

# Foundations for the Definition and Coordination of the Iberdrola Group

April 9, 2025

The Board of Directors of Iberdrola, S.A. (the “**Company**”) has the power to establish the structure of the Company and of the group of companies, of which the Company is the controlling entity, within the meaning established by law (the “**Group**”), define its organizational model and supervise compliance therewith and further development thereof.

In the exercise of these powers, and within the framework of the legal regulations and the By-Laws, and the Purpose and Values of the Iberdrola Group and the Ethical and Basic Principles of Governance and Sustainability, the Company’s Board of Directors hereby approves these Foundations for the Definition and Coordination of the Iberdrola Group (the “**Foundations**”).

## 1. Scope of Application

These Foundations apply to all of the Companies belonging to the Group, as well as to the companies in which the Company holds an equity interest that do not form part of the Group but over which it has effective control, within the limits established by legal provisions and by their respective governance and sustainability systems.

Without prejudice to the provisions of the preceding paragraph, to the extent that listed country subholding companies form part of the Group, they and their subsidiaries, under their own special framework of enhanced autonomy, may establish principles and rules that must have content consistent with the provisions of these Foundations.

To the extent applicable, these Foundations must also govern the conduct of the foundations linked to the Group.

## 2. Purpose

The purpose of these Foundations is:

- a) to define the Group’s corporate and governance structure and Business Model, which are based on a recognition of the reality of a multinational group made up of multiple companies that is diversified and efficiently organised and coordinated group for the best development of the corporate object and the achievement of the corporate interest of each of the Group’s companies; and
- b) to provide for the social media presence of the Company, the country subholding companies and the head of business or country companies (the “**Head of Business or Country Companies**”) and the main content of their respective corporate websites.

## 3. Definition of the Group’s Structure

### 3.1 General Principles for the definition of the Group’s structure

Pursuant to the provisions of its By-Laws, the Company pursues its corporate object indirectly, by owning shares or membership interests to other companies.

In this regard, the Group is configured on the basis of the separation between the functions of strategic definition, organization, coordination and supervision, on the one hand, and those of day-to-day administration and effective management of the businesses, on the other, providing itself in this respect with a decentralized structure inspired by the principle of subsidiarity and respect for the autonomy of the companies that comprise it, which do business in accordance with the highest ethical standards and in compliance with the good governance recommendations generally recognized in international markets, adjusted to their needs and particularities, in all cases respecting the industry regulations regarding the separation of regulated and liberalized activities in effect in each of the countries or territories in which the Group's companies have a presence.

Therefore, essential premises for the Group's structure are the differentiation of the functions corresponding to the Company, as the holding company of the Group, domiciled in Biscay and with Spanish nationality, from the country subholding companies established in the territories in which the companies of the Group do business, and the Head of Business or Country Companies, whether Spanish or foreign.

All of them share the principles reflected in the Purpose and Values of the Iberdrola Group and in the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group and conceive of the social dividend as the direct, indirect or induced contribution of value to their activities for their Stakeholders.

### **3.2 Corporate structure**

The corporate structure of the Group, which is an essential element of the governance and sustainability systems of the companies that make it up, is comprised of:

- a. the Company, which is configured as a listed holding company, the main function of which is to act as the entity owning the equity stakes in the country subholding companies;
- b. the country subholding companies, which in turn group together the equity stakes in the Head of Business Country Companies; and
- c. the Head of Business or Country Companies.

All of them have their own human and material resources to autonomously carry out the duties assigned thereto by the Governance and Sustainability System.

This corporate configuration is intended to favor an agile and rapid decision-making process in day-to-day administration and management, which is within the purview of the Head of Business or Country Companies, while at the same time achieving proper coordination of business activities at the Group level, as described below, as a result of the duties of organization, coordination and supervision performed by the country subholding companies and the Company and within their respective purviews.

### **3.3 Governance structure**

Based on the corporate organization, the Group's governance structure, which is a key part of the Governance and Sustainability System, is governed by the principles described below, which duly distinguish between the duties of strategic definition, organization, coordination and supervision, on the one hand, and day-to-day and effective management of the businesses, on the other:

- a. Vesting the Company's Board of Directors with powers relating to the approval of the strategic goals at the Group level, the definition of its organizational model, the supervision of compliance therewith and further development thereof, as well as those relating to decisions on matters of strategic importance at the Group

level, while fully observing the special framework of strengthened autonomy of the listed country subholding companies which d) below refers.

- b. Assumption by the chairman of the Board of Directors by the chief executive officer, with the technical support of the Operating Committee, and by the management team, together with any corresponding support committees, of the duty of organization, coordination and supervision at the Group level through the dissemination, implementation and monitoring of the overall strategy and the basic guidelines for the management thereof established by the Company's Board of Directors.
- c. The function of organization, coordination and supervision is strengthened through the country subholding companies, which perform it with respect to each of their corresponding territories, countries or businesses on the terms decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with the strategies and general guidelines at the Group level based on the characteristics, needs and particularities of their respective territories, countries or businesses.

One of the main functions of the country subholding companies is to centralize the provision of services common to their Head of Business or Country Companies, in accordance with operational efficiency standards and fully respecting the provisions of applicable law and especially the legal provisions regarding the separation of regulated activities.

In this regard, the country subholding companies facilitate the coordination of companies in which they hold an interest and are given the responsibility of ensuring compliance with legal provisions on the separation of regulated activities.

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. For this purpose, they approve rules and principles applicable to their respective subsidiary Head of Business or Country Companies and specify the application of the content of the Group-level general strategies and main guidelines, and particularly of the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group approved by the Company's Board of Directors and with Group-level coverage.

To best carry out their functions, country subholding companies have within their boards of directors at least one external director who, because of the personal and professional qualities thereof, may carry out their duties without being constrained by relationships with the companies of the Group or with the directors, significant shareholders or members of the management thereof, as well as audit and compliance committees, in addition to their own internal audit and compliance units or divisions, and, if applicable, management committees or support committees for the management team thereof.

The executive directors of each country subholding company, appointed by their respective boards of directors, shall promote the specific application of the policies, the overall strategies and the basic guidelines, and particularly the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group, for management thereof in each territory, country or business, as applicable, proposing the annual targets and budget, with the ability to represent their respective companies before domestic institutions in coordination, if appropriate, with the executive directors of the Head of Business or Country Companies in accordance with the provisions of e) above, and perform such other duties as are determined by each board of directors, always acting under the supervision thereof.

- d. The listed country subholding companies have a special framework of strengthened autonomy that mainly covers the regulatory, related-party transactions and management three areas.

In the regulatory area, the boards of directors of the listed country subholding companies are authorized to approve their own rules and other internal codes and procedures that specify, develop or make exceptions from the content of the equivalent rules of the Governance and Sustainability System that have a global scope.

In the related-party transactions area, the board of directors of listed country subholding companies have a committee of their board of directors comprised exclusively of directors without a connection to the companies of the Group other than their subsidiaries, and which have the power to approve all transactions between the listed country subholding company and the subsidiaries thereof with the other companies of the Group in addition to the authorizations generally required in each case based on the nature of each transaction.

In the management area, listed country subholding companies enjoy a system of strengthened autonomy vis-à-vis the Company, which prevents it and the other companies of the Group from giving to their management team and the management teams of their subsidiaries instructions that interfere with the exercise of the powers vested therein by the Governance and Sustainability System.

The special framework of strengthened autonomy is implemented in the respective contracts signed by the Company with each listed country subholding company.

- e. The Head of Business or Country Companies mostly have assume decentralized executive responsibilities, enjoy the independence necessary to carry out the day-to-day administration and effective management of each of their businesses, and are responsible for the day-to-day control thereof.

These Head of Business or Country companies mostly have boards of directors, which where appropriate include external directors who, because of the personal and professional qualities thereof, carry out their duties without being constrained by relationships with the companies of the Group or with the directors, significant shareholders or members of the management thereof, and have their own managing boards, and may also have their own audit committees, internal audit areas and compliance units or divisions.

The executive directors of each Head of Business or Country company are responsible for the effective management thereof under the supervision of its board of directors, to which they shall propose the objectives of the businesses and the annual budgets within the framework of the overall strategy of the businesses established at the Group level, and may represent their respective companies before national institutions if they are domiciled in a country or territory other than that of the country subholding company to which they are subordinate, on a coordinated basis with the executive director of the latter.

The provisions of the preceding paragraphs shall be without prejudice to respect for the corporate autonomy of the subsidiaries of the Head of Business or Country companies domiciled in countries or territories other than that of the Head of Business or Country Company. These subsidiaries may be vested with the effective management of their business activities within their country or territory.

### **3.4 Support Committees**

Within the framework of the Group's corporate and governance structure, the Company's Board of Directors promotes the creation and operation of committees providing support or advice to the management team.

The supporting committees, which are cross-functional and linked to strategic functions, strengthen the management bodies as centres that make effective decisions and support the Company's Board of Directors. These supporting committees linked to strategic functions have powers to supervise, manage and organise certain areas

of action. They functionally report to the corresponding head of senior management or member of the management team, and they shall maintain appropriate coordination with their counterpart committees that are created at the country subholding companies. For this purpose, specific measures may be established to ensure this coordination and the appropriate exchange of information.

In particular, among the supporting committees, as regards the Group's corporate and governance structure, the Operating Committee is an internal committee of the Company that engages in activities under the management and direction of the chairman of the Board of Directors, who decides the composition thereof based on its essential power which is to provide technical support to the chairman of the Board of Directors and to the chief executive officer in the function of organisation, coordination and supervision at the Group level in order to facilitate the development of the Business Model.

The chairman of the Board of Directors may request the appearance of the CEOs of the country subholding companies at meetings of the Operating Committee, as well as of other members of the management team of the Company, of the country subholding companies and of the head of business companies, provided that this favours appropriate coordination at the Group level. In any event, the Company's chief executive officer shall be part of the Operating Committee.

In the performance of its duties, the Operating Committee shall fully respect the autonomy of the country subholding companies and the strengthened autonomy of the listed country subholding companies, the rules governing the separation of regulated activities applicable in each jurisdiction, as well as the legal requirements of the various markets and regions in which the Group's companies do business.

### **3.5 Business model**

The corporate and governance structure of the Group referenced above achieve appropriate coordination of the activities of the respective companies that comprise it, by means of the global integration of the corporate and business areas through the Group's Business Model.

This Model is focused on maximizing the operational efficiency of the various corporate and business areas and ensures the dissemination, implementation and monitoring of the overall strategy and the basic management guidelines established for each of them. These goals are achieved without undermining the corporate autonomy of the Group's companies or the requirements imposed on their directors by legal provisions and those arising from their respective governance and sustainability systems.

As part of the Business Model, with the purpose of maximizing the generation of synergies and their exploitation by each of the companies of the Group, the Company's Board of Directors promotes, within the framework of the duties assigned thereto, the creation and operation of support committees for specific corporate or business areas, which encourage the development in each country or territory of local corporate business or activities in accordance with the strategy and the global guidelines, disseminate and coordinate technological and operational practices at the Group level and endeavor to ensure the existence of certain quality levels, guidelines and homogeneous standards of conduct in a specific area, as well as the exchange of information and sharing of best practices.

These committees can approve global guidelines and recommendations, propose initiatives for improvement and favor the exchange of information, thus allowing the effective performance of their duties of strategic supervision, organization, coordination, supervision, management and dissemination, as applicable, all without undermining the corporate and decision-making autonomy of the other companies of the Group.

## **4. Presence on Social Media and Corporate Websites**

The Company, the country subholding and the Head of Business or Country companies shall have a presence on the internet, and in particular shall actively participate in social media in order to engage with their respective Stakeholders, working together on the innovation and digital transformation strategy at the Group level.

For these purposes, the Company, the country subholding companies and Head of Business or Country companies shall have their own identity on social media and their corporate website, the contents of which must be managed in accordance with the guidelines established for such purpose by the Company, and for each territory, country or business by the country subholding companies, if applicable.

The country subholding companies and Head of Business or Country Companies shall adopt the measures necessary to avoid their corporate websites being confused with that of the Company.

The corporate websites of the Company, the country subholding companies and of the Head of Business or Country Companies shall be structured around specific sections intended to identify the corresponding company and its activities, describe its relationship with the other companies of the Group and its position regarding natural and social capital, corporate governance and social market economy, and promote its relations with communities and with the other relevant Stakeholders, fostering their engagement and strengthening their identification with the Company.

## **5. Implementation and Monitoring**

For the implementation and monitoring of the provisions of these Foundations, the Company's Board of Directors has the cooperation of the Office of the General Secretary and Secretary of the Board of Directors, which will coordinate with the corresponding areas, divisions and functions of the country subholding companies to implement these powers.

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These *Foundations* were approved by the Board of Directors on 25 February 2025 and were last amended on 25 March 2025.