consultation and participation on topics relating to occupational health and safety. This is achieved through the dissemination of prevention plans, the creation of joint and collective occupational health and safety committees (with regular meetings), the provision of formal and informal channels for consultation by employees, training plans on occupational risk prevention, general communication and consultation procedures, panels of qualified employees, strategic safety meetings, the use of the corporate intranet, and other media such as magazines, display screens at the plant, etc. Thus:

- Spain has an Central Occupational Health and Safety Committee.
- In the United Kingdom, ScottishPower has a Health and Safety Governance Committee, as well as Executive Teams, a Health and Safety Department, and Health and Safety Forums.
- In the United States, Avangrid has panels of qualified workers and a Strategic Safety Board that meets on a monthly basis.
- In Brazil, Neoenergia has Health and Safety Committees, as does Mexico, which has a Health and Safety Committee.
- At Iberdrola International (IEI), the number of employees and the different local laws in each country must be taken into consideration. Participation by all employees in health and safety matters through global and regional consultation, communication and management mechanisms is guaranteed.

S1-15: Work-life balance metrics

Work-life balance and labour disengagement policies

The work-life balance is promoted by facilitating measures for family and child care, maternity and breastfeeding. 100% of own employees are entitled to family leave, of whom 6.8% (6.2% of men and 8.8% of women) of staff took such leave.

While the latest management trends and new technologies promote organisational efficiency, they can also blur the boundaries between work and home life. As set out in the Company's *Sustainable Human Capital Management and Anti-Harassment Policy,* it is a priority for professionals to be able to develop their personal lives in a way that is compatible with their work. To this end, the Company's policies encourage the clear distinction between personal and professional spheres, paying particular attention to disconnecting digital devices, without favouring or discriminating against professionals.

Iberdrola's family leave benefits include maternity leave, parental leave and leave for carers within the same household, with 100% of salaried employees being eligible for these benefits, as they are covered by the various collective bargaining agreements.

[47] Includes the entire reporting perimeter of own personnel

Leave for family reasons

Leave	Men 2025	Women 2025
Number of employees taking maternity/paternity leave (paid and unpaid)	1,454	579
% of employees taking maternity/paternity leave (paid and unpaid)	4.3 %	5.0 %
No. of employees taking family leave (including maternity, paternity, parental and live-in caregivers)	2,095	1,009
% of employees taking family leave (including maternity, paternity, parental and live-in caregivers)	6.2	8.8
Retention rate after maternity/paternity leave	95 %	92 %

The number of weeks of paid maternity/paternity leave offered by the Company depends on the country of operation and ranges from 4 weeks to a maximum of 39 weeks in the main countries where the Group operates.

S1-16: Remuneration metrics (pay gap and total compensation)

Equal pay and the wage gap

Through the *Sustainable Human Capital Management and Anti-Harassment Policy,* the Company has defined a model to ensure equal opportunity and non-discrimination, principles which, together with the interests of professionals, form part of Iberdrola's strategy.

To this end, it promotes an organisational culture and management processes that enable its professionals to contribute their skills, abilities, knowledge and experience, regardless of personal or social circumstances as well as the principle of equal pay for work of equal value when establishing working conditions.

The Group's companies are bound by collective bargaining agreements that guarantee equal starting salaries and progression according to skills and competencies.

Iberdrola has obtained EDGE (*Economic Dividends for Gender Equality*) certification at the second level (*EDGE Move*), which reflects Iberdrola's commitment to equal opportunities and its adoption of specific measures to turn this commitment into action, demonstrating that equitable practices have been sustainably integrated into the organisation and are a key strategic area for its future success.

The implementation of a specific action plan has enabled Iberdrola to make progress in establishing an effective framework of policies and practices to ensure the equitable progression of its professionals, particularly with regard to promoting fair remuneration policies and practices within the organisation.

In terms of wage gap, the ratio between men's and women's average salary at the Iberdrola Group reached 97.5**%** in 2025, compared to 97.3% recorded in 2024.

Gender pay gap [48]

	2025		2024	
Iberdrola (EUR)	Men's remuneration/ Women's remuneration	(Men's remuneration - Women's remuneration) / Men's remuneration	Men's remuneration/ Women's remuneration	(Men's remuneration - Women's remuneration) / Men's remuneration
Total average salary	97.5	-2.6	97.3	-2.8

The wage gap observed within the Group is primarily due to the underrepresentation of women in the workforce, particularly in technical and managerial roles. This is a widespread issue across the international energy sector.

[48] The calculation of total hourly remuneration takes into account: fixed salary, variable salary, allowances and overtime.

To continue to effectively promote equal pay and equal opportunities, both internally and externally, the Company addresses this issue from a holistic perspective, adopting the following lines of action:

- Conducting annual evaluations of the wage gap at all levels of responsibility and establishing action plans based on the results and subsequent developments.
- Proposing measures to help minimise inequalities that arise, taking into account abilities, skills, knowledge and experience of professionals.
- Promoting scientific careers among girls and young women by carrying out various initiatives to support women's professional development in *STEM* disciplines.
- Addressing specific situations affecting women, ensuring that they do not have a negative impact on their professional careers, for example, by facilitating co-parenting between women and men.
- Incorporating contents in leadership programs that favour better decision-making in processes related to people management that consolidate the pursuit of excellence, merit-based promotions and an increasingly inclusive culture.
- Endeavouring to ensure that selection and hiring processes are rigorous, objective and impartial, avoiding biases and barriers that prevent equal access to professional opportunities.
- Encouraging multiple and varied representation in the different decision-making bodies and levels.

At the consolidated level, the total annual[49] remuneration ratio for the highest-paid employee in the organisation and the median total annual compensation of all employees (excluding the highest-paid employee) was 45.96[50] in 2025.

S1-17: Incidents, complaints and severe human rights impacts

During the 2025 financial year, 185 cases of discrimination, including harassment, were analysed, of which 131 were closed. There were 9 dismissals and corrective action was taken in a further 6 cases. There were no fines, sanctions or compensation for these incidents.

There are no human rights-related complaints from non-employee workers.

Response and remediation plans

With regard to communications received through the Company's ethics mailboxes, in 2025 a total of 6,705 communications were received, of which 1,804 were queries and 4,901 were complaints.

During the reference period, the Company has maintained its firm commitment to respect for human rights, aligning itself with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration, and the OECD Guidelines for Enterprises.

It is reported that there have been no serious human rights incidents involving Company personnel. No fines, penalties or compensation for damages have been recorded in this context either. Therefore, a reconciliation of monetary amounts to the financial statements is not applicable in this respect.

[49] Annual total compensation includes fixed salary, cash salary supplements, variable remuneration, net long-term incentive, and benefits.
[50] Figure not adjusted for differences in purchasing power between countries.

Entity specific indicators

[51]Employment

Total workforce by employment type, gender and age at year-end

Gender and age	Full-time 2025	Full-time 2024	Part-time 2025	Part-time 2024
Men	33,140	30,886	727	682
Up to 30 years old	5,789	5,436	98	108
Between 31 and 50 years old	20,811	19,456	514	494
More than 51 years old	6,540	5,993	115	80
Women	10,929	10,128	582	494
Up to 30 years old	2,223	2,060	69	66
Between 31 and 50 years old	6,601	6,135	355	326
More than 51 years old	2,106	1,932	158	102
Total	**44,091**	**41,032**	**1,309**	**1,176**
Up to 30 years old	**8,020**	**7,503**	**167**	**174**
Between 31 and 50 years old	**27,420**	**25,599**	**869**	**820**
More than 51 years old	**8,652**	**7,930**	**273**	**182**

Total workforce by contract type, gender and professional category

Gender and category	Permanent contract 2025	Permanent contract 2024	Temporary contract 2025	Temporary contract 2024
Men	33,728	31,481	139	87
Leadership	1,749	1,725	3	4
Qualified technicians	12,645	11,603	25	31
Skilled workers and support personnel	19,334	18,153	111	52
Women	11,439	10,597	72	25
Leadership	801	744	0	1
Qualified technicians	6,689	6,362	19	14
Skilled workers and support personnel	3,949	3,491	53	10
Total	**45,189**	**42,096**	**211**	**112**
Leadership	**2,552**	**2,471**	**3**	**5**
Qualified technicians	**19,349**	**17,974**	**44**	**45**
Skilled workers and support personnel	**23,288**	**21,651**	**164**	**62**

Employees by professional category

Category	No. 2025	No. 2024	% 2025	% 2024
Leadership	2,555	2,476	6	6
Qualified technicians	19,393	18,019	43	43
Skilled workers and support personnel	23,452	21,713	52	51
Total	**45,400**	**42,208**	**100**	**100**

[51]As the percentage interests in certain companies may not be 100%, sums may not correspond to the total presented due to rounding.

Dismissals at the company

Category	Subcategory	Men 2025	Men 2024	Women 2025	Women 2024
By age, in numbers	Up to 30 years old	181	124	46	61
By age, in numbers	Between 31 and 50 years old	737	465	209	161
By age, in numbers	Over 50 years old	165	80	49	22
By professional category	Leadership	47	30	19	11
By professional category	Qualified Technicians	337	183	160	103
By professional category	Skilled workers and support personnel	699	456	125	130
Total in numbers[52]		**1,083**	**669**	**304**	**244**

Average salary by age group and gender[53]

Iberdrola (EUR)	Men 2025	Men 2024	Women 2025	Women 2024	Total 2025	Total 2024
Up to 30 years old	43,940	40,804	40,184	38,584	42,930	40,220
Between 31 and 50 years old	54,786	53,982	60,769	60,582	56,275	55,620
Over 50 years old	91,539	94,603	88,264	89,082	90,727	93,204
Total average remuneration	**60,016**	**59,350**	**62,031**	**61,616**	**60,552**	**59,944**

Average salary by professional level[54]

Iberdrola (EUR)	2025	2024
Leadership	166,846	165,018
Qualified technicians	74,552	72,903
Skilled workers and support personnel	37,647	37,432
Total average remuneration	**60,552**	**59,944**

[52] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.
[53] Wage remuneration includes fixed salary, variable salary and supplements.
[54] Wage remuneration includes fixed salary, variable salary and supplements.

[ESRS S2] Workers in the value chain

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In disclosure requirement of *Section SBM-1 of Chapter ESRS 2,* the Company outlines its process for identifying potential incidents that could impact workers throughout the value chain. Currently, the limited traceability of global value chains restricts access to the information required to determine the materiality of impacts and assess the associated risks and opportunities. In response, the Company is strengthening its human rights due diligence processes and monitoring mechanisms described in *Sections S2-2, S2-3 and S2-4*.

The Company promotes a sustainable value chain by accompanying its suppliers in the continuous improvement of their sustainability performance, especially by strengthening their human rights due diligence processes, as described in *Sections S2-2 and S2-3*. Likewise, and as described in Section S2-4, the Company implements prevention, mitigation and remediation measures aimed at reducing and, wherever possible, avoiding possible human rights violations arising from actual or potential impacts.

S2-1: Policies related to value chain workers

The Company has a sound regulatory framework that guides the conduct towards workers in the value chain as described in *Section MDR-P of Chapter ESRS 2*.

S2-2: Processes for engaging with value chain workers about impacts

The Company has processes in place to prevent potential incidents related to value chain employees, integrating their views and those of their legitimate representatives in different situations and forms of collaboration.

Preventive occupational health and safety processes

The Procurement procedure calls for a pre-procurement technical assessment of compliance with occupational health and safety requirements.

The General Terms and Conditions of the Iberdrola Group establish specific requirements for contractors, subcontractors and freelancers that must be met before work can commence. Derived mainly from legal requirements, these include prevention standards, risk information, accident reporting, contractual clauses on prevention and human rights, and guarantees extending to third parties. Internal and external audits are carried out throughout the contract period, with continuous supplier follow-up.

Occupational health and safety is integrated into the functions and responsibilities of those in the line of command (e.g. site manager, works manager or contract manager). Both the organisation requesting the service and the site owner must ensure this collaboration and comply with the applicable legal obligations.

Supplier classification, screening and assessment processes

The Company has a global supplier management system, as described in *Section G1-2*, which ensures a consistent approach to the responsible management of suppliers, regardless of their geographical location, economic activity, or the geographical area from which purchases are made. The system includes initial screening of suppliers upon registration, their classification according to the Company's own criteria or those of specialised external platforms and daily monitoring of all third parties (including suppliers) via an external service that generates automatic alerts in the event of any relevant developments.

This enables the identification of critical or significant suppliers and verification that their operating procedures align with the Company's policies, principles, and responsibilities. It also assists the purchasing manager in identifying any necessary risk mitigation measures.

Value chain performance and continuous improvement

The effective management and continuous assessment of suppliers is an essential element in driving continuous improvement in the value chain and providing relevant information for Purchasing decisions.

Iberdrola has its own Supplier Evaluation model, which is aligned with the *Code of Conduct for Directors, Professionals and Suppliers*. This model evaluates the positioning and performance of each major supplier with respect to the three core areas of sustainability: environmental, social and governance (ethics and compliance). The current model enables the identification and assessment of potential risks and the need for early action, as well as measuring the resources available to suppliers to assist them in managing their own supply chains and relationships with third parties. For more information, see *Section G1-2.*

This process is also a key component of human rights due diligence procedures in accordance with *Section IRO-1 of Chapter ESRS 2*, and contributes to the progressive improvement of sustainability in the supply chain.

Communication, consultation and complaint mechanisms

The Group's companies make internal reporting and complaint channels available to suppliers and other third parties provided for in the regulations, including subcontractors and employees in the value chain, which are accessible, confidential and guarantee the absence of reprisals, in accordance with applicable legislation. These mechanisms are used to report any conduct that may constitute an irregularity, a potential unlawful act or a breach of the law or of the rules of conduct set out in the *Code of Conduct for Directors, Professionals and Suppliers* or the *Governance and Sustainability System, with implications for the Company,* its contractual relationship with its suppliers, or its interests and image. Reports or complaints may be made in writing, using the form provided on the corporate website or by other means established by the Company, with the possibility of making them anonymously. All of the above is without prejudice to the possibility of submitting complaints to the Independent Whistleblower Protection Authority or to any other competent institution, body, office or agency.

The fundamental principles governing the management of the system include confidentiality, whistleblower protection and diligent handling of communications. As provided by law, the Company and the other companies of the Group undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation against any person lodging a complaint in good faith.

Attention to groups with specific needs in terms of occupational risk prevention

The companies of the Group, as far as possible and always respecting the protection of personal data, identify and pay special attention to certain groups of workers who are particularly sensitive to occupational risks because of their personal characteristics or known biological condition, including those with recognised physical, mental or sensory disabilities, pregnancy, breastfeeding, maternity, etc., and establishes that they must be given special and differentiated consideration in preventive measures. Obligations are imposed to ensure that these groups are medically fit to perform the duties of the post. For more information, see *Section SBM-2 of Chapter ESRS 2.*

S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Company employs a robust framework for preventing, mitigating and remediating adverse human rights impacts affecting workers in the value chain, based on the Governance and Sustainability System and the *Code of Conduct for Directors, Professionals and Suppliers*. These operate as cross-cutting elements in relationships with third parties.

Requirements on Human Rights demanded from suppliers

The Company demands that its suppliers comply with certain requirements in the area of human rights, in accordance with the Company's regulatory framework and, in particular, the *Governance and Sustainability System* of the Iberdrola Group. These obligations include the suppliers' duty to respect the fundamental labour rights of their employees, to prevent harassment, to ensure appropriate recruitment, working, health and safety conditions, and to extend the same criteria to their own suppliers, subcontractors and the rest of the supply chain. Furthermore, the *Code of Conduct* requires collaboration in identifying serious incidents, developing prevention and correction plans, and making anonymous complaint mechanisms available. It also stipulates that the Group must communicate its channels for reporting possible human rights breaches to employees and stakeholders.

The General Terms and Conditions contain clauses based on the Universal Declaration of Human Rights, ILO Conventions and UN Principles. 100% of suppliers of equipment, materials, works and services are classified through screening, assessing sustainability risks and practices. High-risk suppliers are reviewed in areas such as human rights due diligence, forced or child labour, freedom of association, working conditions, equality, work-life balance and occupational safety. Mitigation is done through quality systems and regular audits. For more information, see *Section G1-2.*

Due diligence and remediation processes

The companies have processes in place to prevent, mitigate and remediate negative impacts, through ethics channels, contractual guarantees, assessments, audits and improvement plans. However, where mitigation is not possible due to the particularities of the context, or where the measures taken do not reduce the scope of the impacts, or where residual impacts persist, measures are taken to ensure that potentially affected persons have access to an effective remedy, in line with the UN Guiding Principles. These measures aim to ensure that redress is made available through legitimate processes and with an active cooperative approach.

Each case is assessed on an individual basis to ensure effective remediation where necessary. This process includes investigating the circumstances, identifying responsibilities and taking the necessary steps to comply with international human rights standards, while always prioritising dialogue and collaboration with affected parties.

Complaints communication channels and management

Workers in the value chain have channels for queries, complaints and grievances described in *Section S2-2*. These processes allow for the appropriate classification of complaints received through the different channels and ensures that each case receives the corresponding resolution, with specific treatment for those related to human rights.

Through its Code of Conduct for Directors, Professionals and Suppliers, Iberdrola requires suppliers and contractors to inform their employees of these processes and channels of communication from the commencement of the contract and to make them available at workplaces throughout the value chain. Suppliers must be able to demonstrate compliance when requested, thereby ensuring transparent and accountable communication throughout the supply chain.

In addition, regular surveys are conducted with direct suppliers to assess their knowledge of the complaints channel. For more information, *see Section G1-1.*

S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Group promotes actions that have a positive impact on workers in the value chain by encouraging labour welfare and socio-economic development through the creation of direct and indirect employment, the revitalisation of rural areas, fiscal contributions, and professional training linked to the green economy. Further information can be found in the Purchasing and Supplier Management Activity Report.

The Company implements measures to prevent and mitigate negative impacts on these workers through due diligence processes including the prohibition of child and forced labour, promotion of decent work, freedom of association, collective bargaining, equality and non-discrimination. Failure to implement corrective measures may result in termination of the contract. No incidents of human rights violations in the value chain were identified in 2025.

In 2025, 42 sustainability audits were carried out on major suppliers, including social aspects, and the results were satisfactory, with no significant deviations detected.

As part of the Group's due diligence processes, Iberdrola identified a potential risk in the photovoltaic technology value chain in 2021. This risk was related to allegations of forced labour in Xinjiang (China), and was linked to polysilicon producers. In line with its human rights commitments, the Company is monitoring this risk continuously and applying specific due diligence measures to suppliers that are potentially exposed, while also intensifying compliance with the Code of Conduct for Directors, Professionals and Suppliers. As part of these measures, direct suppliers were asked to include contractual clauses to mitigate the risk of forced labour or modern slavery in supply contracts and to allow for social and sustainability audits in order to reinforce the traceability of module components and guarantee their quality and responsible origin. Equivalent clauses were incorporated in contracts for energy storage systems and photovoltaic panel structures of Chinese origin in 2025.

To improve global traceability, the Company participates in sectoral initiatives and sustainability working groups. Of particular note is the Solar Stewardship Initiative (SSI), which has developed two specific standards:

- the SSI ESG Standard, which defines the social, environmental and governance requirements to be verified through independent audits;
- and the SSI Supply Chain Traceability Standard, which sets out requirements for maintaining and auditing traceability systems and moving towards chains of custody in the solar value chain.

In 2025, according to SSI's own public information, social and sustainability audits were conducted at ten manufacturing sites in China belonging to five major global photovoltaic module manufacturers. The executive reports of these audits are available on SSI's website.

Improvements in due diligence processes

In 2025, Iberdrola continued to make progress with the multi-year action plan defined the previous year to strengthen human rights due diligence processes in the supply chain. This involved continuing with social and sustainability audits, as well as incorporating new tools to identify related suppliers beyond the first tier and their potential risks, thereby strengthening the Group's ability to anticipate and mitigate risks. For more information, see *Section G1-2*.

S2-5: Targets related to the management of material impacts, risks and opportunities

In accordance with the disclosure requirements set out in *Section MDR-T of Chapter ESRS 2, the* Company sets the following target as at 2028:

Sustainable supply chain	METRIC	2025	2028e	2030e
Sustainable suppliers	Million Euros (cumulative) (1)	12,430	>50,000	-

(1) Cumulative value for 2025-28 period: 85% of total purchases (estimated a total > 65 billion euros) .

[ESRS S3] Affected communities

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The Company has assessed the material impacts, risks and opportunities relating to affected communities using the double materiality assessment process described in *Section IRO-1 of Chapter ESRS 2.*

This assessment has led to the identification of potential material impacts related to the economic, social and cultural rights of groups in different areas.

Positive:

- A robust, secure, quality and affordable electricity supply, resulting from the operation of generation, transmission, distribution and storage facilities.
- Stimulating electric mobility through the construction, operation and maintenance of infrastructure (charging points, network expansion, digitalisation, etc.).
- Community development related to economic activity arising from the construction and operation of electricity generation, transmission and distribution facilities.
- Increased availability of treated water for communities near the power plants, thanks to their water treatment plants.
- Prevention of droughts and floods affecting local communities through the regulating effect of dam infrastructures.
- Recreational use of reservoirs located at hydroelectric installations.

Negative:

- Aesthetic changes to the landscape caused by infrastructures.
- Local air quality affected by the operation of thermal power plants.
- Decrease in water availability due to operation of facilities (evaporation in thermal power plants, withdrawal for cooling purposes, operation of hydroelectric plants).
- Deterioration in living conditions and the local economy as a result of potential plant closures.
- Land acquisition processes that do not mitigate or redress the effect of land-use change.

No material risks or opportunities have been identified in relation to the management of relations with local communities.

S3-1: Policies related to affected communities

The Company has a robust regulatory framework in place to guide its conduct with affected groups, as outlined in *Section MDR-P of Chapter NEIS 2*. The principles established by the Company's policies, particularly those set out in the *Policy on Respect for Human Rights* and the *Ethical and Basic Principles of Governance and Sustainability*, are aligned with the main international frameworks and instruments, among which the following stand out:

- Universal Declaration of Human Rights.
- United Nation Guiding Principles on Business and Human Rights.
- The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.
- Principles of the United Nations Global Compact
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization.
- International Labour Organization (ILO) Conventions (including Convention 169 on Indigenous and Tribal Peoples).

- United Nations Declaration on the Rights of Indigenous Peoples.

The policies set out the following principles of conduct towards affected communities:

- Respecting human rights as recognised in domestic and international frameworks and standards.
- Engagement and relationship with affected communities.
- Acting responsibly and building relationships based on ethics, integrity, sustainable development and respect for communities.
- Transparency in financial and non-financial relationships and communications.
- Active listening, facilitating effective two-way communication and direct, fluid, constructive, diverse, inclusive and intercultural dialogue.
- Engaging and involving communities in projects by promoting voluntary consultation processes and similar channels of interaction during the planning, construction, operation and decommissioning stages.
- Collaboration with Stakeholders in order to contribute to the fulfilment of the *Purpose and Values of the Iberdrola Group*.
- Respecting the rights of traditional communities and indigenous peoples and encouraging open consultation and dialogue that integrates different cultural frameworks and takes into account their expectations and needs.
- Respecting the right to a clean, healthy and sustainable environment, and particularly the consequences of environmental degradation for the effective enjoyment of internationally recognised children's rights.
- Recognising access to energy and natural resources, including water, as a right that is interrelated and interdependent with other human rights and necessary to maintain an adequate standard of living, working with public institutions to implement protection systems for customers in situations of vulnerability and plans to extend services to communities that do not have access to energy.

S3-2: Processes for engaging with affected communities about impacts

S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns

S3-4: Action on material impacts on affected communities, approaches to mitigating material risks and pursuing material opportunities and effectiveness of those actions

The disclosures relating to requirements S3-2, S3-3 and S3-4 are described below.

Processes

Early engagement with affected communities and ongoing dialogue can help to identify and manage impacts, guide due diligence and adapt the design of operations. This approach is implemented via the Global Stakeholder Engagement Model described in *Section SBM-2* and the Corporate Social Management and Community Engagement Procedure. These are aligned with IFC standards and can be adapted to suit the social, regulatory and cultural specifics of each country. The Corporate Sustainability Division coordinates the implementation of these principles throughout the Group, while teams of the country subholding and head of business companies execute them on the ground through direct dialogue with communities, identifying impacts and applying mitigation or remediation measures.

To facilitate this relationship, Iberdrola has accessible dialogue and complaints channels (online and on-site ethics mailboxes, public meetings, and telephone, postal, and digital channels) that guarantee confidentiality, anonymity, and protection against retaliation, in accordance with SBM-2 and G1-1. In some cases, these channels are complemented by third-party institutional mechanisms, such as authorities or regulators.

Environmental and social due diligence processes, including Environmental and Social Impact Assessments (EIAs/ESIAs), enable the early identification of potential impacts on the natural environment, cultural heritage, and socio-economic conditions. Based on these analyses, measures to prevent, mitigate and, where necessary, remediate these impacts are put in place. With regard to land use, the Group prioritises sites with the least impact, maintaining a structured dialogue with landowners, communities and authorities to ensure fair and transparent processes.

Iberdrola pays special attention to vulnerable groups (the elderly, children, people with disabilities, migrants, refugees, women, LGTBIQ+ people, neurodivergent people, and indigenous communities), adapting channels, information and measures to their needs. In indigenous contexts, Iberdrola takes a strengthened approach that is aligned with the principles of Free, Prior and Informed Consent (FPIC), as set out in ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples, in coordination with relevant authorities such as FUNAI.

If mitigation measures are inadequate or if there are residual impacts, Iberdrola ensures that effective redress mechanisms are in place, in line with the UN Guiding Principles. These may include restitution, rehabilitation, public apologies, assurances of non-repetition, financial compensation or, if appropriate, the cessation of activities. Each case is analysed individually to investigate its origin, identify responsibilities, and assess the effectiveness of the measures, in coordination with the available legal mechanisms.

All processes are subject to ongoing monitoring and assessment through indicators, surveys and analysis of deadlines, as well as incident traceability. These results enable policies, channels and procedures to be adjusted, thereby reinforcing the continuous improvement of the Group's social and environmental performance. This framework is complemented by a vision oriented towards a just transition that places communities at the heart of energy transformation. Iberdrola promotes green training (R4E platform), investment in networks and renewables, and universal access to energy (for example, "Electricity for All") as well as community benefit funds and shared value projects such as the 'Biodiversity Plan' and the 'Plan Convive' in Spain.

The implementation of corporate processes such as engagement, due diligence, impact management and remediation is adapted in each country to local regulatory, social and cultural frameworks while maintaining consistency with the Group's global model. While Iberdrola takes a consistent approach based on early engagement, accessible channels for dialogue and complaints, attention to vulnerable groups, and the adoption of prevention, mitigation, and remediation measures, the operational deployment of these measures is tailored to the specific needs and expectations of each territory.

Channels, Measures, Reparation and Indigenous Groups

The cases below illustrate how these processes are materialised in the different countries in which the Group operates by showing how the established principles are translated into specific conduct adapted to each local context.

- In Brazil, Neoenergia employs participatory processes including the biennial Participatory Socio-Environmental Diagnosis at Itapebi, along with workshops and consultations with indigenous communities (*Tekoá Mirim, Fulniô, Kiriris, Tuxá* and *Truká*) and specific programmes for Quilombola communities at the *Luzia 2 and 3* solar projects. A multi-channel complaints mechanism with on-site follow-up is in place and, at *Itapebi*, a channel integrated into the monitoring system to trigger socio-environmental responses. The measures implemented include participatory workshops, housing improvements and a Resettlement Action Plan in the *Oitis and Chafariz* wind farms, aligned with the IFC standard, as well as early warnings, incident protocols and accessible channels in networks such as *Manoel da Nóbrega-Mongaguá*.
- In the United States, Avangrid engages in ongoing dialogue through its *Project Outreach* team, with meetings, open days and coordination with landowners in *Milvon-West River*, where vulnerable communities are also identified. At *Bright Mountain Solar*, early notifications and visual consensus solutions are applied. Complaint channels include in-person, telephone, postal and digital formats, evaluated regularly, with tools such as 360º maps and formal resolution programmes. Measures include the use of previously mined land, undergrounding of cables, limited hours, vegetative barriers and dust and noise control, and in *Milvon-West River*, documentation of the *Milford* Cemetery. Projects with an indigenous presence intensify engagement and apply Section 106 and Memoranda of

Understanding, and offshore projects follow the Equator Principles with specific communication plans with tribes present (*New England Wind 1 and 2*).

- In the United Kingdom, ScottishPower carries out continuous consultation processes from the early stages, supported by *Community Liaison Officers* at *Machair* and *Marram*, information days such as those held in *Kilgallioch* and public consultations and socio-economic assessments at offshore wind projects in *East Anglia*. Complaints mechanisms, which are regulated by *Ofgem*, are transparent and traceable, and the *Ombudsman* can be accessed on an anonymous basis. Measures taken include repairing 4.5 km of the *Southern Upland Way* footpath, providing funding for local rangers, and implementing preventative mechanisms, as described in the *Pre-Application Consultation Report*.
- In Australia, Iberdrola promotes formal engagement processes such as the *Flyer's Creek Community Consultation Committee*, with regular meetings, minutes, and a community benefits fund. Complaint channels are accessible and traceable, with special attention to vulnerable groups such as the elderly without digital access. Measures relating to indigenous communities include agreements with the Gunaikurnai*Land and Waters Aboriginal Corporation* in *Aurora Green,* with annual funding, meetings and co-design to protect cultural heritage, and stable relationships with *First Nations* based on FPIC and cultural training for staff and contractors.
- In Mexico, Iberdrola adopts an intercultural dialogue approach in accordance with national law and ILO Convention 169, engaging in dialogue with Zapotec communities in *Oaxaca* and identifying indigenous peoples in projects in Puebla. Complaints channels are coordinated with the relevant authorities, and measures are incorporated into social management plans and permit processing to ensure traceability and regulatory compliance.
- In Spain, Iberdrola includes a socioeconomic analysis in both the EIA/ESIA and the Basic Project, supplementing these with the Convive Plan and the Biodiversity Plan in order to maximise local benefits. Complaints channels meet the requirements of G1-1 and are widely disseminated. At the Cofrentes NPP, the Information Committee facilitates ongoing dialogue, addresses concerns and activates action plans and corrective measures as necessary.
- In Portugal, processes are developed through public consultations with the Portuguese Environment Agency, as with the *Tâmega* wind farm, with citizen comments integrated into licences and administrative decisions. In France, the *Saint-Brieuc* offshore project uses a communication system that can be accessed in both French and English. Complaint channels are managed jointly with the maritime authorities, and mitigation measures are subject to strict regulatory control. In Germany, the Federal Maritime and Hydrographic Office publishes documentation and receives comments as part of a formal participation process. This process complements corporate channels and is integrated into final decisions and regulatory requirements. In Italy, social impact assessments are mandatory for project planning and authorisation, with complaint channels aligned to local requirements and social measures incorporated into permits and project plans.

Contributions to society

Iberdrola has selected the internationally recognised Business for Societal Impact (B4SI) model for measuring and evaluating its contributions to the community.

According to this model, the total contribution to the community in 2025 amounted to EUR 62.7 million.

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

S3-5: Targets related to managing material impacts and managing material risks and opportunities

As set out in the requirement of *Section MDR-T in Chapter ESRS 2*, the Company has defined two related goals, aligned with the international B4SI standard, the *Stakeholder Engagement Policy*, the *Policy on Respect for Human Rights* and the Group's due diligence processes.

The target establishes the continuous review and updating of human rights due diligence and the Group's Stakeholder Engagement Model. This involves integrating human rights criteria into investment and divestment operations, improving social management and community relations processes, and progressively strengthening and deploying the Stakeholder Engagement Model. It also involves training initiatives and management and monitoring systems that use digital tools.

Community development	METRIC	2025	2028e	2030e
Contributions to society (1)	Number (>1,000)	√	√	√

(1) Social contributions verified by an independent external party.

Human Rights & Stakeholder engagement	METRIC	2025	2028e	2030e
Human Rights Due Diligence & Stakeholders' involvement	Review & annual update	√	√	√

Entity specific indicators

Fiscal responsibility

The Board of Directors of Iberdrola, S.A. is responsible for designing, assessing, approving and reviewing on an ongoing basis the *Corporate Tax Policy* of Iberdrola, S.A. In addition, the Board is responsible for preparing the tax strategy and approving investments or transactions that are particularly important for tax purposes due to their size or characteristics.

The purpose of this Policy is to establish the basis for defining the Company's tax strategy. This strategy is based on a commitment to excellence and the application of good tax practices within the framework of the Group's corporate and governance structure. The tax strategy is therefore founded on three fundamental pillars: compliance with tax obligations, ongoing cooperation with the tax authorities, and transparency.

Compliance with tax regulations is a fundamental principle of Corporate Tax Policy. To ensure a responsible approach to taxation, Iberdrola ensures that it reflects the structure and location of activities, human and material resources, and business risks, while fostering a relationship with the tax authorities based on the principles of legality, transparency, loyalty, trust, professionalism, cooperation, reciprocity and good faith.

The fiscally responsible behaviour of the companies of the Iberdrola Group is also inspired by the principles established by the *Purpose and Values of the Iberdrola Group*, the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*, and the *Sustainable Development Policy*. Thus, it is believed that the taxes paid by the companies of the Group in the countries and territories in which they operate constitute their main contribution to the support of public charges and, therefore, one of their main contributions to society. The *Corporate Tax Policy* of Iberdrola, S.A. develops these principles and is public and available on the Company's website.

Implementation and monitoring of the Corporate Tax Policy. Risk management model

The implementation and monitoring of the tax strategy established for the Group by the Company's Board of Directors is the responsibility of the Group's various companies, in accordance with the corporate and governance structure defined in the *Governance and Sustainability System*, particularly in the *Foundations for the Definition and Coordination of the Iberdrola Group*, and in line with the principles of

subsidiarity and decentralised management. To this end, the structure is divided into three levels: Parent company, country subholding companies and head of business or country companies:

- The Company's Board of Directors, through its chairman and chief executive officer, with the technical support of the Operating Committee as well as the management team, together, where appropriate, with its corresponding support committees, promotes the supervision, organisation, coordination and monitoring of the principles of conduct and good tax practices set out in the Policy by the companies making up the Group.
- For the implementation and monitoring of the provisions of the Policy, the Board of Directors of Iberdrola, S.A. is assisted by the Global Tax Division, which, acting as the body responsible for tax compliance at the Company in coordination with the Company's Compliance Unit, proactively and independently ensures compliance with the tax principles and good tax practices set forth in the Policy. The Global Tax Division also approves and reviews guidelines for assessing and managing tax risk, applicable to all companies of the Group, which include objective standards for classifying transactions based on their tax risk, and various procedures for their approval.
- For their part, the head of business or country companies shall report to the country subholding companies on an annual basis regarding the level of compliance with the tax strategy that has been established at the Group level.
- In turn, the audit and compliance committees of the country subholding companies report to the Company's Audit and Risk Supervision Committee on the level of compliance with the aforementioned tax strategy.
- Finally, the Company's Audit and Risk Supervision Committee provides the Board of Directors of Iberdrola, S.A. with annual information on the tax practices and standards applied by the Company and on the level of compliance with the tax strategy by the companies of the Group during the financial year.

Stakeholder engagement in tax matters

Iberdrola, S.A. adheres to the Code of Good Tax Practices of the Spanish National Tax Administration Agency (Agencia Estatal de Administración Tributaria). The commitment regarding compliance with, development of and implementation of the Code extends to any other good tax practices arising from the recommendations contained in this Code at any given time, even if they are not expressly included in the *Corporate Tax Policy*. In addition, the Group is committed to complying with the OECD Guidelines for Multinational Enterprises in tax matters.

Within the framework of the Code, Iberdrola, S.A. voluntarily submits the Annual Tax Transparency Report for companies adhering to the Code of Good Tax Practices and the Documentation on Related-Party Transactions to the Spanish National Tax Administration Agency.

At the international level, the Iberdrola Group participates in other programmes and actions to promote and maintain a cooperative relationship with the tax authorities. Therefore, Scottish Power participates in the HMRC (His Majesty's Revenue and Customs) taxpayer risk profile rating, having obtained a low-risk rating. Likewise, Neoenergia is a member of the *Receita Federal* programme and voluntarily participates in the C*ooperative Tax Compliance Programme (Confia)*. In Europe, Iberdrola is also a member of the Code of Good Practices and of the *Fórum dos Grandes Contribuintes in Portugal*, and participates in the French Tax Administration's *Relation de Confiance* enhanced cooperation programme, and in Australia it is part of the *Combined Assurance Review* of the Australian Taxation Office (ATO).

In addition, since 2019 the Company has voluntarily prepared the annual Report on Tax Transparency of the Iberdrola group. Our Commitment to Society, which covers all matters that are significant from a tax standpoint, and it will be prepared again in 2026.

In compliance with the provisions of the eleventh Additional Provision of Law 22/2015, of 20 July, on the Auditing of Accounts, this year for the first time the Country-by-Country Report is prepared for the public. This report was published on a voluntary basis through financial year 2024. However, in 2025, the report will be adjusted to meet the legally established requirements.

Finally, Iberdrola makes specific whistleblowing channels available to its Stakeholders, which serve as a vehicle for reporting conduct that could involve improper conduct or conduct contrary to law or to the internal rules or procedures, including those related to tax matters.

Tax contribution by country (millions of euros)

Country	Company contributions 2025	Company contributions 2024	Contributions due to third-party payments 2025	Contributions due to third-party payments 2024	Total contribution 2025	Total contribution 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 of America	962	891	422	401	1,384	1,292
Brazil	216	219	2,112	2,209	2,328	2,428
Other	61	201	256	364	317	565
Mexico (Discontinued activity)	581	452	64	-10	645	442
Total	**5,026**	**5,279**	**5,384**	**5,021**	**10,410**	**10,300**

In 2025, the Group's tax contribution increased by EUR 110 million, driven by the growth in taxes collected, which offsets the decrease in taxes borne.

The decrease in taxes borne is mainly due to a decline in corporate income tax, resulting from the absence of extraordinary revenues in Spain, deductions applied in the United Kingdom, administrative refunds in Germany, and lower activity in Portugal. Meanwhile, they increased in Mexico as a result of the sale of the combined cycle business.

Likewise, with respect to electricity taxes, in Spain they increase due to higher rates and sectoral taxes, while in the United Kingdom they are significantly reduced due to the lower application of the Electricity Generator Levy.

Meanwhile, taxes collected increased, especially VAT in Spain, due to the recovery of applicable rates and withholdings, driven by the increase in dividends paid and the incorporation of the Electricity North West subgroup in the United Kingdom.

Country	Profit before tax 2025	Corporate income tax paid 2025	Profit before tax 2024	Corporate income tax paid 2024
Spain	3,750	580	3,554	890
United Kingdom	2,755	271	2,107	327
United States of America	1,256	26	-755	21
Brazil	913	107	886	126
Other	375	-11	429	133
Mexico (Discontinued activity)	333	572	3,204	443
Total	**9,382**	**1,545**	**9,425**	**1,940**

The figures in the table above are based on the criteria used for the country-by-country report.

[ESRS S4] Consumers and end-users

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities related to consumers or end-users have been assessed by applying the double materiality assessment process described in *IRO-1 of Chapter ESRS 2.* Due to the universal nature of electricity as an energy source, the type of customers covers all sectors and people, all of whom are included in the scope of this report. The companies of the Group provide them with energy and services through a wide range of technologies, products and solutions, which are described in *SBM-1*.

Material positive impacts generally refer to promoting electrification of the economy and accessibility to electricity as a competitive, local, self-sufficient and safe energy source. The following have been identified:

- More efficient electricity supply as a result of optimised operation of generation and distribution facilities.
- Improved access to electric mobility through the construction, operation and maintenance of public and private charging infrastructure and the development of digital charging management.
- Optimising the energy consumption of households and businesses, and encouraging their participation in energy management and decision-making through the digitalisation of products and services.
- Prevention or mitigation of situations of vulnerability through tariff mechanisms and/or procedures to support economically or socially vulnerable customers. The companies of the Group pay particular attention to those consumers or end-users in vulnerable situations or at risk of exclusion, with protection procedures in place to facilitate access to electricity for the most disadvantaged groups.

The different measures and solutions that Iberdrola offers its customers are described in greater detail in *Section S4-4*.

Potential material negative impacts are related to user security, sales practices or data privacy, and are mitigated by strict regulations affecting electricity generation, transmission, distribution and marketing activities. The following have been identified:

- Leaks of sensitive customer data.
- Use of irresponsible or fraudulent marketing.
- Burns and electrocutions.
- Power cuts in the distribution network.

To address data protection and the privacy of consumer or end-user information, the Company has a data protection management system in place to ensure systematic and ongoing compliance over time with the General Data Protection Regulation (GDPR), the Binding Corporate Rules and the personal data protection laws of each of the EU countries in which the Group has a presence[55]. Iberdrola integrates data protection into the Company's culture, and also has cybersecurity policies and actions to minimise data breaches.

With regard to labelling products and services, the companies of the Group duly provide their customers with information on their invoices and other commercial communications, while always respecting guarantee of origin standards and the format prescribed by the various competent national bodies (CNMC in Spain, Ofgem in the United Kingdom, ANEEL in Brazil, etc.).

In any case, the companies of the Group use their websites to provide consumers with recommendations and information on the most important aspects related to the safe use of electricity and gas, as well as guidelines to follow in the event of an accident. In addition, information leaflets are published on the

[55] Resolution of the Director of the Spanish Data Protection Agency of 15 December 2020. Available at www.iberdrola.com.

potential risks of electricity that may impact on its correct use and information and training campaigns are also carried out on safety and energy saving measures aimed at the general public. All of this is aimed at protecting the health and safety of consumers.

Furthermore, the construction, operation and maintenance of electrical infrastructure involves certain risks that may at times give rise to incidents affecting people outside of the Group or its operations. In most of the cases detected, the incidents are related to work performed by third parties for themselves in the areas around the distribution facilities, as well as accidental contact with the network.

With respect to the quality of supply, *Section S4-3* reports on the measures taken during the power outage and the "Entity-specific information" section reports on the metrics for measuring the quality of supply, defined by the regulator in each of the countries in which the Group operates.

The double materiality assessment has not identified material risks or opportunities arising from impacts and dependencies with consumers and end-users related to sustainability aspects that are not already described in *ESRS E-1*. For more information, see *Section IRO-1 of Chapter ESRS 2.*

S4-1: Policies related to consumers and end-users

The Company has policies in place to address the management of negative impacts related to consumers and end-users described in *Section MDR-P of Chapter ESRS 2*.

There were no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving consumers or end-users identified in 2025.

S4-2: Processes for engaging with consumers and end-users about impacts

The companies of the Iberdrola Group deploy a variety of customer service channels (telephone, online chat, commercial websites, e-mail and in-person offices) to ensure that consumers, end users and their authorised representatives or spokespersons can easily contact them with queries, complaints or grievances.

Due to the regulated nature of many of the activities carried out by the Group's companies, local regulators and public institutions oversee standards of care and quality of service on behalf of customers and users.

The Customer Services Divisions or their equivalent functions in each country and business are responsible for ensuring collaboration with customers and that the results are integrated into the Company's decisions and activities.

Collaboration mechanisms include grievance management systems, structured complaint handling procedures and regular satisfaction analysis, as well as digital tools to identify needs and opportunities for improvement. These processes involve direct interaction with consumers and end users, the involvement of independent third parties where appropriate and collaboration with regulators and local authorities. They are carried out continuously through panels, surveys following the use of customer service channels, perception studies and specific analyses, which allow quality standards to be verified and suggestions to be gathered. More information on customer relations channels and their frequency can be found in *Section SBM-2*.

The effectiveness of these interactions and levels of customer satisfaction are assessed through panels, telephone, digital and face-to-face surveys, and studies that provide insight into customer perception, verify quality standards in customer service and sales channels, and incorporate suggestions for improvement. The companies responsible for providing the service have the capacity to integrate these insights when making decisions and carrying out activities to manage real and potential impacts.

To support vulnerable consumers and those at risk of exclusion, the Group's companies have developed specific communication strategies, such as adapted communications and free customer care services, as well as dedicated processes to ensure effective management of potential impacts. Information on procedures for protecting vulnerable customers is described in *Section S4-3* below.

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Iberdrola Group's companies implement actions to ensure that consumers and end users have access to effective redress mechanisms through legitimate processes and cooperation channels. To this end, easily accessible communication channels are provided to enable customers to access them efficiently. Awareness-raising campaigns are also conducted to inform communities about how they can submit complaints or concerns.

Customers can express concerns through multiple channels: in Spain, via a Complaints and Grievance Management System certified under ISO 10002 and ISO 9001; in the United States, availability, customer service and communication are ensured by including detailed information on bills and termination notices (both of which are state-regulated); in the United Kingdom, via the Pulse survey and collaboration with Direct Scotland, which provides additional support and protection for consumers; and in Brazil, via teams who are trained to resolve issues and collect customer feedback at the end of the process.

In 2025, 366,671 complaints were received in Networks (regulated market), with an average response time of 5.0 days and 457,186 in Customers (deregulated market) with an average response time of 11.9 days.

In addition, the Group's companies have procedures in place to classify, monitor and submit complaints, grievances and claims with a potential impact on human rights, which makes it easier to classify the reports received through the different channels and ensure that all cases are appropriately resolved.

Cybersecurity and privacy are priorities that are managed through a proprietary governance model, technical procedures and a data protection management system. The Group's companies develop their privacy policies in accordance with their personal data protection policies and, where applicable, the European Data Protection Regulation (GDPR), which recognises the right to compensation for data protection breaches causing financial or moral damage and compensation is regulated through existing privacy regulations. The channels for consumers and end-users to express their concerns regarding privacy of information are regulated internally in the governance model, through the customer service channels for exercising business rights, and through the mailboxes and contact points of the Data Protection Officers (both contact points are included in the privacy notices of each area, and constitute a legal requirement).

In relation to the power outage that occurred on the Iberian Peninsula and affected Spain and other countries, Iberdrola España S.A.U. made all its resources available to the System Operator, Red Eléctrica de España, at 12:33 PM CET on 28 April, in order to contribute more quickly to the restoration of the electricity supply, in accordance with protocols approved by the same entity. The various emergency committees were thus activated, involving a continuous 24-hour presence of more than 900 operations employees, close to 400 generation plant and control centre employees, and a further 1,000 distribution employees in different facilities. From that moment on, instructions from the System Operator were followed in the recovery process directed by that entity, which required the gradual incorporation of synchronised generation and demand. Within the first 9 hours, service had been restored to 53% of supply points within the service area. Within approximately 12 hours, supply had been restored to 97%, and by 07:00 AM the following day, 100% of the supply had been restored.

S4-4: Taking action on material impacts on consumers and end-users, approaches to managing risks and pursuing material opportunities and effectiveness of those actions

The companies of the Iberdrola Group adopt measures to prevent and mitigate negative impacts and to guarantee the positive impacts on consumers and end users. The engagement with those parties to determine the actions described below is articulated through all of the customer service and collaboration processes described in *Sections S4-2 and S4-3*. No serious human rights related cases involving consumers or end-users were reported in 2025.

Security and supply quality

The Group invests in transmission and distribution networks to improve and extend service through the renovation and digitalisation of facilities. This favours the electrification of all sectors of the economy and the integration of competitive and local energy sources, while improving resilience and energy self-sufficiency. These conducts include managing vegetation and infrastructure to minimise interruptions and speed up restoration of supply.

Reduction of energy consumption

Services are provided to promote self-consumption and distributed generation solutions, value-added energy services for households, efficient air conditioning systems and urban, port and industrial electrification projects. These services benefit the customer and promote the security, competitiveness and sustainability of supply.

Cybersecurity and operational resilience

The Company has cybersecurity risk management guidelines in place to foster a culture of prevention and strengthen the response to cyber-attacks. The global head of cybersecurity coordinates and supervises its deployment in the Group's companies. His duties include defining the Group's strategic cybersecurity programme, aligned with the Security and Resilience programme, supervising its implementation through technical and organisational measures based on risk analysis in all businesses and corporate areas, as well as collaborating with various entities to improve the cyber resilience of the energy sector. This strategy includes, among others, a specific Cybersecurity Culture programme with awareness campaigns and regular training.

The companies review their emergency plans annually to ensure they are up to date and effective in the event of significant network incidents or environmental impacts, thereby ensuring continuity of operations. These measures are applied globally and reviewed cyclically to assess progress. Assessment of the effectiveness of actions is integrated into business management processes, and is reported to the responsible functions, described in *Section S4-2*, and brought to the relevant governance bodies in the context of business management control.

Processes for determining actions and their effectiveness

The companies have various mechanisms and protocols in place to improve the customer experience, manage incidents and ensure an effective response to risk situations or service interruptions. For example, in the United Kingdom, the *Operational Customer Experience*, with weekly meetings to identify incidents and assess improvements and *SPEN CHP* for complaint management; in the United States, the CMP Restoration Plan and the Unified Emergency Plan to restore supply and respond safely to contingencies affecting essential services; and in Brazil, the *Comunidade Segura Programme* to prevent accidents in communities. The need for sectoral actions is also assessed through: quarterly reports to the CNMC (Spain), collaboration with Ofgem (UK), campaigns with ABRADEE (Brazil) and community relations teams in the United States. Together, these tools facilitate proactive, coherent and people-centred management, strengthening the reliability of the service and protecting users and their environment.

Vulnerable customers and universal access to energy

All the companies implement procedures to protect customers who are at risk of exclusion or are vulnerable due to factors such as age, health disability or other reasons and to facilitate their access to electricity while avoiding cutting off their supply. This is achieved by extending the collection process and offering more flexible payment conditions.

Initiatives to improve the access of vulnerable customers and communities to electricity

Country	Initiative
Spain	Subsidised Rate (Bono Social), agreements with the regional governments to avoid the suspension
United Kingdom	Warm Home Discount
United States	Energy Assistance Programs
Brazil	Subsidised Electricity Rate (Tarifa Social de Energia Elétrica)

For Iberdrola, ensuring universal access to energy is a priority, which is why it continues to implement the global “Electricity Access Programmes” initiative aimed at providing electricity to people in emerging and developing countries, as well as vulnerable groups in developed countries by implementing sustainable electrification measures. Further information on this objective can be found in *Section S4-5*.

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As set out in the requirement of *Section MDR-T of Chapter ESRS 2*, the Company has established the following targets related to sustainability targets for consumers and end-users.

Community development	METRIC	2025	2028e	2030e
Electrification Access Programs	Millions of users covered (cumulative)	15.99	>15.5	>16

The commitment guarantees electricity supply as a basic right and promotes energy equity and social welfare, in line with the *Sustainable Development Policy.*

Governance, ethics & transparency	METRIC	2025	2028e	2030e
Cybersecurity goals	Fulfilment	√	√	√

This target contributes to reducing cyber security risks in accordance with the *General Risk Control and Management Foundations,* which set out the principles for ensuring an adequate level of cyber security and resilience for the Group’s assets and linked to incentive structures.

And finally, in relation to the sustainable value chain, the following targets are set in accordance with the *Climate Action Policy*, the *Innovation Policy,* the *Sustainable Development Policy,* the *Policy on Management and Protection of Nature, t*he *Innovation Policy* and the *Quality Policy*.

Customers	METRIC	2025	2028e	2030e
Quality of supply	Reduce average consolidated SAIDI (1)	-18.3%	-13%	-15%
Fast and Ultra-fast charging points	Number (2)	3,413	>7,000	>10,000
Customer Accessibility Solutions	Number	63	66	66
Digital customers	% of total	75.4%	74%	75%

(1) Calculated against the 2019-21 period average.

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

[ESRS G1] Business conduct

GOV-1: The role of the administrative, management and supervisory bodies

The *Governance and Sustainability System* of Iberdrola, S.A. is a defining feature of the Company's comprehensive nature across its three dimensions: corporate, societal and institutional. Its characteristics are described in *Section GOV-1 of Chapter ESRS 2.*

Specifically, the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* and the *Code of Conduct for Directors, Professionals, and Suppliers* have been prepared taking into account the good governance recommendations generally recognised in international markets. They also respond to the prevention obligations imposed within the scope of criminal liability of legal persons. They reflect the commitment made by Iberdrola, S.A. to the principles of business ethics and transparency in all areas of activity, establishing a set of principles and guidelines of conduct applicable to all directors, professionals, and suppliers of the companies of the Iberdrola Group, as well as the investee companies not integrated in Iberdrola over which the Company has effective control, within the legally established limits, regardless of their hierarchical level, their geographical location, or their functional dependence on the Group company.

The Sustainable Development Committee of the Board of Directors oversees the Company's conduct in the area of sustainability, including business conduct and governance.

The Company's Compliance System is structured around: (i) regulations on this matter approved by the Board of Directors of Iberdrola, S.A., which form part of the *Governance and Sustainability System*; and (ii) supplementary regulations developed and approved by the Compliance Unit, pursuant to the powers granted by the *Regulations of the Compliance Unit*, which prepares and approves supplementary regulations that are also binding for all of the group's employees.

The experience of the administrative, management and supervisory bodies on sustainability issues, including business conduct, is described in *Section GOV-1 of Chapter ESRS 2.*

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

The Company has assessed the material impacts, risks and opportunities related to business conduct by applying the double materiality assessment process described in *Section IRO-1 of Chapter ESRS 2.*

This assessment has identified material issues relating to corporate culture, corruption and bribery, and the management of supplier relationships, including payment practices, lobbying engagement and activities, and whistleblower protection.

Potential positive impacts:

- Positive influence on national policies and targets for the electrification of the economy, with the aim of achieving greater competitiveness, self-sufficiency and energy security, as well as protecting nature, through the Company's public positioning and institutional activities.
- Acquisition of expert knowledge on suppliers through forums, events or platforms created by the company.
- Building internal and external trust in the organisation by fostering a culture of transparency and accountability through the effective implementation of whistleblower protection mechanisms.

A potential negative impact has been identified as the possible loss of trust, public outrage and mismanagement of public assets due to potential cases of corruption.

No material risks and opportunities have been identified.

G1-1: Business conduct and corporate culture policies

The Company has policies addressing Business Conduct and Corporate Culture described in *Section MDR-P of Chapter ESRS 2*.

Compliance system

The Company has established an effective, independent and robust Compliance System designed to prevent, detect and manage irregularities or potentially unlawful conduct and ensure conduct in compliance with the law, ethical principles and internal regulations.

This system establishes monitoring and control mechanisms, including communication channels to report any improper conduct or potential unlawful acts or acts contrary to law or to the Governance and Sustainability System, with an impact on the Company

Specific training programmes are implemented to inform about the reporting system and its operation, as well as the procedure to manage complaints and reports received through this channel and whistleblower protection and support measures.

Communications through internal reporting channels may be made anonymously. As provided by law, the Company and the other Group companies undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation.

Communication and training related to anti-corruption rules

The Compliance System is reinforced through an annual training and communication strategy developed in collaboration with the People and Internal Communications divisions. The training aims to promote knowledge of, and compliance with, the *Code of Conduct for Directors, Professionals and Suppliers* among all professionals.

Training initiatives include:

- Comprehensive compliance training programmes for the entire workforce.
- Specific plans for groups exposed to relevant risks (directors, new hires, officers, team leaders and professionals in key positions).
- Specialised training for the Board of Directors, covering, inter alia, corruption risks, in accordance with the Board's Training and Information Programme.

This information is described in *Section GOV-1 of Chapter ESRS 2.*

G1-2: Management of relationships with suppliers

The Company has the capacity and the interest to support its suppliers in improving their environmental, ethical and social performance through actions that promote excellence in their sustainability management. The electrification of industry brings significant benefits in terms of competitiveness, autonomy and safety.

Backed by the *Purchasing Policy* and the Purchasing Guidelines, during the purchasing process, a risk assessment of suppliers is carried out, analysing aspects such as credit risk, fraud risk, cybersecurity risk, sustainability risk, operational risk, human resources risk and tax risk, verifying that suppliers' actions are aligned with the policies and principles of the Company.

This requires acceptance of the Code of Conduct for Officers, Professionals and Suppliers, compliance with the legislation of the country in which they operate, financial stability and adequate performance in terms of sustainability and civil liability.

For this assessment, the following processes are carried out:

Supplier registration, classification and screening

The Group has developed and implemented supplier classification and screening processes that are deployed during supplier registration in the purchasing process. The efficient management of these

verification processes has become a vital element for continuous improvement in the responsible management of the supply chain.

This process aims to identify critical suppliers by combining their economic relevance with their potential risk level when exceeding established thresholds with respect to fraud, corruption, cybersecurity, and their sustainability profile. The established criteria consider the potential negative impact of poor sustainability performance (environmental, social, governance, ethics) and take into account specific factors such as country of origin of the equipment and materials supplied, sector and specific risks associated with the equipment or product supplied, main raw materials or services provided and social, labour and human rights aspects. Suppliers deemed to be at potential risk are those analysed by the Compliance Unit as a result of complaints received. The results for the 2025 financial year under these criteria are:

Supplier classification and screening	2025
Total number of Tier 1 suppliers	21,299
Total number of potentially critical suppliers in Tier 1[56]	1,726
% of expenditure with potentially critical suppliers in Tier 1	93 %
Significant suppliers not in Tier 1	36
Total number of significant suppliers (Tier 1 and non-Tier-1)	1,762

This process is carried out through *Achilles-GoSupply* and specialised databases for identifying fraud and corruption. In 2025, the *Prewave* platform will also be incorporated to extend coverage to the non-Tier-1 supply chain and subsequently carry out the relevant assessment.

Fuel purchasing is also subject to the provisions of the Company's Governance and Sustainability System, which aims to promote socially responsible conduct, respect for the environment and prevent occupational risks in suppliers. The other aspects assessed are: the existence of an environmental policy, information on CO_2 emissions, initiatives to reduce emissions, energy efficiency, biodiversity conservation, health and safety at work, equal opportunities, human rights and ethical behaviour (anti-bribery and anti-corruption practices).

Supplier Sustainability Evaluation Model

Iberdrola has a global supplier evaluation model in the area of sustainability, adapted to the Group's international reality, and aligned with its corporate policies and principles. This model seeks to ensure that supplies come from sustainable, transparent, fair and ethical suppliers. Following identification through classification and screening processes, suppliers must register with GoSupply to determine actual risk during the purchasing process so that:

- When a higher than normal threshold or risk is detected during the procurement process or for tenders > EUR 700,000 → Achilles-GoSupply 360º (comprehensive risk profile assessment).
- For a supplier with a lower amount or no potential risk → Achilles-GoSupply Basic (simplified assessment).

The supplier's sustainability assessment measures its performance on attributes with high traction through evidence and documentation to support its claims, and is articulated in the following attributes and weights:

- Environmental (40%): climate change (risk management), circular economy, environmental policies.
- Social / Human rights (30%): due diligence, labour practices.
- Governance (30%): compliance, good governance, business ethics.

After the analysis, the suppliers are rated at two levels: "adequate" (sustainable) if their score exceeds 51 of 100 points (and at least 30% of the points on each of the three pillars), and "inadequate" (not sustainable) otherwise.

Through independent verification, the Company has a protocol for conducting social and sustainability audits of key suppliers to verify compliance with sustainability criteria through verification by an independent third party at the suppliers' own manufacturing facilities.

[56] Taking into account that a Tier 1 supplier is any supplier awarded an order during the financial year.

The Compliance Units of the head of business companies monitor all suppliers for fraud and corruption on an ongoing basis and analyse those suppliers that are considered to be high risk as a result of a complaint received through the internal reporting system (whistleblower channel) or otherwise.

In accordance with the Guide on Supplier Conduct and Sanctions in the Event of Potential Practices Contrary to the Code of Conduct for Directors, Professionals and Suppliers, and the *Compliance* and *Internal Reporting and Whistleblower Protection System Policy*, depending on the results, different measures are established: sustainability improvement plans are proposed to certain suppliers to improve their performance. For other suppliers, remediation plans with specific commitments are requested in cases where there has been some type of non-compliance that can be remedied. Finally, in other specific cases, disciplinary measures, penalties and even termination of the contractual relationship may be applied.

Supplier environmental assessment

The purchasing process has internal and external mechanisms for supplier management that promote good environmental management practices:

- Internal mechanisms: Purchasing Policy, Supplier Registration and Classification, Tendering Process, Annual Improvement Targets, Global Environmental System, Transparency and Reporting.
- External mechanisms: Code of Conduct for Directors, Professionals and Suppliers, Specific Contractual Terms and Conditions, Engagement Campaigns, Carbon Footprint Measurement, Sustainability Assessment Model, Supplier of the Year Award.

All major suppliers of general goods and equipment (both new and existing) and fuel are assessed in accordance with environmental and sustainability criteria.

At year-end 2025:

- The volume of general supplies invoiced to the Iberdrola Group by suppliers with a documented or certified environmental management system accounted for 83.9% of the total volume billed. In the case of fuel suppliers, those with a certified environmental management system accounted for 89.5% of those assessed.
- No significant suppliers located in water-stressed areas were identified.
- No communication was received through the Company's ethics mailboxes resulting in the cancellation of any contract or order for reasons related to environmental practices.

Supplier social assessment

The purchasing process has internal and external mechanisms for supplier management that promote respect for human rights:

- Internal mechanisms: Purchasing Policy, Supplier Registration and Classification, Sanction List Screening, Annual Improvement Targets, Sustainable Development Committee and Plan, Transparency and Reporting.
- External mechanisms: Those already mentioned in the previous section on Environmental Assessment and additionally compliance with the Modern Slavery Act (United Kingdom and Australia).

The supplier must allow review of compliance with these principles and, if it fails to implement the necessary corrective plans, the Company reserves the right to cancel the contract.

All major suppliers of equipment, materials, works, services and fuels are assessed under this approach, considering their material human rights risks.

Risk management and mitigation is carried out through quality processes and periodic audits performed by each business unit. In 2025:

- A total of 42 audits were conducted on key suppliers in the Group's main geographical areas, confirming good on-site practices and progress on action plans with minimal deviations.
- To reinforce due diligence, social and sustainability audits of non-direct suppliers were launched. For this initiative, the SMETA social audit standard from SEDEX was chosen, as it is considered a benchmark for this type of assessment. The results were generally satisfactory, although one supplier

was found to be in non-compliance with the maximum number of hours per week allowed for some workers. The main supplier has already coordinated the implementation of the agreed corrective actions with its sub-supplier, thus rectifying the non-compliance detected.

The human rights risk map is updated annually, with the United States and Mexico being considered high-risk countries in 2025. Based on these results and considering origin and turnover, there could be a risk to the total volume of purchases relating to freedom of association and collective bargaining (30%), child labour (0.7%) and forced labour (1.3%).

Results of the financial year 2025

As described in Section *S2-5,* the sustainability goal for suppliers of the Iberdrola Group has been redefined in 2025, establishing a target for the period 2025-2028 based on the total amount awarded to sustainable suppliers, with the goal of exceeding EUR 50,000 million in that period.

During 2025, more than EUR 12,777 million have been allocated to suppliers assessed according to this sustainability model, which represents close to 97% of the total amount awarded to the suppliers that make up the Iberdrola Group's supply chain.

EUR 12,430 million was awarded to sustainable suppliers across the entire Iberdrola Group, representing over 94% of the amount awarded in total.

During the year, the objective of establishing and monitoring improvement plans for suppliers that did not reach the required minimum level was also achieved. Of the total number of significant suppliers (Tier 1 and not Tier 2) 1,618 (91.83%) were assessed through GoSupply, other assessment processes or on-site audits. Of the 383 suppliers identified as having a potential or actual impact, 229 were required to implement a sustainability improvement plan, while 154 received a corrective plan to mitigate their level of sustainability risk. Of these, 22 were sanctioned.

The Company has managed all suppliers with a sustainability improvement plan an associated corrective plan in accordance with the Guide on Supplier Conduct and Sanctions in the Event of Potential Practices Contrary to the *Code of Conduct for Directors, Professionals and Suppliers*, and the *Compliance and Internal Reporting* and *Whistleblower Protection System Policy*. In no case has it been necessary to terminate the contract.

Thanks to this process, 1,452 key suppliers received a proposal for an improvement plan between 2020 and 2025, with more than 66% achieving the required level of sustainability after implementing the recommended actions.

These corrective measures serve two functions: establishing measures to mitigate and/or remedy detected breaches of the Code of Conduct, and preventing them from recurring. This also motivates the supplier to improve its profile by promoting excellence in business management, and through quantifiable objectives, incentivise the Purchasing Division team to select companies that demonstrate good sustainability performance or commit to improvement throughout the process. For an example of the detection of a supplier with potential risk and the management of the process, see Section S2-4.

Supplier payment procedures

See Section G1-6.

G1-3: Prevention and detection of corruption and bribery

The Company has the necessary internal procedures, controls and tools in place to prevent, detect and address allegations or cases of corruption and bribery.

With a view to proactively ensuring the effective operation of the Compliance System of the Company and the Group companies, the Boards of Directors of the Company, the country subholding and head of business companies have set up compliance units within their respective companies, designed as collegiate compliance bodies with greater independence, autonomy and transparency.

The members of the Company's Compliance Unit, as well as those of the units of the country subholding companies and head of business companies, are appointed by their respective Boards of Directors, where applicable on the proposal of the relevant committee, in accordance with the following structure:

- The chairman: an external professional of recognised standing in the field of compliance.
- The secretary (non-member): a legal professional, external to the Group's companies.
- The members, one of whom will be the compliance director of the company concerned. The other members may be, among others, the heads of different areas or functions related to compliance risk management.

The Company's Compliance Unit, represented by its director, appears and reports periodically before the Sustainable Development Committee of the Board of Directors in order to report on the activities, conduct, and incidents relating to the compliance function. The compliance units of the country subholding companies and head of business companies also periodically report to their management bodies or to their audit and compliance committees, as appropriate, regarding the most significant aspects of the activities carried out by the compliance function during the financial year.

In accordance with the internal rules, if a member of the Unit has a conflict of interest, they must abstain from intervening in the matter in question.

The regulations approved by the Company's Compliance Unit and available on the Employee Portal include the following:

- General Coordination, Collaboration and Information Protocol.
- Protocol for Management of the Risk of Third-Party Fraud and Corruption.
- Corporate Transactions Protocol.
- Protocol for Conduct in Professional Relations with Government Administrations.
- Protocol for Social Contributions, Donations and Sponsorships.
- Competition Protocol.
- Gifts and Hospitality Protocol.
- Protocol for Internal Investigations and Internal Reporting System.
- Risk Assessment Guide.
- Third-Party Risk Assessment Guide.
- Guide for conducting a background check prior to the assumption of management duties.

Risk assessment

One of the main elements of the Compliance System is the existence of a process of regular and continuous identification and assessment of the compliance-related risks of each of the corporate functions and in the businesses of the Group.

Thus, in terms of risk assessments, two types of assessments are carried out, which include the risk of corruption:

1. To implement the *Compliance Policy* and the *Internal Reporting and Whistleblower Protection System Policy*, the Group's companies, through the Compliance Unit, have implemented a specific and effective crime prevention programme (understood as a group of measures intended to prevent and mitigate the risk of committing potential crimes and to detect and react to any crimes committed).

Likewise, the other Group companies implement programmes to prevent similar crimes from being committed through their respective compliance units (or compliance bodies or functions), which have full responsibility and autonomy for their management.

To implement these Crime Prevention Programmes, there is a regular assessment of the risks of committing criminal acts that might ultimately be alleged against the various companies of the Group based on their activities, as well as an identification of existing controls and the establishment of new controls for their prevention.

2. The compliance units regularly update the compliance risk map following the guidelines established in the Compliance Risk Evaluation Guide established by the Compliance Unit, whereby this assessment includes identifying the likelihood of each risk occurring and its impact.

These risk maps are drawn up based on an inventory of homogeneous risks for the boundary of the Group using a common methodology, as shown in the table below:

Corruption and fraud	Data prevention
Money laundering and terrorist financing	Cybercrime
International sanctions	Business secrecy
Scams	Occupational risk prevention
Permits, licences and authorisations	Workers' rights
Fraud against public authorities and social security	Obstructing external monitoring
Punishable insolvencies	Harassment
Intellectual and industrial property	Discrimination
Smuggling	Safety at facilities, the environment and public health
Conduct in the securities market	Supply chain
Skill	Consumer protection
Distortion of public information	

Each compliance unit analyses whether there are signs of these risks in their respective country subholding company and head of business company and in each of the corporate and business areas. With the information obtained, a compliance risk map is prepared for each entity, which is updated on a regular basis, identifying the main controls in the scope of the Group to mitigate such risks and, if necessary, proposing improvement actions to strengthen the effectiveness of these controls.

Training and communication procedures to guarantee compliance with the system are explained in *Section G1-1*.

Training for members of the administrative, management and supervisory bodies

Section GOV-1 of Chapter ESRS 2 and Section G1-3 describe the training and information sessions held and other activities of the Board of Directors, Audit and Risk Committee, Appointments Committee, Remuneration Committee and the Sustainable Development Committee during the year.

Information on the monitoring, communication and training processes for the prevention and detection of corruption and bribery, as well as their nature and scope are described in *Section G1-1*.

Of the positions at risk in Iberdrola S.A., 100% are covered by training in the prevention and detection of corruption and bribery.

As stated in *Section MDR-T of Chapter ESRS 2*, the Company has set the following targets related to the Group's Ethical and Basic Principles and current regulations:

Governance, ethics & transparency	METRIC	2025	2028e	2030e
Corporate Governance	Maintain best practices	√	√	√
Percentage of independent directors	Over 50%	√	√	√
Varied composition of the Board of Directors	Maintain	√	√	√
Compliance system	Certification	√	√	√

G1-4: Confirmed incidents of corruption or bribery

The Company has an *Anti-Corruption and Anti-Fraud Policy, integrated into the Governance and Sustainability System* and described in *Section MDR-P*. This policy establishes a zero-tolerance approach to any form of corruption or bribery. The Compliance Unit manages this policy, working alongside the compliance units of the country subholding and head of business companies which evaluate the programme's effectiveness annually, update it when necessary, and disseminate its disclosures and prevention procedures as described in disclosure requirements G1-1 and G1-3.

The Company also has internal information channels that are accessible to shareholders, directors, professionals, suppliers, and other third parties as defined by the regulations. These channels allow users to submit queries and complaints (including anonymously), and guarantee confidentiality and protection from reprisals, as set out in G1-3. This system is complemented by the option to contact the relevant authorities when necessary.

In 2025, Group was not convicted of any corruption- or bribery-related cases, nor were any fines received for these offences.

G1-5: Political influence and lobbying activities

Political influence activities

As regards lobbying activities, Iberdrola is registered with the Transparency Register created by European institutions to provide adequate transparency to the relations of such institutions with companies, NGOs, citizens' associations, think tanks, etc. The register was created by the European Parliament and the European Commission, and the Council of the European Union supports the initiative. Iberdrola's record in such register can be found on the EU's website.

In line with its strategy, one of the most important issues that Iberdrola addresses in its political influence activity is its role as a driver of electrification in all sectors.

The Company has a *Protocol to formally regulate the participation of professionals and entities belonging to the Iberdrola Group in external bodies*, the purpose of which is to establish a uniform mechanism to ensure that this participation is in line with the *Stakeholder Engagement Policy* and in accordance with the *Purpose and Values of the Iberdrola Group* and its *Code of Conduct for Directors, Professionals and Suppliers*, which can be found on the corporate website.

Public policies

The Company reports its participation in public consultation processes in a specific section of Iberdrola's website.

Relations with regulatory entities and social institutions

The Iberdrola Group has two kinds of relationships with regulatory entities:

1. Relationships geared towards contributing to the enactment of efficient regulatory provisions allowing for the development of a competitive market in activities that are not subject to a natural monopoly; sufficient remuneration for regulated businesses; and the advancement of electrification as a local vector for competitiveness and energy self-sufficiency. To this end, there is a continuous and constructive dialogue in which information, knowledge and positions are exchanged. Iberdrola is therefore able to familiarise itself with the concerns and proposals of the regulators and provides them with its own positions in the legitimate defence of its interests and those of its shareholders and customers. The Group's companies also actively participate in the public consultations organised by the regulatory authorities to obtain the opinions of the stakeholders involved in the processes that precede the review of regulations or the definition of national and European energy policies. Furthermore, they participate in the official processes for developing regulations and monitoring their application.
2. Provision of all information required by regulatory entities, whether in connection with the normal conduct of its business or as a result of any transitory issue. In addition to its direct relationships with regulatory entities, Iberdrola and the companies in its group participate in the regulatory process through the various domestic and international trade associations of which they are members.

Principal domestic and international associations

The Company also participates in various domestic and international associations. As with the regulators, the aim is to promote the proper operation of the markets and the advancement of electrification as a local vector of competitiveness and energy self-sufficiency.

In this context, the Company produced two detailed documents setting out its direct and indirect engagement activity in 2025, which are available on the Public Affairs section of the corporate website.

In 2025, the main domestic and international associations in which the Group participates are:

Main associations - Global

Corporate Leaders Group (CLG)	We Mean Business Coalition (WMBC)
UN Global Compact	Bruegel
Global Renewables Alliance (GRA)	

Main associations - Spain

Association of Electrical Energy Companies (AÉLEC)	BC3 Basque Center for Climate Change

Main associations - United Kingdom

Scottish Renewables	Energy Networks Association
Renewables UK	Energy UK - Energy Efficiency Group

Main associations - United States

Edison Electric Institute (EEI)	American Clean Power Association
Clean Energy Buyers Association	Electric Power Research Institute

Main associations - Brazil

Associação Brasileira de Distribuidoras de Energia Elétrica (ABRADEE)	Associação Brasileira da Infraestrutura e Indústrias de Base (ABDIB)
Associação Brasileira das Empresas Geradoras de Energia Elétrica (ABRAGE)	Associação Brasileira de Geradoras Termelétricas (ABRAGET)
Associação Brasileira de Energia Eólica (ABEEOLICA)	Associação Brasileira das Empresas de Transmissão de Energia Elétrica (ABRATE)

Main associations - Brazil

ABRACEEL - Associação Brasileira dos Comercializadores de Energia	Associação Brasileira dos Produtores Independentes de Energia Elétrica (APINE)
Conselho Empresarial Brasileiro para o Desenvolvimiento Sustentável (CEBDS)	Instituto Acende Brasil (ACENDE)

Main associations - IEI

Associação Portuguesa de Energias Renováveis (APREN)	Elettricità Futura
BDEW (Bundesverband der Energie- und Wasserwirtschaft e. V.)	BWO (BWO Bundesverband Windenergie Offshore e.V.)
Syndicat des Energies Renouvelables (SER)	Australian Financial Markets Association (AFMA)

External initiatives to which the organisation subscribes or which it endorses:

Iberdrola has subscribed to or endorsed external initiatives aligned with sustainable development and encouraged its investees to adhere to them. The main external initiatives to which Iberdrola is adhered to or supports are ALIANZA Q-CERO and UNICEF GEN-U (*Generation Unlimited*).

In each country, Iberdrola also supports and collaborates with the initiatives it considers most relevant due to their importance at local level, Sociedad Española de Ornitología (SEO Bird Life), Club de Madrid – Leadership for Net zero, EnergyLOOP in Spain, the Cancer Research in the United Kingdom, and the Conselho Empresarial Brasileiro para o Desenvolvimento Sustantável (CEBDS) in Brazil, among others.

Contributions to political parties or to related institutions

The Company adopts a politically neutral stance. In 2025, none of the Group's companies, except in the United Kingdom, the United States and Australia, contributed to the financing of political parties.

Contribution to political parties (EUR)

Country	2025	2024
United Kingdom	61,302	46,571
United States	936,497	812,171
Other countries (Australia)	20,215	47,086
Total	**1,018,014**	**905,828**

- In the United Kingdom, ScottishPower contributed a total of EUR 61,302 (GBP 52,500), distributed among different parties across the political spectrum, to sponsor conferences and events, in accordance with the *Political Parties, Elections and Referendums Act* (2000). These events are an important opportunity for the group to present its views to representatives across all political camps on a non-partisan basis. This contribution does not signal support for any specific party.
- In the United States, Avangrid contributed a total of EUR 936,497 (USD1,056,200) to candidates and political parties, reporting these contributions in accordance with applicable law. These amounts do not include additional voluntary contributions from employees.
- Under the heading of other countries, Iberdrola Australia contributed a total of EUR 20,215 (AUS 35,400) for the annual membership to sponsor conferences and events, reporting it to the Australian electoral commission.

Appointments to comparable positions in public administration

Article 34.3 of the *By-Laws* expressly prohibits the appointment as Board members of Iberdrola, S.A. of persons who, in the two years prior to their prospective appointment, have held senior positions in the Spanish public administration that are incompatible with the simultaneous exercise of the duties of director of a listed company, pursuant to Spanish national or regional legislation, or positions of responsibility in the regulatory bodies of the energy sector, the securities markets or other sectors in which the Group operates.

In this respect, none of the Company's current Board members, whose professional careers are published on the corporate website, has held a comparable position in public administration (including regulators) in the two years prior to their appointment in the current reference period.

G1-6: Payment practices

Iberdrola's General Terms and Conditions, available on the corporate website, establish single payment terms to suppliers per country (between 30 and 90 days), regardless of the type of supplier, and never exceeding the legal maximum established in each country. The period for calculating the term begins with the receipt of the invoice duly issued. However, the payment terms for regulated or market operations are the standard terms of the operation.

Group companies are subject to disclosure requirements regarding contractual payment terms and its payment practices in Spain and the United Kingdom.

This information relates to Note 37 to the Annual Financial Information of Iberdrola S.A.

It should be noted that there were no pending legal proceedings for late payments at the end of 2025.

V. Annexes

ESRS 2 IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Note: The pages included in the following tables of contents and interoperability tables refer to the beginning of each section.

Table 2 - Annex B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 d)	Indicator number 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		8
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 e)			Delegated Regulation (EU) 2020/1816, Annex II		8
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				126
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6), Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk.	Delegated Regulation (EU) 2020/1816, Annex II		13
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		13
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816 Annex II		13

[57] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).
[58] Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
[59] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, 29.6.2016, p. 1).
[60] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Article 12(1)		13
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	24
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449(a) of the Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity.	Delegated Regulation (EU) 2020/1818, Article 12(1) (d) to (g), and Article 12(2)		24
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449(a) of the Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, template 3: Banking book - Climate change transition risk: Alignment metrics.	Delegated Regulation (EU) 2020/1818, Article 6		34
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				35
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				35
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				36

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicator number 1 and n. 2 Table #1 of Annex 1	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity.	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		38
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, template 3: Banking book - Climate change transition risk: Alignment metrics.	Delegated Regulation (EU) 2020/1818, Article 8(1)		40
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Information subject to transitional provision
ESRS E1-9 Disaggregation of monetary amounts for acute and chronic physical hazards paragraph 66(a) ESRS E1-9 Location of major assets exposed to significant physical hazards paragraph 66(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, paragraphs 46 and 47; Template 5. Climate change physical risk: Exposures subject to physical risk.			Information subject to transitional provision
ESRS E1-9 Breakdown of the carrying amount of its real estate assets by energy efficiency paragraph 67(c).		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral.			Information subject to transitional provision

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Information subject to transitional provision
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1, Indicator number 2 Table #2 of Annex 1, Indicator number 1 Table #2 of Annex 1, Indicator number 3 Table #2 of Annex 1				45
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				46
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				46
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not a material risk
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				47
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				47
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				17
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				17
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				17
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				20
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				20
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				20
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				63

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				63
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicators number 13 Table #3 of Annex I				73
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicators number 12 Table #3 of Annex I				73
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				74
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		74
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicators number 11 Table #3 of Annex I				74
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				74
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				74
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		84
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				84
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		86
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				87

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				87
ESRS S1-17. Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		87
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and no. 13 Table #3 of Annex I				16
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				90
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				90
ESRS S1-1. Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		74
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		90
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				92
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				94
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		94
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				95

Disclosure Requirement and related datapoint	Reference of the Regulation on disclosure of sustainability information in financial services[57]	Pillar 3 reference[58]	Regulation reference for benchmark indices[59]	European Climate Legislation reference[60]	Page
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				102
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		102
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				104
ESRS G1-1 United Nations Convention against Corruption, section 10(b)	Indicator number 15 Table #3 of Annex 1				108
ESRS G1-1 Protection of whistle-blowers paragraph 10(d)	Indicator number 6 Table #3 of Annex 1				108
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		114
ESRS G1-4 Anti-bribery and anti-corruption rules paragraph 24(b)	Indicator number 16 Table #3 of Annex 1				114

(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1.).
(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).
The process for determining the material information to be disclosed in relation to impacts, risks and opportunities that have been assessed as material is described in Section IRO-1 of Chapter ESRS 2.

GOV-4: Statement on due diligence

The following table describes the core elements of due diligence:

	Chapter	Paragraph	Page
a) Embedding due diligence in governance, strategy and business model	General disclosures - ESRS 2	GOV-1	5
	General disclosures - ESRS 2	GOV-2	9
	General disclosures - ESRS 2	GOV-3	10
	General disclosures - ESRS 2	SBM-1	13
	General disclosures - ESRS 2	SBM-3	16
	General disclosures - ESRS 2	ESRS 2 MDR-P	20
	E1 Climate change	E1-1	24
	E4 Biodiversity	E4-1	50
b) Engaging with affected stakeholders in all key steps of the due diligence	General disclosures - ESRS 2	SBM-2	15
	General disclosures - ESRS 2	ESRS 2 IRO-1	17
	S1 Own workforce	S1-2	74
	S2 Workers in the value chain	S2-2	90
	S3 Affected communities	S3-2	95
	S4 Consumers and end-users	S4-2	102
c) Identifying and assessing adverse impacts	General disclosures - ESRS 2	IRO-1	17
	General disclosures - ESRS 2	SBM-3	16
d) Adoption of measures to mitigate, remedy or compensate for such adverse impacts	General disclosures - ESRS 2	MDR-T	23
	General disclosures - ESRS 2	MDR-A	22
	S1 Own workforce	S1-3	74
	S1 Own workforce	S1-4	75
	S2 Workers in the value chain	S2-3	91
	S2 Workers in the value chain	S2-4	92
d) Adoption of measures to mitigate, remedy or compensate for such adverse impacts	S3 Affected communities	S3-3	95
	S3 Affected communities	S3-4	95
	S4 Consumers and end-users	S4-3	103
	S4 Consumers and end-users	S4-4	104
e) Tracking the effectiveness of these efforts and communication	General disclosures - ESRS 2	ESRS 2 MDR-M	23
	General disclosures - ESRS 2	ESRS 2 MDR-T	23

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- IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statements 19

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- MDR-P: Policies adopted to manage material sustainability matters 20
- MDR-A: Actions and resources in relation to material sustainability matters 22
- MDR-T: Tracking effectiveness of policies and actions through targets 23
- MDR-M: Metrics in relation to material sustainability matters 23

[ESRS E1] Climate change 24

- GOV-3: Integration of sustainability-related performance in incentive schemes 24
- E1-1: Transition plan for climate change mitigation 24

- SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model 26
- IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities 27
- E1-2: Policies related to climate change mitigation and adaptation 32
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- E1-5: Energy consumption and mix 35
- E1-6: Scope 1, 2, 3 and total gross GHG emissions 36
- E1-7: GHG removals and GHG mitigation projects financed through carbon credits 40
- E1-8: Internal carbon pricing scheme 41

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[ESRS E2] Pollution 43

- IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities 43
- E2-1: Policies related to pollution 43
- E2-2: Actions and resources related to pollution 43
- E2-3: Targets related to pollution 44
- E2-4: Pollution of air, water and soil 45

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Main risks relating to these issues in connection with the group's activities		
when relevant and appropriate, the commercial relations, products or services thereof that might have negative impacts in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with leading domestic, European or international frameworks for each area	ESRS 2 IRO-1 ESRS 2 IRO-2 ESRS 2 SBM-3	17 19 16
information on the impacts detected, providing a breakdown thereof, particularly regarding the main short-, medium- and long-term risks.		
key indicators of non-financial results that are relevant regarding the specific business activity and that meet the standards of comparability, materiality, relevancy and reliability.		
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[61] The GRI indicators correspond to the latest version of the GRI Standards in all cases.

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[62] The information necessary for the calculation is included in Notes 47 and 48 of the Consolidated Financial Statements. The average remuneration of senior management it is not broken down by gender for privacy reasons.

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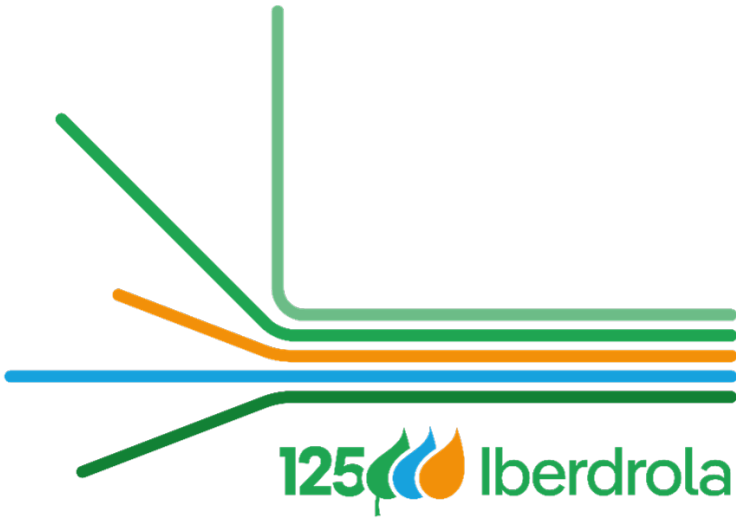

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