



# Shareholder Engagement Policy

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NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, and within the framework of the law and the *By-Laws*, the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola group*, and its sustainable development strategy, the Board of Directors hereby approves this *Shareholder Engagement Policy* (the “**Policy**”).

## 1. Purpose

This *Policy* is intended to encourage the engagement of shareholders in certain areas of its corporate life and, together with the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*, sets out the principles that should govern the two-way interaction between the Company and its shareholders.

The application hereof shall take into account the provisions of law and those contained in the Governance and Sustainability System and, in particular, in said *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*, as well as in the *Code of Ethics*, the *Regulations of the Board of Directors*, the *Internal Regulations for Conduct in the Securities Markets* and the *Internal Rules for the Processing of Inside Information*.

## 2. Scope of Application

This *Policy* applies to the Company.

## 3. Main Principles of Conduct

The main principles of conduct on which this *Policy* is based are described below:

- a. a proactive search for two-way interaction between the Company and its shareholders in order to encourage their effective and sustainable engagement in corporate life and forge a sense of belonging, maintaining a constructive, ongoing and effective dialogue with them that helps align their interests and those of the Company.
- b. help the Board of Directors to become apprised of the shareholders’ opinions and concerns in the areas of corporate governance and the sustainable development strategy of the Group, such that it may take them into account in the discharge of its duties.
- c. establish channels of dialogue and participation additional to the General Shareholders’ Meeting that, without detracting from the powers of the shareholders at such Meeting, allow for the encouragement of effective and sustainable shareholder engagement in the life of the Company.
- d. respect equal treatment in the acknowledgement and exercise of the rights of all shareholders in the same situation and who are not affected by any conflict of interest or competition, establishing appropriate measures to avoid the communication of information that might give some shareholders a privilege or advantage vis-à-vis other shareholders or that might damage the corporate interest.

## 4. Competent Bodies

The duty of interaction with the shareholders falls within the exclusive purview of the Board of Directors, acting collectively, and of the chairman & CEO thereof, to whom all powers in this regard have been delegated.

Both the Board of Directors and the chairman & CEO thereof may delegate the performance of this duty to the Finance, Control and Resources Division and therein to the Investor Relations and External Communication Division (or to such divisions as assume the duties thereof), as well as to such other Company professionals as they deem advisable, in order for them to manage and promote the effective operation of the channels for shareholder participation. The persons to whom such duty is delegated shall periodically report to the chairman & CEO on the messages exchanged with the shareholders, as well as any other significant aspect noted during such exchange. The chairman & CEO shall in turn report thereon to the Board of Directors.

In line with the foregoing, directors do not constitute a valid channel of interaction for these purposes, and therefore, they have neither the duty nor the power to interact with the shareholders. However, if so resolved by the Board of Directors, the Executive Committee or the chairman & CEO, the lead independent director or the other members of the Board of Directors may engage in interaction with specific shareholders regarding issues relating to the Company’s corporate governance and sustainable development, although, as far as possible, the directors who will engage in such interaction shall belong to the committee in charge of the issues to be discussed.

In any case, the statements made by the directors shall only bind the Company when they are expressly supported by a resolution of the Board of Directors or the delegated bodies thereof.

## 5. Scope and Channels of Engagement

Except as provided by law and in the Governance and Sustainability System, shareholder engagement under the provisions of this *Policy* shall be limited to the areas of corporate governance and the sustainable development strategy of the Company, both in Spain and in the other countries in which the Group has a presence.

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Shareholder engagement in the Company shall in no event serve as a cover for conduct that is contrary to the corporate interest or that seeks the fulfilment of personal and individual interests not aligned therewith.

The Company shall establish the channels of participation through which it shall promote the involvement of its shareholders with the appropriate guarantees and coordination mechanisms and shall endeavour to take advantage of new technologies that make it possible to maintain contact and dialogue with as many of them as possible.

The Company has the following channels for shareholder participation in corporate life:

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### 5.1. General Shareholders' Meeting

The General Shareholders' Meeting is the main channel for shareholder participation in corporate life. All duly accredited shareholders have the right to attend the General Shareholders' Meeting, with no minimum number of shares being required for such purpose. If the General Shareholders' Meeting is an annual meeting, additional presentations can be made or activities organised within the framework of Shareholder Day.

The Board of Directors shall encourage the informed and responsible participation of the shareholders at the General Shareholders' Meeting as provided in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*, and shall promote two-way interaction with the shareholders through the other participation channels in order to become apprised of the opinions and concerns thereof and take them into account when drawing up the agenda, preparing the proposed resolutions and making decisions regarding the other details and circumstances in connection with the holding of the General Shareholders' Meeting.

The Board of Directors shall also actively promote shareholder attendance at the General Shareholders' Meeting and the possibility of shareholder participation therein, pursuant to the provisions of law and the Governance and Sustainability System. For such purposes, it shall facilitate access to the documents in connection with the General Shareholders' Meeting and the understanding of the information relating to the matters to be addressed therein, and shall approve the payment of an attendance bonus, if any, for each annual General Shareholders' Meeting, determining the nature and amount thereof, in accordance with the policy on payment of attendance bonus included in Annex I to this *Policy*. It may also carry out other proactive actions designed to encourage maximum participation of the shareholders, such as information campaigns.

Meetings held in person must take place at premises that offer the best conditions for the progress and monitoring thereof, with a large capacity, and located in the centre of the municipality where the registered office is situated. The Company shall provide appropriate means to facilitate entry to and exit from the premises where the meeting will be held by all attendees, and particularly, when reasonably possible, by those with reduced mobility.

Regardless of the manner in which the General Meeting is held, the Company shall adopt the measures required to allow the participation of attendees with hearing or visual impairments. For this reason, the meeting may have simultaneous interpreting into Spanish sign language and an audio description for attendees with visual limitations. Shareholders with visual limitations may also request the delivery of the announcement of the call to meeting in the Braille system.

Likewise, the Company's innovation and digital transformation strategy, which affects all of its businesses and activities, including its corporate governance practices, promotes the digitalisation of both the General Shareholders' Meeting event itself and the means made available for shareholders to participate, promoting and facilitating the use of internet channels and smart devices.

The Company may ask a specialised external firm to review the proceedings of the General Shareholders' Meeting in order to safeguard shareholders' rights and transparency.

The Company also offers a live and recorded broadcast of the General Shareholders' Meeting, in whole or in part, through its corporate website.

The General Shareholders' Meeting is managed in accordance with the standards established in the *Sustainable Management Policy* as a sustainable event, encouraging the engagement of all affected Stakeholders of the Company and taking into consideration their needs and expectations.

Finally, information is provided at the General Shareholders' Meeting regarding the activities carried out by the Company in implementation of the provisions of this *Policy*.

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### 5.2. Meetings through the OLS (On-Line Shareholders) Interactive System

The interactive system (OLS – On-Line Shareholders) available on the corporate website can allow the shareholders (who may access with their user name and password) not only to view and request the information set forth in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* but also to actively participate in meetings to be held electronically with Company representatives designated by the Board of Directors or by the chairman & CEO thereof, regarding corporate governance, sustainable development and other matters that are significant for corporate life and which have an impact on its Stakeholders and on the communities and territories in which the Group has a presence.

The Company may set an annual schedule of electronic meetings with shareholders who have registered with the OLS interactive system, setting forth the matters to be dealt with at each meeting.

All shareholders who have registered with the OLS interactive system may participate in these meetings, which shall be moderated by a representative of the Shareholder's Office.



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### 5.3. Relations with Shareholder Associations and Institutional Shareholders

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The Company acknowledges the importance of shareholder associations as a suitable vehicle for representation of retail shareholders and for transmission of their opinions and concerns regarding the Company's corporate governance and its sustainable development strategy, appreciates the existence thereof, and respects the legal rights granted thereto.

In addition, the existence of institutional shareholders having a stable and continuous presence in the Company's shareholder base is welcome to the extent it may allow for the creation of sustained value in the medium and long term and the establishment of firm mutual bonds of loyalty that do not give rise to conflicts of duties or interest.

Without prejudice to the meetings or other contacts promoted by the Company, both shareholder associations and institutional shareholders may request, through the Investor Relations and External Communication Division (or such division as assumes the duties thereof), the holding of meetings with Company representatives designated by the Board of Directors or by the chairman & CEO thereof, setting forth the specific matters to be addressed therein.

The Company will review such requests and will accommodate them when it so deems appropriate and provided that, in so doing, the provisions of this *Policy* are not violated.

In the event that the Company agrees to hold a meeting with a shareholders association or with one or more institutional shareholders, the Board of Directors or the chairman & CEO thereof shall designate, at a minimum, two representatives of the Company, who shall be informed of the specific matters to be dealt with and with whom the content of and the information that may be provided at such meeting shall be agreed, in order to avoid the transmission of information that might entail the granting of a privilege or advantage vis-à-vis the other shareholders or that might damage the corporate interest.

In addition to the foregoing, the Board of Directors or the chairman & CEO thereof may develop long-term engagement plans with shareholder associations and with those institutional shareholders that express their intent to have a stable and continued presence in the Company and may thus establish appropriate mechanisms for communication regarding the operations of the Company.

The Company shall provide information regarding the meetings to be held and the establishment of any engagement plans or communication mechanisms as provided in section 7 below.

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### 5.4. Shareholders' Club

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The Shareholders' Club actively encourages two-way interaction between the Company and the shareholders who voluntarily join such Club and are interested in such interaction.

For such purpose, among other activities, it organises events during which Company representatives and, on occasion, other notable persons, can exchange viewpoints with the members of the Shareholders' Club and discuss matters relating to corporate governance and the sustainable development strategy of the Company.

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### 5.5. Service through the Shareholder's Office

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The Shareholder's Office, managed by the Finance, Control and Resources Division, is a permanent information system through which shareholders who voluntarily register in its database can be informed of the current progress of the Group, all upon the terms set forth in the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*.

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### 5.6. Awareness-raising and Involvement Workshops

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Within the framework of the *Stakeholder Engagement Policy*, and in order to promote shareholder participation and engagement, the Company may encourage the organisation of awareness-raising and engagement workshops in thematic areas linked to the activities of the Group, mainly in the area of the Group's sustainable development strategy, in which case it shall inform shareholders through the Shareholder's Office.

## 6. Dissemination

The Company shall disseminate through the corporate website all activities intended to seek shareholder engagement in the life of the Company that are conducted in implementation of the provisions of this *Policy* and are directed to all shareholders.

The Company shall also report on the practical application of this *Policy* and the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* in the *Activities Report of the Board of Directors and of the Committees thereof*.

## 7. Coordination with the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*

All activities carried out through the participation channels described above and, specifically, the content of the information provided to the shareholders within the framework of such activities, shall be properly coordinated with the content of the information provided and the communications made by the Company pursuant to the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors*.





The internal body of the Company responsible for this coordination shall be the Investor Relations and External Communication Division, which shall rely on the support of the Finance, Control and Resources Division or of the Office of the Secretary of the Board of Directors when such support is required by the circumstances.

Additionally, the Investor Relations and External Communication Division shall periodically report to the chairman of the Board of Directors & CEO regarding the conduct of the activities carried out in implementation of the provisions of this *Policy*. The chairman of the Board of Directors & CEO shall in turn report thereon to the Board of Directors or to the Executive Committee at such intervals as he deems appropriate.

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This *Policy* was initially approved by the Board of Directors on 17 February 2015 and was last amended on 19 April 2021.



## Annex I

### Policy on Payment of Attendance Bonus at the Annual General Shareholders' Meeting

The amount of the attendance bonus per share at each annual General Shareholders' Meeting, which shall be set forth in the announcement of the call to meeting, shall not be greater than one and a half per cent of the nominal value of the share.

The shares included in the list of attendees at the annual General Shareholders' Meeting shall have the right to receive the attendance bonus. The Board of Directors, or the persons authorised thereby, may decide to pay the bonus to shares not included in the list of attendees, based on the entry of the holders thereof into the room after the preparation of said list or for other reasons beyond the control of the Company and the shareholder.

There may be an exception to the general principle of paying the attendance bonus, following a resolution of the Board of Directors, if advisable due to the financial situation of the Company or if there are objective exceptional circumstances causing the payment of such bonus not to be an effective incentive to encourage participation at the annual General Shareholders' Meeting. In this case, the decision not to pay the attendance bonus for a particular annual General Shareholders' Meeting shall be set forth in the announcement of the call to meeting thereof and the rationale for the decision shall be described during the meeting. Furthermore, the re-establishment of the attendance bonus may not be approved until the objective circumstances used as the basis for the suspension thereof cease to exist. In this case, the Board of Directors must explain the reasons motivating the decision on the payment thereof at the next General Shareholders' Meeting during which the attendance bonus is once again paid.

