

Stakeholder Engagement Policy

December 23, 2024

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**”).

The *By-Laws*, the *Purpose and Values of the Iberdrola Group*, the *General Sustainable Development Policy* and the other corporate policies express the Company’s focus on the creation of shared sustainable value with its shareholders and taking into consideration the other Stakeholders related to its business activity and its institutional reality, in accordance with the commitments made in the *Code of Ethics*.

It is not possible to achieve the social interest and develop a responsible and sustainable business model without the strong engagement in its enterprise of the Company’s Stakeholders, which are defined as those groups and entities whose decisions and opinions have an influence thereon and who, at the same time, are affected by its activities.

The Company makes the commitment to involve all of its Stakeholders in the social dividend generated by its activities, whether directly or in cooperation with foundations linked to the Group, which dividend is understood as the contribution of value that its activities entail for them, particularly including the advancement of business communities which the Company participates in and leads, both from the economic viewpoint and from the perspective of business ethics, the promotion of diversity, equality, inclusion, the sense of belonging and justice, the encouragement of innovation and protection of the environment, the generation of quality employment that ensures equal opportunity and non-discrimination in people management, as well as leadership in the fight against climate change.

This social dividend measures the positive direct, indirect and induced economic, social and environmental impacts of the Company’s activities included in the company object for all of its Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (“**SDGs**”) approved by the United Nations (UN) and its commitment to the best environmental, social and corporate governance practices.

The Company’s Stakeholders have a leading role in its corporate reputation, which is understood as their set of perceptions regarding a company. These perceptions are quite important, as they determine the decisions of the Stakeholders to invest, purchase or make recommendations, which directly affect the long-term sustainability of a company.

In line with the foregoing, one of the main principles of the *Reputational Risk Framework Policy* is to proactively manage the Company’s Stakeholders in order to include their expectations within the management of the Group’s companies and to mitigate the related risks, all through the *Global Stakeholder Engagement Model of the Iberdrola Group* (the “**Global Engagement Model**”).

Furthermore, appropriate management of the Company’s Stakeholders decisively contributes to the achievement of the purpose of the *Policy on Respect for Human Rights*, which is to formalize the commitment of the Group’s companies to the human rights recognized under domestic and international law and to define the general principles that will be applied within the boundary of the Group for due diligence in the human rights area.

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

1. Purpose

The purpose of this *Policy* is to establish the general framework for the relations of the Group’s companies with their respective Stakeholders within the framework of their activities and operations, in order to:

- a. continue encouraging the engagement of the Stakeholders in the relevant company's respective business enterprise through the creation of shared sustainable value for all of them;
- b. continue responding to the legitimate interests of the Stakeholders with which the Group's company interacts;
- c. continue building trust among the Stakeholders in order to build close, long-lasting stable and robust relationships;
- d. encourage the recognition by the Stakeholders of the commitment of the Group's companies to diversity in the broad sense, particularly in all matters regarding the professional development of their workforce; and
- e. contribute through all of the above to maintaining the corporate reputation in the various countries and businesses in which the relevant company of the Group does business.

The Company's Board of Directors may approve other corporate policies addressing specific Stakeholders.

2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

The contents of this *Policy* must also govern the conduct of the foundations linked to the Group.

3. The Company's Stakeholders

The value chain made up of the activities carried out by the Company means that its Stakeholders are quite numerous. Therefore, for purposes of this *Policy*, the Stakeholders are grouped into the following categories:

- Iberdrola's people.
- Shareholders and the financial community.
- Customers.
- Communities.
- Supply chain.
- The environment.

These Stakeholders are in turn divided into other categories, the Sub-stakeholders, made up of various groups and entities, which allows the management of the relationships to be adjusted to specific and local realities, needs and expectations, in many cases relating to the facilities of the Group's companies.

4. Basic Principles

The companies of the Group accept and promote the following basic principles to engage and establish relations of trust with their respective Stakeholders:

- a. **Responsibility:** act responsibly and build relationships based on ethics, integrity, sustainable development, and respect for human rights and the communities affected by the various activities of the Group's companies.
- b. **Transparency:** ensure transparency in relationships, and in financial and non-financial communications, sharing truthful, sufficient, relevant, complete, clear, reliable and useful information.
- c. **Active listening:** practice active listening, encouraging bi-directional and effective communication as well as direct, fluid, constructive, diverse, inclusive and intercultural dialogue.
- d. **Participation and engagement:** encourage the participation and engagement of the Stakeholders in the activities of the relevant Group company, promoting voluntary consultation processes or similar channels of interaction in application of the law of each country, and especially in the planning, construction, operation and decommissioning of the power projects of the Group's companies.
- e. **Consensus:** work towards consensus with the Stakeholders, especially with local communities and indigenous populations, taking their viewpoints and expectations into consideration.
- f. **Collaboration:** promote collaboration with the Stakeholders, in order to contribute to compliance with the *Purpose and Values of the Iberdrola Group* and to contribute to the achievement of the SDGs.
- g. **Continuous improvement:** seek continuous improvement, regularly reviewing Stakeholder engagement mechanisms to ensure that they respond in the most efficient way possible to the needs of each moment.

The foregoing principles shall be supplemented by the provisions of law and the Governance and Sustainability System, and particularly by the provisions of the *Shareholder Engagement Policy* in the case of engagement of the Company's shareholder in corporate life.

The Company shall establish communication channels to promote the foregoing basic principles and involve its Stakeholders in its activities, as well as to strengthen their engagement and identification with the Company. These channels may be general, such as the corporate website, social media, digital media and applications and consultation procedures, or specific, i.e. for interaction with a particular Stakeholder.

5. Responsibilities in the Management of Stakeholder Engagement

From the corporate governance standpoint, the Company's Board of Directors is vested with the power to approve and supervise the overall strategy on engagement with the Stakeholders of the Group's companies, endeavoring to ensure the proper coordination thereof.

To this end, the Company's ESG Division (or such division as assumes the duties thereof), through the Stakeholder and Reputation Unit (or such unit as assumes the duties thereof), galvanises and coordinates the actions required to comply with this *Policy* and with the *Global Engagement Model*, as well as to promote best practices in this area.

Pursuant to the Group's organizational structure, inspired by the principle of subsidiarity, the country subholding companies and the head of business companies, within their purviews, are responsible for implementing the strategy regarding Stakeholder engagement and the *Global Engagement Model*, as well as maintaining direct discussion and dialogue therewith, especially those who act within the environment of the facilities of their businesses. For all of the foregoing reasons, the country subholding companies and the head of business companies shall be endowed with the resources and structure necessary for them to carry out these activities.

Country subholding companies may also entrust to foundations with which they have agreements the implementation of general interest and sustainable development activities previously defined by the Company, which contributes to improving relations and dialogue with the Company's Stakeholders, under the coordination of the Foundations Committee, and without prejudice to the autonomy and independence of said foundations to achieve their purposes.

6. Global Stakeholder Engagement Model

In 2016, the Company approved the *Global Engagement Model* based on the International AA1000 AccountAbility standard, among other things, to comply with the provisions of this *Policy*.

The *Global Engagement Model*, which is implemented within the companies of the Group using a shared digital application, contains the principles and provides the guidelines that, on the one hand, ensure that their engagement with their respective Stakeholders is homogeneous while respecting the particularities of each country, territory and business, and on the other, establish the mechanisms required to ensure that the Stakeholders of the Group's companies have sufficient capacity to engage therewith.

The main characteristics of the *Global Engagement Model* are the following:

- a. It is a guide to perform the segmentation of the Stakeholders, the identification of Sub-stakeholders, and the prioritization of the latter, based on the impact and influence of the Group's companies on the Stakeholders, as well as the Stakeholders' impact and influence on the Group's companies.
- b. It contains guidelines to ensure that the Stakeholders have sufficient capacity to communicate with the relevant Group company, through regular evaluation of the available channels and the characteristics thereof (number, type and frequency of use) by the persons in charge of them. The channels are constantly evolving to adjust to the needs and realities of each moment and to maximize their effectiveness in establishing close, long-lasting, stable and robust relationships.
- c. It provides guidelines to identify and prioritize relevant issues (needs and expectations) for each Stakeholder, as well as to identify and manage the impacts, risks and opportunities related to these significant issues, all in relation to the Company's contribution to achieving the SDGs. In the case of risks, their management depends on their evaluation in terms of probability, severity and the existence of related reputational risks.
- d. It contains the main guidelines to design and monitor action plans that respond to issues that are significant for the Stakeholders based on an assessment of the risks and opportunities thereof, while improving communication and relations therewith.
- e. It allows for knowing the impacts of the actions in relation to the Stakeholders, maximizing positive impacts and mitigating those that are negative.
- f. It identifies future trends relating to the expectations of the Stakeholders, as well as good practices to be shared throughout the companies of the Group.

In order to implement the *Global Engagement Model*, there is a network of persons at each of the country subholding companies in charge of extending and properly applying it. Any Sustainable Development and Reputation Committees created within each of the country subholding companies (or such committees as assume the duties thereof) will also report to the Company's Corporate Sustainable Development and Reputation Committee (or such committee as assumes the duties thereof) on the results achieved.

A global working group called the "Iberdrola Stakeholders' Hub" and the Company's Corporate Sustainable Development and Reputation Committee (or such committee as assumes the duties thereof) evaluate the implementation of the *Global Engagement Model* and the results of the process.

The Stakeholder engagement results of the Group's companies are mainly disclosed through the communication strategy, the corporate website and the presence of the Company, the country subholding companies and the head of business companies on social media, as well as the various reporting elements, including the statement of non-financial information and the integrated report.