



# Integrated Report

March 2025



# Letter from the Chairman

In a context still marked by geopolitical tensions and volatility, 2024 saw the consolidation of all the foundations of the project for growth and sustainable creation of value that we have been building for more than two decades.

The energy crisis experienced in Europe due to dependence on fossil fuels has shown that electrification is the most effective way to guarantee security of supply, reinforce energy autonomy and strengthen competitiveness while protecting the natural environment. In addition, the massive application of advances in digitalisation and artificial intelligence will add a new source of growth in electricity demand to those generated by other technological advances, from heat pumps for air conditioning in buildings and industry to electric vehicles in transport.

We have once again anticipated this scenario by beating our investment record in 2024, with more than EUR 17 billion invested, two-thirds of which went to the UK and the US, both in organic growth and in the acquisitions of the UK distributor Electricity North West and the 18% we did not previously own in our US subsidiary, Avangrid.

As a result of these two transactions and the activity carried out in all our markets, network infrastructures have been the main focus of our investments, with EUR 11.2 billion invested, more than doubling the investments of the previous year.

Through these investments we have continued to expand, strengthen and digitalise our distribution networks in the United States, the United Kingdom, Spain and Brazil, and we are constructing major transmission projects, such as the Eastern Green Link submarine power line, which will link England to Scotland across the North Sea, and the NECEC project, which will transport electricity from Quebec to Massachusetts.

Investments in renewable energy and storage reached EUR 5.5 billion, mainly in offshore wind, a technology used in the offshore wind farms completed in Saint Brieuc, in France, and Baltic Eagle, in Germany, while we have continued to build Vineyard Wind in the United States and East Anglia THREE in the United Kingdom. We have also commissioned pumped hydro

storage facilities at Alto Tâmega in Portugal and Valdecañas and Valparaíso in Spain, as well as dozens of onshore wind and solar projects in several countries.

This unprecedented investment effort has also led to a record net profit of EUR 5,612 million, up 17%, which will enable the Board of Directors to propose a 15% increase in the dividend to EUR 0.635 per share at the upcoming General Shareholders' Meeting.

In line with this growth and our future outlook, Iberdrola's market capitalisation in 2024 also reached an all-time high of EUR 90 billion, consolidating our position as the largest electricity company in Europe and one of the two largest in the world today.

## Commitment to the social dividend

But, as we have shown throughout our century-long history, any expansion in Iberdrola's business activity must translate, in addition to quality service for our customers, into the creation of well-being, wealth and employment for millions of people in all locations where we do business.

This commitment, which is shaped through the concept of social dividend, materialised in more than 6,000 new professionals joining our workforce, which now exceeds 42,200 people, in 2024; making purchases worth EUR 18 billion from thousands of suppliers who employ more than 500,000 professionals worldwide; and contributing EUR 10.3 billion to the public coffers of all the countries in which we have a presence, making a fully responsible contribution to maintaining public services.

In addition, we have stepped up our commitment to innovation in order to anticipate trends and improve our technology and processes to respond to the new needs of our customers. The EUR 400 million invested in this area has again made us the private electricity company that invested the most in R&D in the world in 2024, according to the European Commission.

This commitment to continuous improvement has also led us to reduce our CO<sub>2</sub> emissions yet again this year, to just 38 grams per kWh in Europe, five times lower than the industry average.

In terms of talent, we have continued to promote initiatives aimed at training our workforce, with 74 hours of training per employee per year. We have also further strengthened our training programmes, from the International Master Scholarship Programme to the Brazilian Electrician Schools, which have been recognised at the Davos Forum for their efforts to create true equal opportunities through the integration of women in a sector traditionally dominated by men.

And we can proudly say for another year that the strong growth of our corporate volunteering programme has continued: in 2024, 22,700 employees and family members dedicated their free time to projects in education, sustainability and support for local communities, strengthening their social fabric and improving their quality of life.

However, if anything characterised the past financial year, it was the impeccable conduct of Iberdrola's men and women in emergency situations in various countries. The storms that affected different regions in the United States, the United Kingdom, Brazil and Spain, in particular the DANA suffered in Valencia, were the scene for the professionalism, dedication and generosity of so many of our colleagues who helped restore electricity service as quickly as possible. In Valencia, while supply was being restored, we are already working on the Il-lumina Plan, to which we will allocate EUR 100 million to rebuild damaged infrastructure and reduce the vulnerability of the grid to future contingencies or climate events.

### **Outlook for 2025: electrifying the future**

We are therefore moving into 2025 with a solid business position and fully faithful to the values and social commitment that have guided us from the outset. These are the best foundations to face a future characterised by the consolidation of electrification as a major trend that will transform the energy system and drive growth, competitiveness and employment.

According to the International Energy Agency, global electricity demand is expected to increase by an unprecedented 4% per year over the next three years, reaching 3,500 TWh in 2027. This will add the equivalent of consumption in Japan every year as a result of increased electricity use in industrial production, air conditioning, transport, data storage and artificial intelligence.

In order to take advantage of the opportunities this scenario presents in all our markets, in 2025 we plan to invest EUR 12.5 billion to develop additional electricity grids, expand our renewable capacity and commission new energy storage facilities.

The corporate transactions completed in 2024 will allow us to accelerate our growth in regulated network businesses, especially in the UK and the US, where we also expect a strong increase in organic investments in transmission and distribution.

With regard to generation, we will continue to make progress on our offshore wind projects in Germany, the UK and the US, where we expect to complete construction of the Vineyard Wind farm, and we will commission new capacity in onshore wind and solar technologies.

At our next Capital Markets Day, which will take place in September, we will provide all the details on the Group's operational and financial projections for the coming years, in which we expect to consolidate our global leadership through sustained growth in earnings and dividends and by maintaining our financial strength.

And, of course, we will continue to be a driving force for progress, modernisation, investment and commitment, as we have demonstrated throughout our history. Just a year away from our 125th anniversary, Iberdrola is facing 2025 with the same determination that has always guided us to create a fairer, more fraternal, supportive and sustainable world for the benefit of all.

**Ignacio S. Galán**  
Chairman

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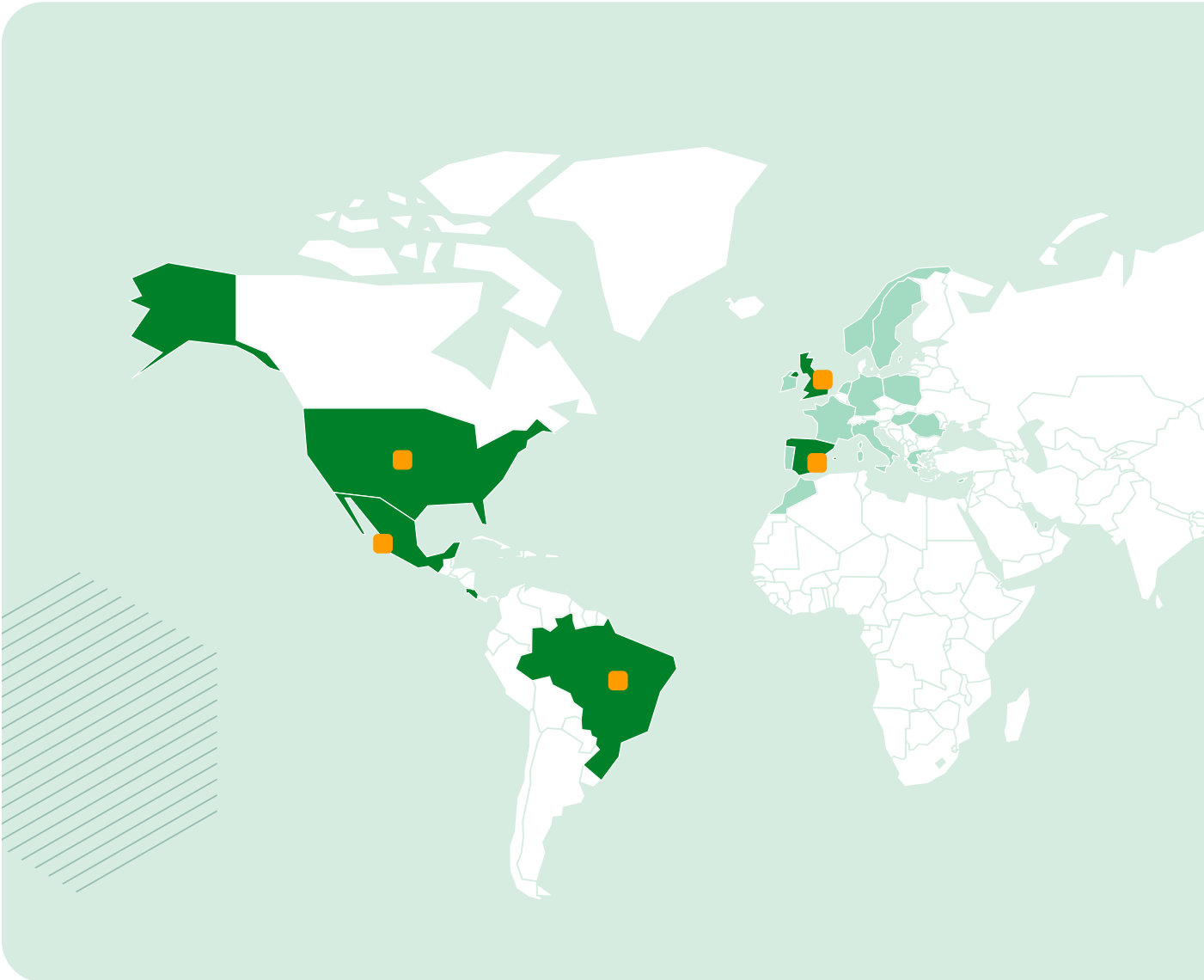
## A global leader

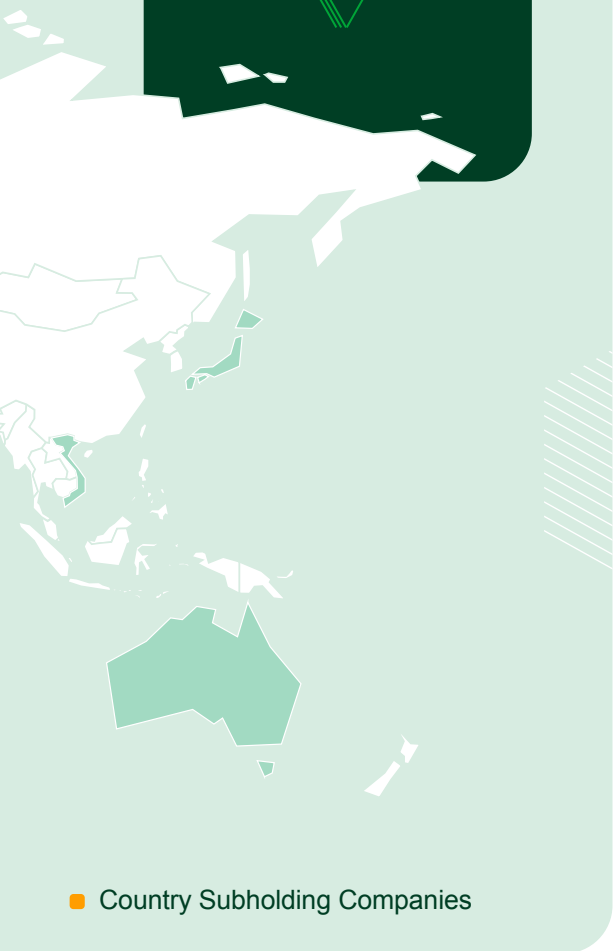
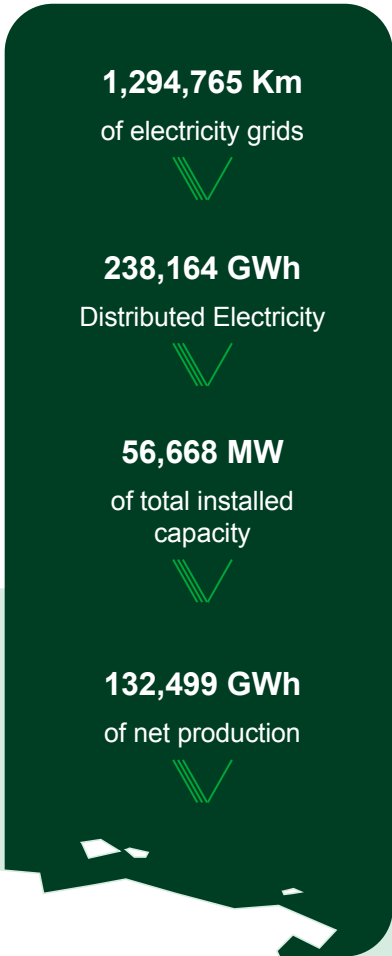
The Iberdrola Group is a **global leader** in clean energy, networks and storage. A company that is now **stronger, more sustainable** and **more diversified** than ever.

Iberdrola has been at the **forefront of progress in the energy sector for more than two decades**, developing a business model that focuses on investments in networks, the promotion of higher-value renewables, the expansion of storage capacity and the optimisation of the customer portfolio for the benefit of all.

The Group supplies energy to almost **100 million people in dozens of countries**, employs more than **42,200 people**, and has assets in excess of **EUR 160 billions** as at 31 December 2024.

### Iberdrola in the world





### Key performance indicators in 2024

✓
€
🌱

- | **Gross investment of € 17,000 M**
- | **Net profit of € 5,612 M**
- | **Total dividend of € 0.635 /Share <sup>(1)</sup>**
- | **€ 49,000 M of RAB <sup>(2)</sup>**
- | **New renewable installed capacity of 2,600 MW**
- | **Emissions of 38 gCO<sub>2</sub>/kWh in Europe, 5 times lower than the industry average**
- | **84% emission-free installed capacity**

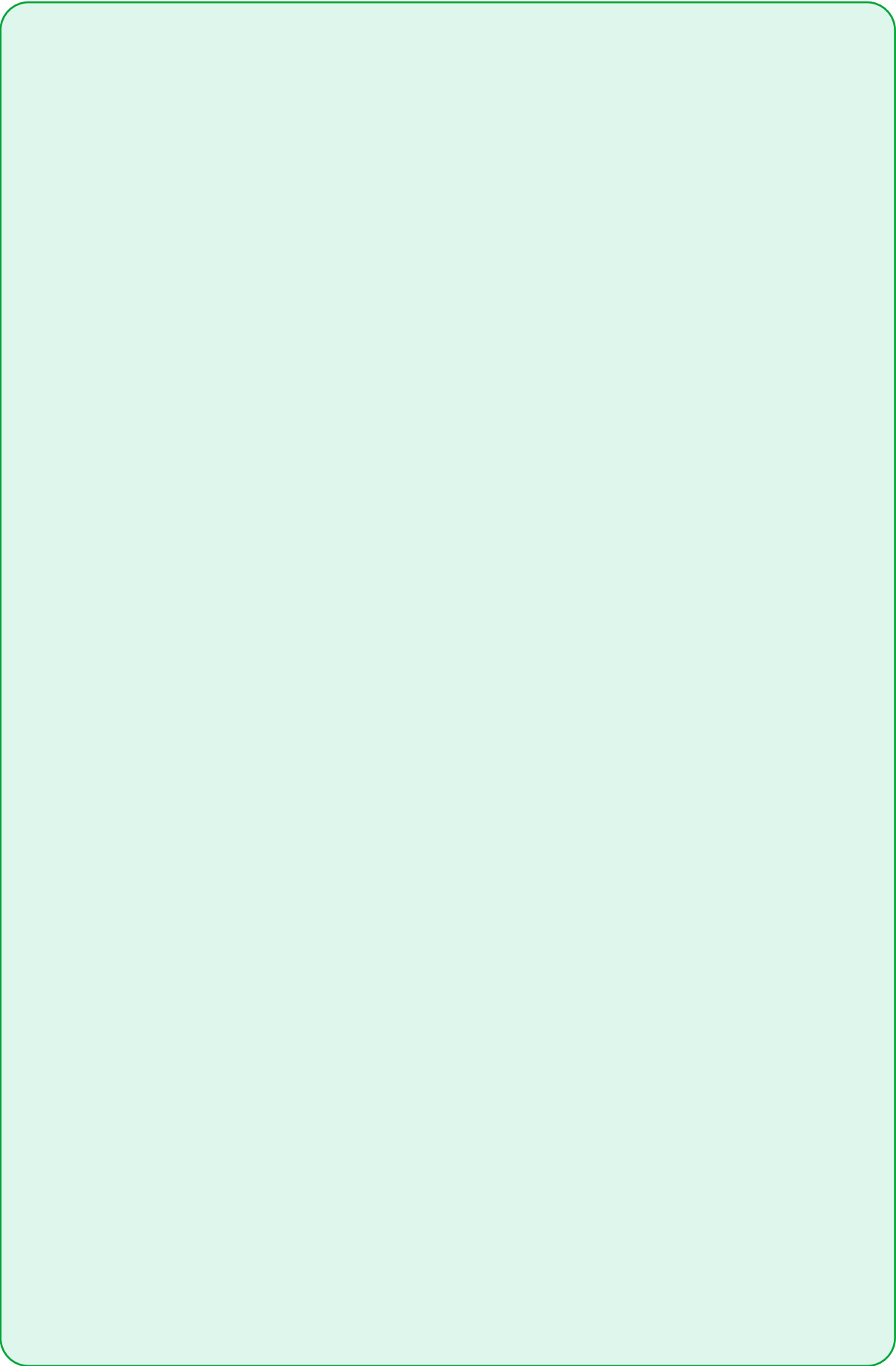
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- | **€ 18,000 M in purchases from suppliers**
- | **Tax contribution of € 10,300 M**
- | **Contribution to society of € 56.7 M: foundations and others**
- | **More than € 400 M for investment in innovation**

✓
👤
🌍

- | **More than 42,200 employees**
- | **Jobs in our value chain: over 500,000 people <sup>(3)</sup>**
- | **100 million customers served**

(1) Proposal subject to the approval of the final dividend by the General Shareholders' Meeting and excluding the engagement dividend.  
 (2) Considering organic investments and acquisitions of ENW & AGR.  
 (3) PwC study "Economic, tax, social and environmental impact of the Iberdrola Group worldwide" (prepared with 2023 data)





# Iberdrola today

- Purpose and values
- Activities
- Company performance
- Key figures
- International presence
- Milestones in 2024
- Comparative results and recognitions



## Purpose and values

The Iberdrola Group is an agent and driver of sustainable development. Therefore, the **corporate purpose** addresses the **needs of the present and the future** to respond to major economic, social and environmental challenges, reflecting the **expectations of Stakeholders** and defining the Group's role as an **agent of social change** and transformation in the **energy sector**.

**“Continue building, every day and together, a more electric, healthy and accessible energy model”**



















This purpose guides the Group to:



### A purpose aligned with sustainable development:

- A **real and global energy transition** based on the electrification of the energy sector, in particular, and the economy as a whole, in general, contributing to the fight against climate change and to the generation of new opportunities for sustainable development.
- An **energy model based on electricity**, which abandons the use of fossil fuels and spreads the use of renewable energy sources, efficient energy storage, smart grids and digitalisation.
- An **energy model that is healthier for people**, whose short-term health and well-being depends on the environmental quality of their surroundings.
- The drive towards **more accessible overall well-being for everyone** and towards creating a society that favours inclusion, equality, equity and development.
- An **energy model built in partnership with all the agents** involved and with society as a whole, which provides safe, competitive and autonomous energy and electricity.


To achieve this purpose, the Iberdrola Group has condensed the **values of the Group's companies** into the following concepts:

 <p><b>Sustainable energy</b></p>  <p><b>To create value</b></p> <p>We strive to serve as an inspirational model for the present and the future, creating economic, social and environmental value through:</p>	 <p><b>Integrating force</b></p>  <p><b>To grow talent</b></p> <p>Because we use our strength and responsibility to unite diverse talent around a common corporate purpose. We are committed to:</p>	 <p><b>Driving force</b></p>  <p><b>To evolve without rest</b></p> <p>We make significant differences to improve people's lives through efficiency and demanding standards. We are committed to continuous improvement and therefore rely on:</p>
<div style="border: 1px solid green; padding: 5px; margin-bottom: 5px;"> <b>Safety</b></div> <div style="border: 1px solid green; padding: 5px; margin-bottom: 5px;"> <b>Ethics</b></div> <div style="border: 1px solid green; padding: 5px; margin-bottom: 5px;"> <b>Responsibility</b></div> <div style="border: 1px solid green; padding: 5px;"> <b>Transparency</b></div>	<div style="border: 1px solid blue; padding: 5px; margin-bottom: 5px;"> <b>Equal opportunities</b></div> <div style="border: 1px solid blue; padding: 5px; margin-bottom: 5px;"> <b>Empathy</b></div> <div style="border: 1px solid blue; padding: 5px; margin-bottom: 5px;"> <b>Dialogue</b></div> <div style="border: 1px solid blue; padding: 5px;"> <b>Solidarity</b></div>	<div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> <b>Innovation</b></div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> <b>Effort</b></div> <div style="border: 1px solid orange; padding: 5px; margin-bottom: 5px;"> <b>Anticipation</b></div> <div style="border: 1px solid orange; padding: 5px;"> <b>Simplicity</b></div>

# Activities

## 1 World leader in smart grids

 **Electricity transmission and distribution.**

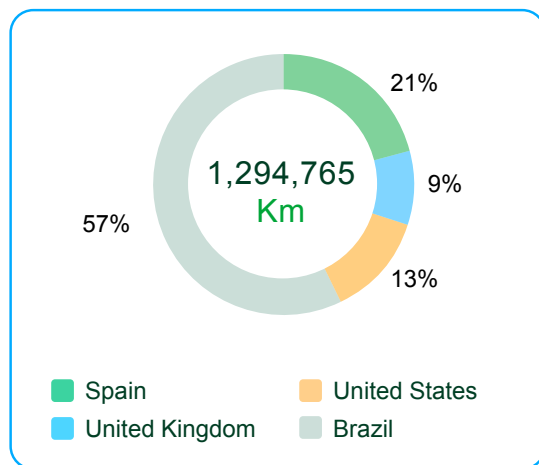
 **Building, operating and maintaining lines**, substations, transformer stations and other infrastructure to bring electricity from production centres to end users and to incorporate distributed generation.

### Total electricity networks<sup>(1)</sup>




<b>20,262 km</b> of overhead transmission lines	<b>1,213 km</b> of underground transmission lines
<b>1,071,034 km</b> of overhead distribution lines	<b>202,060 km</b> of underground distribution lines
<b>196 km</b> of undersea transmission lines <sup>(2)</sup>	



### Kilometres of lines

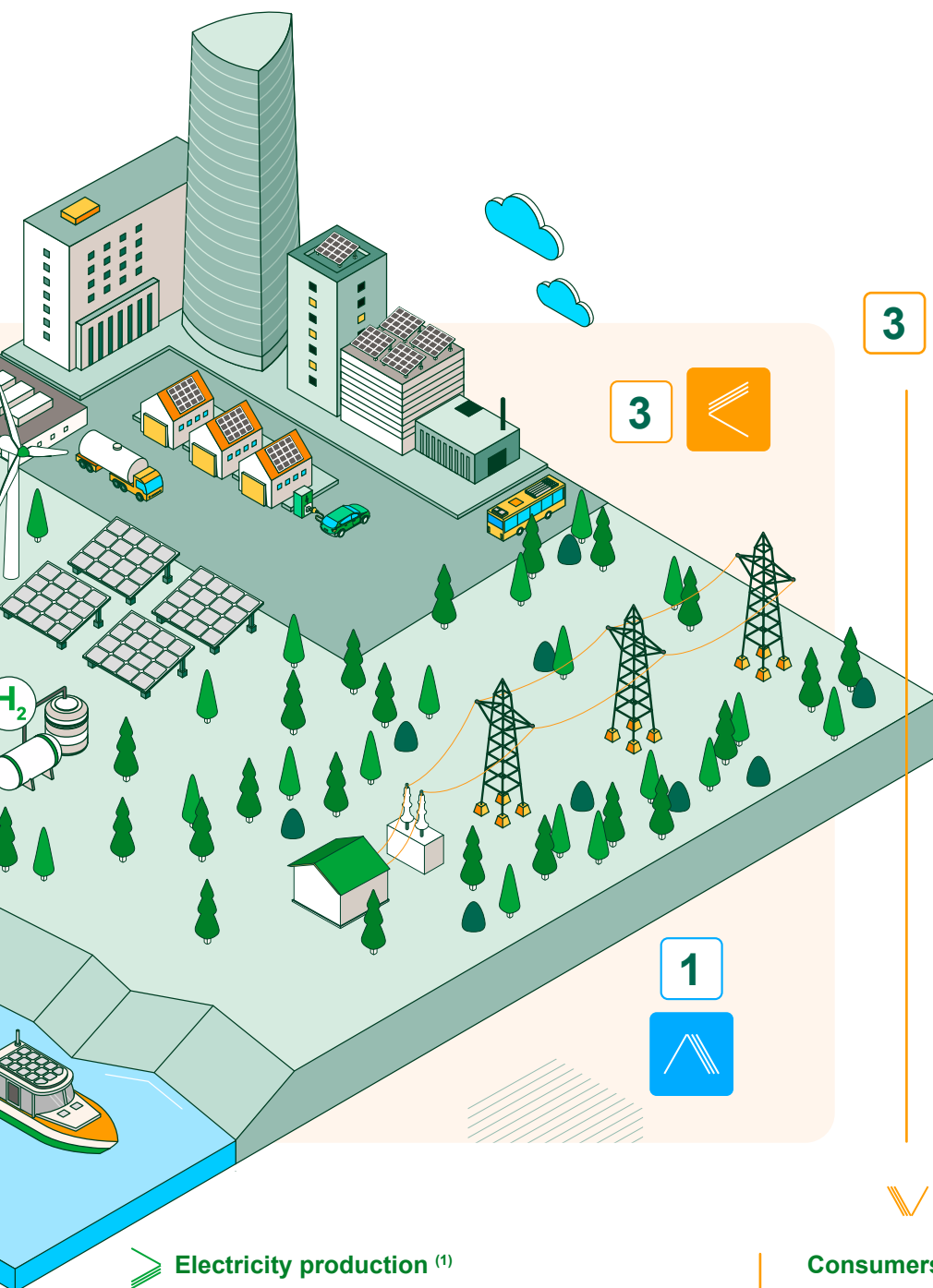


## 2 Leaders in clean energy

-  **Renewable electricity generation** (onshore and offshore wind, photovoltaic and hydroelectric), as well as other energy sources.
-  **Large-scale storage**, through pumped hydroelectricity, and in other battery-based generation assets.
- H<sub>2</sub>** Technologies such as **green hydrogen** (generated from clean sources of energy).
-  Construction, operation and maintenance of all power generation facilities.

(1) As at 31 December 2024

(2) The 2024 figure is final, whereas the figure for 2023 is from the initial project files (estimated km).



3

### Solutions and service for our customers

 Supply of electricity to end users.

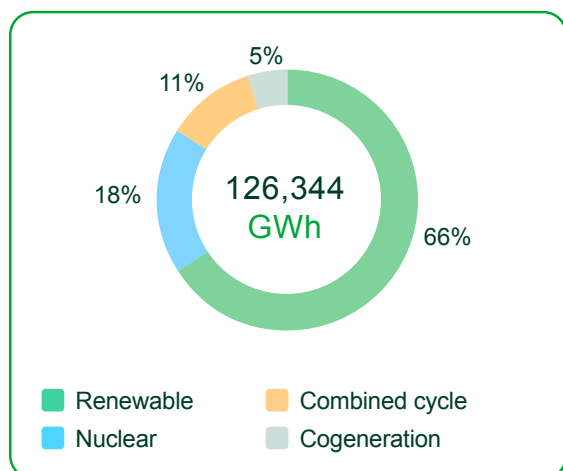
 Energy products and services for our customers: with intelligent and innovative (Smart) solutions in the following areas:

**Residential** with services like energy storage, heat pumps, self-consumption, electric mobility, solar, etc.

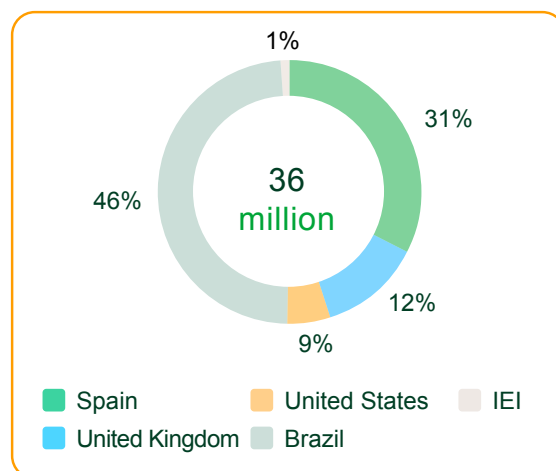
**Industrial** offering comprehensive management of energy facilities and supplies, like Green H2, industrial heat, etc.

1

#### Electricity production <sup>(1)</sup>



#### Consumers <sup>(2)</sup>

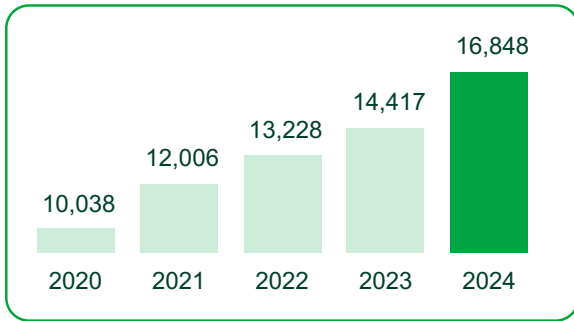


(1) The percentages have been calculated based on own production

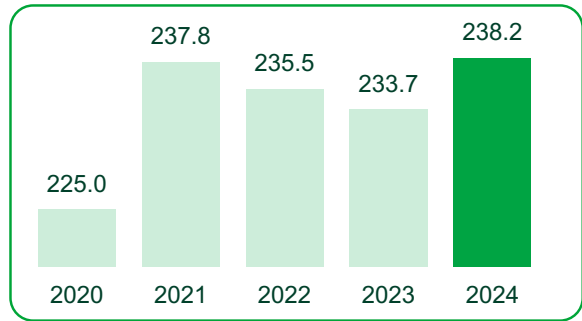
(2) Consumers; for electric power, total number of customers is used where there are areas of electricity distribution and retail, and supply points are used for the other areas. For gas: the total number of gas customers is used, except for the United States, where the total number of supply points is included. Electricity and gas customers of the IEI segment depend on Iberdrola Clientes Internacional, S.A., a subsidiary of the country subholding company Iberdrola España, S.A. \*\* There may be differences between the totals due to rounding

## Company performance

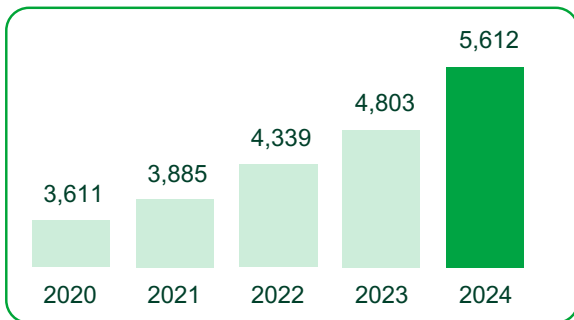
**EBITDA (€M)**



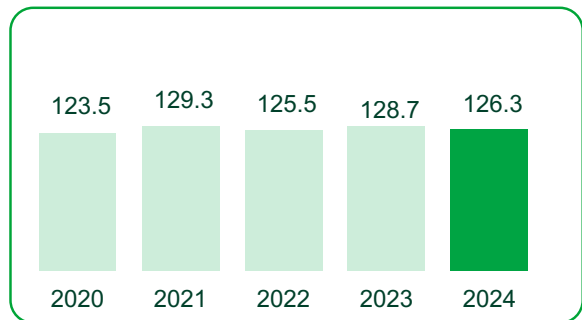
**Distributed electricity (TWh)**



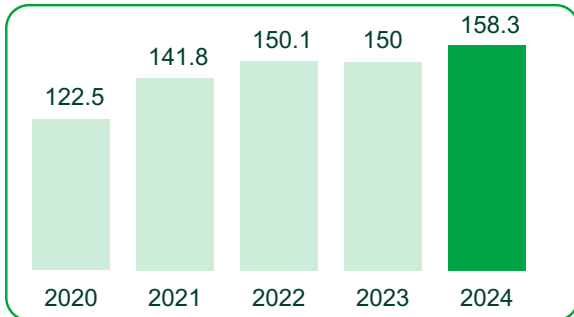
**Net profit (€M)**



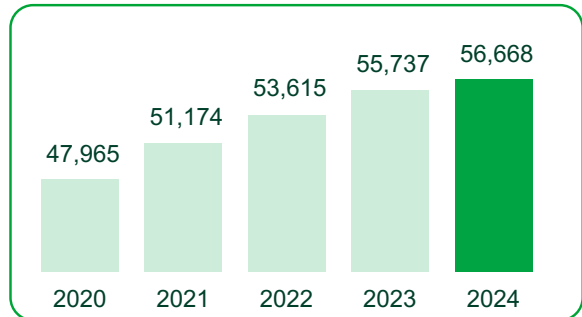
**Net production (TWh)**



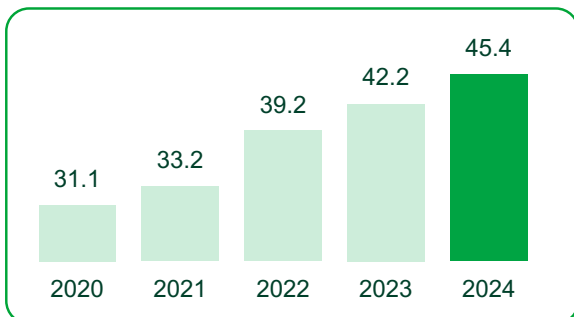
**Total assets (€ billion)**



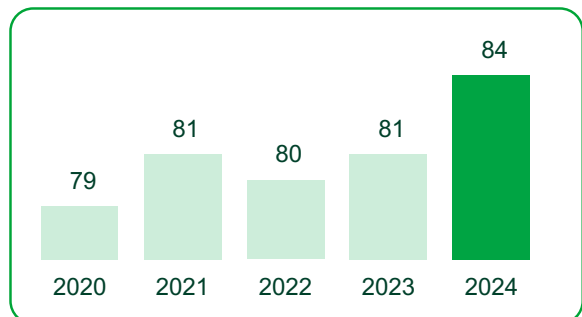
**Total installed capacity (MW)**



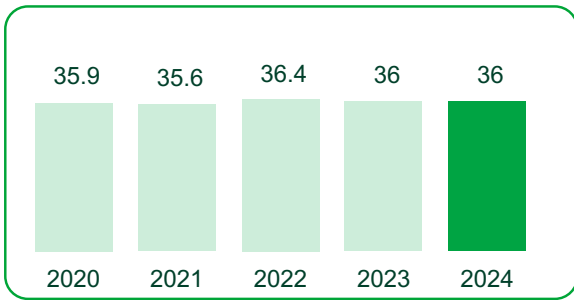
**Networks Business asset base (€ billion)**



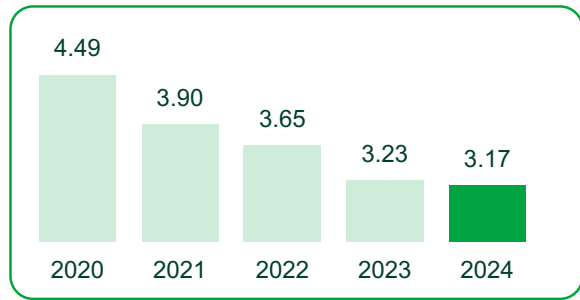
**Own emission-free installed capacity (%)**



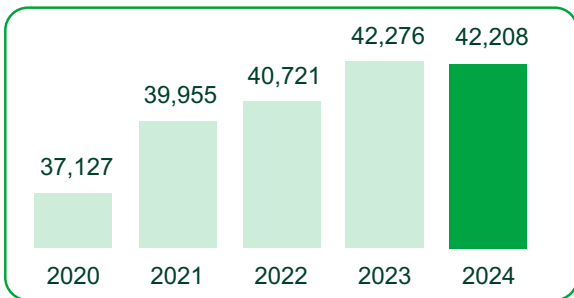
**Consumers (millions)**



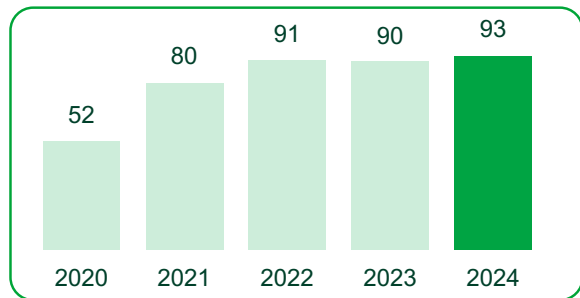
**Rate of work-related injuries (own workforce) <sup>(1)</sup>**



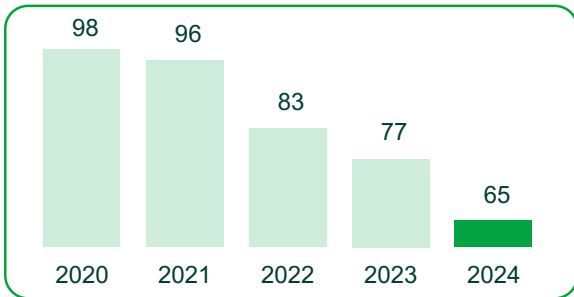
**Employees**



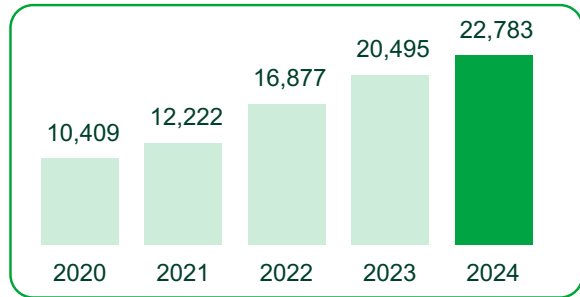
**Purchases from sustainable suppliers (%)**



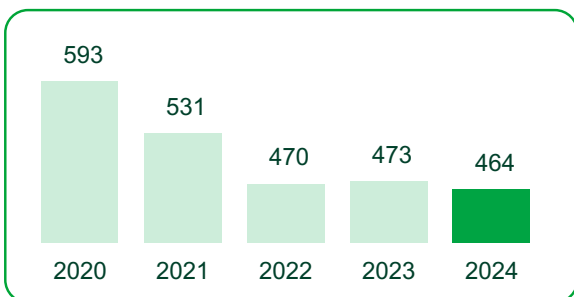
**Own specific CO<sub>2</sub> emissions (t / GWh)**



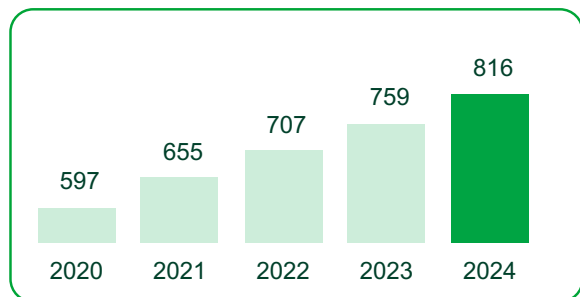
**Number of volunteers**



**Water use vs. overall production (m<sup>3</sup> / GWh)**



**Contribution to society B4SI (€M) <sup>(2)</sup>**



(1) Rate of recordable work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [1,000,000]  
 (2) Cumulative millions of euros

## Key figures

## Financial performance

Financial performance (€M)						
	2020	2021	2022	2023	2024	Δ annual average 2020-2024 (%)
<b>Revenue</b>	33,145	39,114	53,949	49,335	<b>44,739</b>	7.8
<b>Gross margin</b>	16,145	17,062	20,199	23,302	<b>23,876</b>	10.3
<b>Gross Operating Profit (EBITDA)</b>	10,038	12,006	13,228	14,417	<b>16,848</b>	13.8
<i>Amortisation/depreciation and provisions</i>	(4,227)	(4,474)	(5,244)	(5,444)	(7,119)	(13.9)
<b>Net Operating Profit (EBIT)</b>	5,564	7,343	7,984	8,973	<b>9,729</b>	15.0
<i>Financial income</i>	(991)	(1,003)	(1,838)	(2,187)	(1,575)	(12.3)
<i>Profit/(loss) from equity accounted investees and net income from discontinued operations (net of tax)</i>	461	(74)	75	218	(56)	--
<b>EBT and net profit from discontinued operations (net of tax)</b>	5,034	6,266	6,221	7,004	<b>8,098</b>	12.6
<i>Corporate income tax</i>	(1,083)	(1,914)	(1,161)	(1,610)	(2,150)	(18.7)
<i>Minority interests</i>	(341)	(467)	(721)	(591)	(336)	0.4
<b>Net profit</b>	3,611	3,885	4,339	4,803	<b>5,612</b>	11.7
<b>Total assets</b>	122,518	141,752	150,114	150,033	<b>158,293</b>	6.6
<b>Shareholders' equity</b>	47,219	56,126	58,114	60,292	<b>61,051</b>	6.6
<b>Gross investments</b>	9,246	9,940	10,730	11,382	<b>11,946<sup>(1)</sup></b>	6.6
<b>Funds from Operations (FFO)</b>	8,292	8,993	11,123	11,096	<b>11,836</b>	9.3
<b>Adjusted net bank borrowings</b>	35,142	39,119	43,749	47,832	<b>51,672</b>	10.1

(1) Total gross organic investment. Considering inorganic investments (ENW + Avangrid + Others), total investment amounts to €16,879 M



Financial ratios						
	2020	2021	2022	2023	2024	Δ annual average 2020-2024 (%)
EBITDA margin (EBITDA/Revenue) (%)	30.3	30.7	24.5	29.2	<b>37.7</b>	5.6
Net Profit Margin (Net Profit/Revenue) (%)	10.9	9.9	8.0	9.7	<b>12.5</b>	3.5
Net Operating Expense/Gross Margin (%)	26.5	24.8	25.8	26.3	<b>25.5</b> <sup>(1)</sup>	(1.0)
Adjusted Net Financial Debt/adjusted EBITDA (times) <sup>(2)</sup>	3.5	3.2	3.3	3.3	<b>3.4</b>	(0.7)
Adjusted net leverage (%)	42.3	41.0	42.8	44.2	<b>45.4</b>	1.8
Adjusted Funds from Operations (FFO)/Adjusted Net Financial Debt (%)	23.6	23.0	25.4	23.2	<b>22.9</b>	(0.7)
Adjusted Retained Cash Flow (RCF)/Adjusted Net Financial Debt (%)	21.4	20.6	22.0	18.9	<b>19.4</b>	(2.4)
ROE (Net profit for the last four quarters/Average equity) (%)	9.7	9.8	10.2	10.9	<b>11.9</b>	5.2

Stock Market Data						
	2020	2021	2022	2023	2024	Δ annual average 2020-2024 (%)
Stock market capitalisation at year-end (€M)	74,296	66,271	69,538	75,378	<b>84,645</b>	3.3
Number of shares outstanding at year-end (millions)	6,350	6,366	6,362	6,350	<b>6,364</b>	0.0
Period-end closing price (€)	11.70	10.41	10.93	11.87	<b>13.30</b>	3.3
Earnings per share (EPS) <sup>(3)</sup>	0.551	0.584	0.652	0.719	<b>0.841</b>	11.2
Dividends paid <sup>(4)</sup>	0.405	0.419	0.449	0.501	<b>0.558</b>	8.3
Dividend yield (%) <sup>(5)</sup>	3.46	4.05	4.10	4.22	<b>4.20</b>	5.0
Total dividend (including cash payments) (€M)	2,517	2,664	2,824	3,149	<b>3,505</b>	8.6
Payout ratio (%)	73.9	75.3	67.7	68.5	<b>65.0</b>	(3.2)
PER (Period-end share price / Earnings per share for the last four quarters)	21.18	17.82	16.77	16.51	<b>15.81</b>	(7.0)

(1) For standardisation purposes, the 2024 figure is presented net of the sale of thermal generation assets and other adjustments and efficiencies

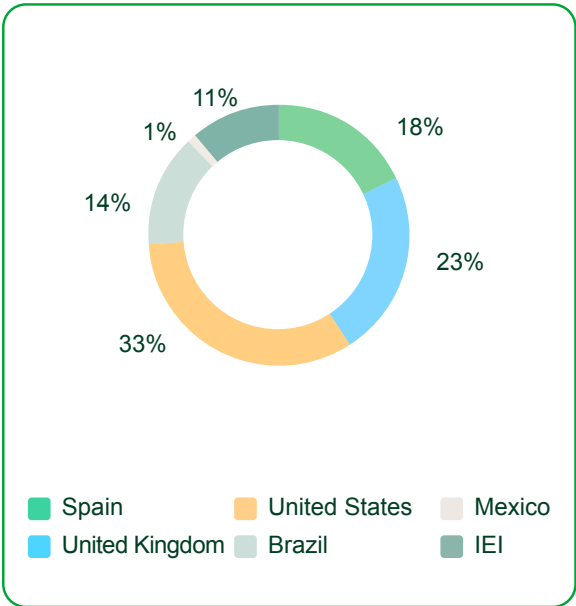
(2) Adjusted for treasury derivatives with physical settlements that are not expected to be settled (€ 995 M at Dec-24 and € 82 M at Dec-23)

(3) Earnings per share: 6,364,251,000 shares at 2024/12/31 and 6,350,278,000 shares at 2023/12/31

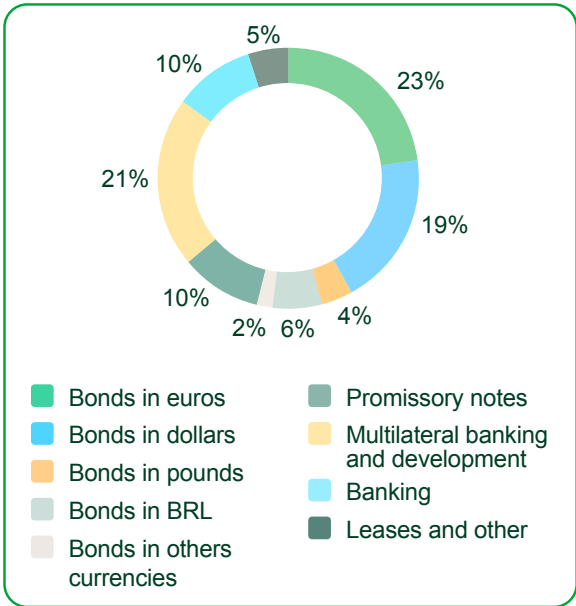
(4) Dividends paid: Gross interim dividend (2024/12/31 - 2023/12/31). Purchase price of rights guaranteed by Iberdrola: € 0.202. Gross final dividend (/2024/07/29 - 2023/07/28). Engagement (2024/05/21 - 2023/05/03): € 0.005

(5) Dividend paid in the last 12 months / period-end closing price

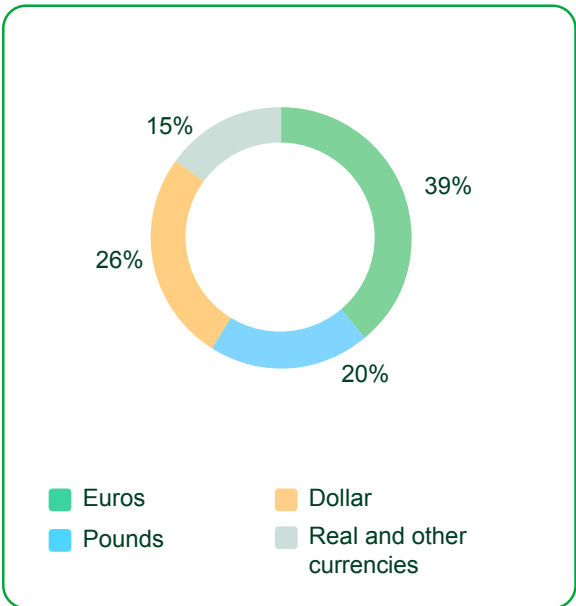
**Gross investment by geographical area**



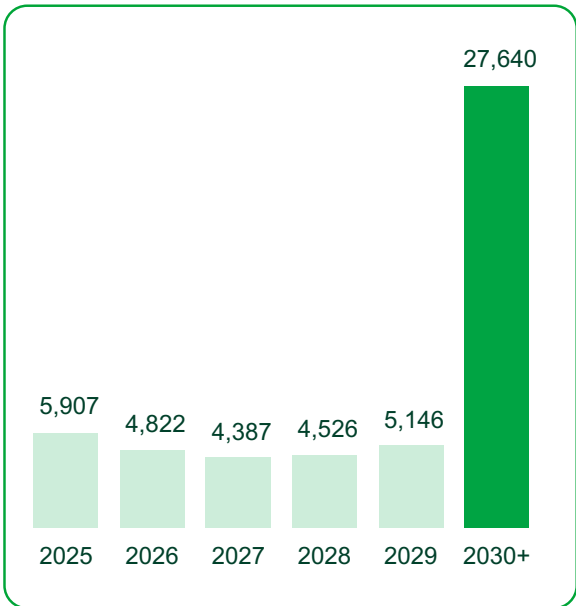
**Adjusted gross debt by source of financing**



**Adjusted net debt structure by currency**



**Maturity of financial debt (€M)<sup>(1)</sup>**



(1) Debt maturity profile (long-term debt with credit institutions). Commercial paper maturity dates are in 2029+) with an average maturity of 6 years

## Operational, environmental and social performance

Operating performance						
	2020	2021	2022	2023	2024	Δ annual average 2020-2024 (%)
Total installed capacity (MW) <sup>(1)</sup>	47,965	51,174	53,615	55,737 <sup>(2)</sup>	<b>56,668</b>	4.3
Net output (GWh)	123,463	129,331	125,540	128,668 <sup>(3)</sup>	<b>126,344<sup>(3)</sup></b>	0.6
Electricity distributed (GWh)	224,971	237,752	235,506	233,704	<b>238,164</b>	1.4
Km of lines	1,206,783	1,240,137	1,264,641	1,276,519	<b>1,294,765</b>	1.8

Environmental performance						
	2020	2021	2022	2023	2024	Δ annual average 2020-2024 (%)
Emission-free installed capacity (%) <sup>(1)</sup>	79	81	80	81	<b>84</b>	1.5
Emission-free output (%) <sup>(4)</sup>	75	75	78	80	<b>84</b>	2.9
Specific CO <sub>2</sub> emissions (t/GWh)	98	96	83	77	<b>65</b>	(9.8)
Energy savings of green products and services (MWh)	61,735,876	73,926,183	68,250,158	75,921,058	<b>76,079,414</b>	5.4
Energy produced under certified environmental management systems (%)	78	80	80	80	<b>94</b>	4.8
Water use/overall production (m <sup>3</sup> /GWh)	N/D	531	470	473	<b>464</b>	--
Direct CO <sub>2</sub> emissions. Scope 1 (kt)	13,136	13,207	11,927	10,588	<b>8,913</b>	(9.2)
Indirect CO <sub>2</sub> emissions. Scope 2 (kt)	N/D	N/D	N/D	2,594 <sup>(5)</sup>	<b>2,469</b>	--
Other indirect emissions. Scope 3 (kt)	47,646	44,615	42,679	39,304	<b>31,461</b>	(9.9)
SO <sub>2</sub> emissions (t/GWh)	0.008	0.007	0.006	0.005	<b>0.003</b>	(21.7)
NOx emissions (kg/MWh)	0.375	0.365	0.354	0.337	<b>0.157</b>	(19.6)

(1) Includes 13 MW of installed fuel cell capacity

(2) Total installed capacity including net installed capacity for third parties was 62,883 MW in 2023.

(3) Total production including net third-party output was 168,599 GWh and 132,499 GWh in 2023 and 2024, respectively.

(4) Ratio of own emission-free output to output: Total (%)

(5) The closing value of the SNFI-SR for 2023 amounts to 1,746,827 t. Taking into account the methodological change of the ESRS, the value reported for 2023 has been homogenised. No recalculated data is available for 2020, 2021 or 2022.

Social performance						
	2020	2021	2022	2023	2024	Δ annual average 2020-2024 (%)
<b>Consumers (millions) <sup>(1)</sup></b>	<b>35.9</b>	<b>35.6</b>	<b>36.4</b>	<b>36.0</b>	<b>36.0</b>	<b>0.1</b>
<b>Electricity</b>	<b>31.7</b>	<b>31.7</b>	<b>32.1</b>	<b>31.9</b>	<b>31.9</b>	<b>0.2</b>
Spain	10.0	10.0	10.4	10.2	10.0	0.0
United Kingdom	2.8	2.8	2.8	2.7	2.5	(2.8)
US	2.3	2.3	2.3	2.3	2.3	0.0
Brazil	14.3	15.7	16.0	16.4	16.6	3.8
IEI	0.7	0.8	0.5	0.4	0.4	(13.1)
<b>Gas</b>	<b>4.3</b>	<b>4.0</b>	<b>4.3</b>	<b>4.1</b>	<b>4.1</b>	<b>(1.2)</b>
Spain	1.1	1.1	1.2	1.2	1.2	2.2
United Kingdom	1.9	1.9	1.9	1.8	1.8	(1.3)
US	1.0	0.6	1.0	1.0	1.1	2.4
IEI	0.3	0.3	0.1	0.1	0.1	(24.0)
<b>Number of employees</b>	<b>37,127</b>	<b>39,955</b>	<b>40,721</b>	<b>42,276</b>	<b>42,208</b>	<b>3.3</b>
<b>Permanent contracts (%)</b>	<b>99.6</b>	<b>99.5</b>	<b>99.6</b>	<b>99.7</b>	<b>99.7</b>	<b>0.0</b>
<b>Workers with collective bargaining agreement (%)</b>	<b>78.7</b>	<b>78.5</b>	<b>77.6</b>	<b>76.5</b>	<b>76.1</b>	<b>(0.8)</b>
<b>Employee turnover (%)</b>	<b>6.1</b>	<b>7.4</b>	<b>9.7</b>	<b>7.3</b>	<b>9.0</b>	<b>10.2</b>
<b>Diversity (men/women)</b>	<b>77/23</b>	<b>77/23</b>	<b>76/24</b>	<b>76/24</b>	<b>75/25</b>	<b>--</b>
<b>Rate of work-related injuries (own workforce) <sup>(2)</sup></b>	<b>4.49</b>	<b>3.90</b>	<b>3.65</b>	<b>3.23</b>	<b>3.17</b>	<b>(8.3)</b>
<b>Hours of training (millions of hours)</b>	<b>2.0</b>	<b>2.4</b>	<b>2.7</b>	<b>3.1</b>	<b>3.1</b>	<b>11.6</b>
<b>Hours of training by average personnel (h)</b>	<b>54.9</b>	<b>62.3</b>	<b>67.9</b>	<b>73.5</b>	<b>73.8</b>	<b>7.7</b>
<b>Funds for social development (€M)</b>	<b>123.9</b>	<b>109.2</b>	<b>139.9</b>	<b>109.1</b>	<b>111.7</b>	<b>(2.6)</b>
<b>Contributions to society (€M)</b>	<b>81.9</b>	<b>58.1</b>	<b>51.9</b>	<b>51.7</b>	<b>56.7</b>	<b>(8.8)</b>
<b>Rural electrification programmes (€M)</b>	<b>42.0</b>	<b>51.1</b>	<b>88.0</b>	<b>57.4</b>	<b>55.0</b>	<b>7.0</b>
<b>Investments in R&amp;D (€M)</b>	<b>292.5</b>	<b>337.5</b>	<b>362.7</b>	<b>384.4</b>	<b>402.5</b>	<b>8.3</b>
<b>General procurement (€M billed) <sup>(3)</sup></b>	<b>8,494</b>	<b>9,424</b>	<b>11,533</b>	<b>12,584</b>	<b>12,805</b>	<b>10.8</b>
<b>Purchases from sustainable suppliers (%)</b>	<b>--</b>	<b>80.1</b>	<b>91.5</b>	<b>90.0</b>	<b>93.0</b>	<b>--</b>

(1) Consumers; for electric power, total number of customers is used where there are areas of electricity distribution and retail, and supply points are used for the other areas. For gas: the total number of gas customers is used, except for the United States, where the total number of supply points is included. Electricity and gas customers of the IEI segment depend on Iberdrola Clientes Internacional, S.A., a subsidiary of the country subholding company Iberdrola España, S.A. \*\* There may be differences between the totals due to rounding

(2) Rate of recordable work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [1,000,000]

(3) Amount awarded in 2024: € 17,853 M



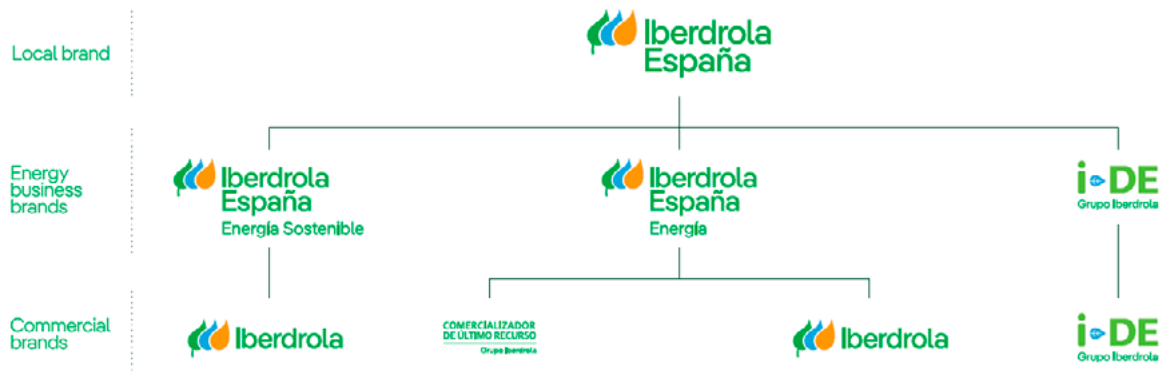
# International presence

## Iberdrola in Spain



Jose Maria de Oriol hydroelectric power plant, Cáceres, Spain

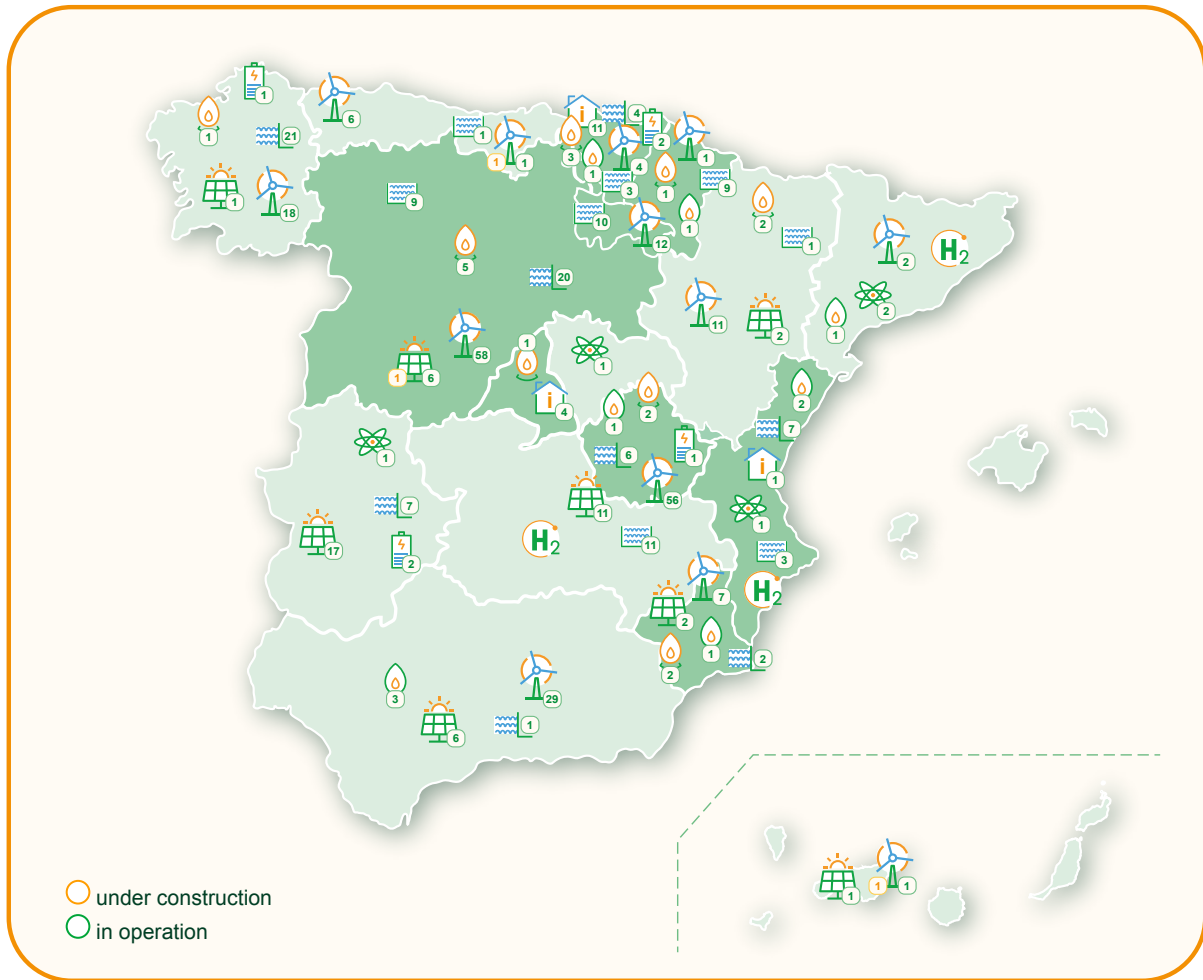
### Key brands





### Key figures 2024


<b>31,772</b> MW Installed capacity	<b>22,582</b> MW Renewable installed capacity	<b>62,039</b> GWh Net production
<b>266,913</b> Km / Power lines	<b>89,060</b> GWh Distributed energy	<b>11.2</b> Million consumers <sup>(1)</sup>
<b>9,812</b> Employees	<b>2,188</b> €M Gross investments	<b>4,313</b> €M Direct tax contribution

(1) Total number of electricity and gas customers.




 **206**  
Onshore wind  
6,550 MW

 **46**  
Solar photovoltaic plants  
4,937 MW


 **118**  
Hydroelectric plants <sup>(1)</sup>  
11,057 MW

 **3**  
Green hydrogen

 **6**  
Batteries  
39 MW




 **10**  
Combined cycle gas plants  
5,695 MW

 **17**  
Cogeneration plants  
318 MW

 **5**  
Nuclear power plants  
3,177 MW

**Projects under construction <sup>(2)</sup>**

 **2**  **1**  **1**

 Main offices  
 Electricity distribution  
 Area of influence

(1) The data on hydroelectric power plants include the Daivoes, Gouvaes and Alto Tâmega power plants in Portugal, although they visually appear on the Iberdrola Energía Internacional map.

(2) Includes both projects under construction and projects with a positive decision to start construction (positive FID)

Iberdrola in the United Kingdom



Installation of the Western link submarine cable in Barrow, UK

Key brands

Local brand



Energy business and commercial brands



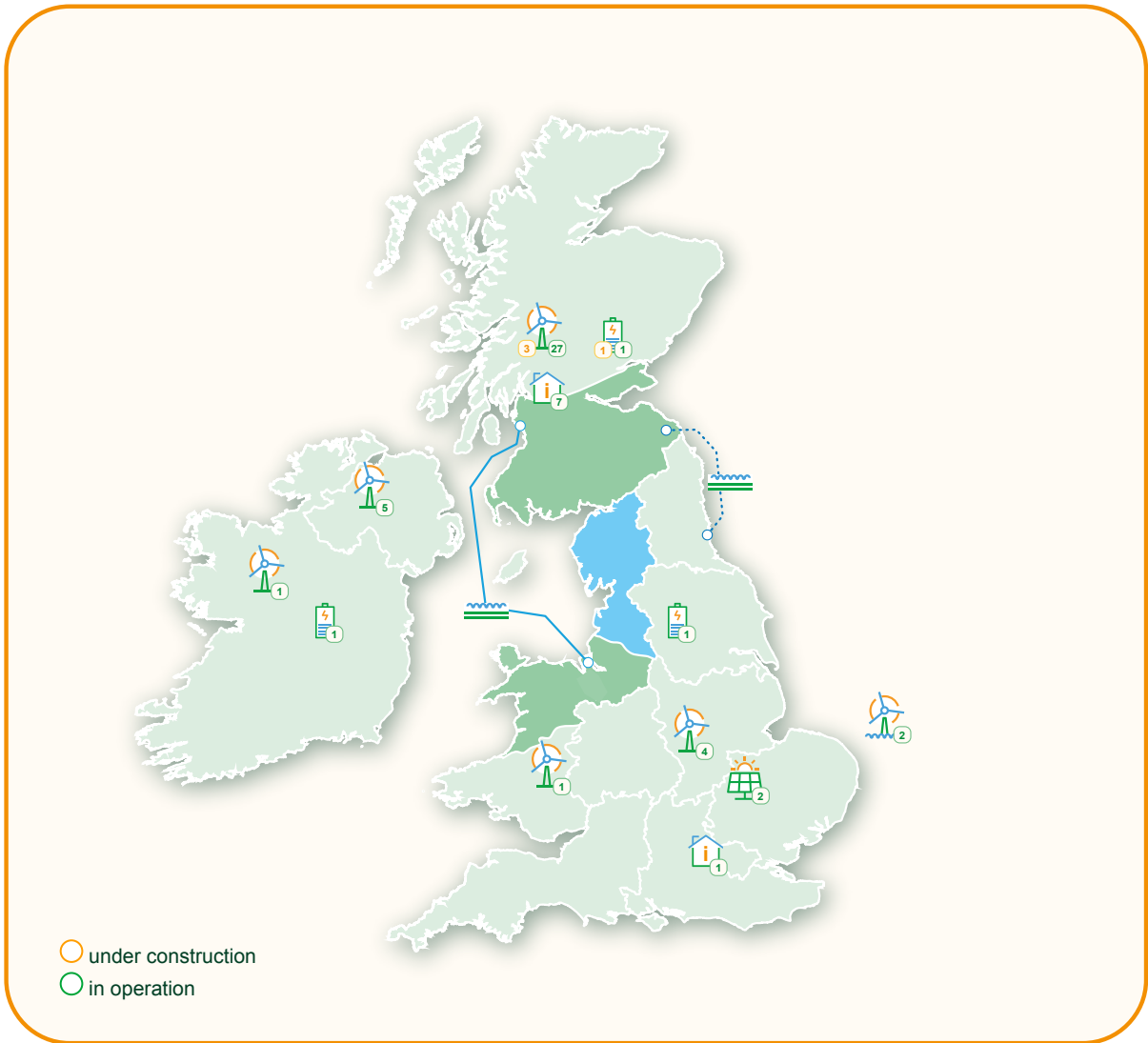
Key figures 2024


<p><b>2,996</b> MW</p> <p>Installed capacity</p>	<p><b>2,996</b> MW</p> <p>Renewable installed capacity</p>	<p><b>7,279</b> GWh</p> <p>Net production</p>
<p><b>111,822</b></p> <p>Km / Power lines</p>	<p><b>30,540</b> GWh</p> <p>Distributed energy</p>	<p><b>4.3</b></p> <p>Million consumers <sup>(1)</sup></p>
<p><b>6,598</b></p> <p>Employees</p>	<p><b>2,741</b> €M</p> <p>Gross investments <sup>(2)</sup></p>	<p><b>1,260</b> €M</p> <p>Direct tax contribution</p>


(1) Total number of electricity and gas customers.


(2) Organic investments







- 

**38**  
Onshore wind  
1,968 MW
  - 

**2**  
Offshore wind farms  
908 MW
  - 





**2**  
Solar photovoltaic plants  
19 MW
  - 

**3**  
Batteries  
101 MW
- 

**1**  
Transmission line

**Projects under construction**

-  **3**
-  **1**
-  **1**

-  Main offices
-  Electricity distribution
-  Area of influence
-  Electricity North West (since March 2025)

Iberdrola in the United States



Central Maine Power (Avangrid) workers restoring electricity service in Maine, US.

Key brands

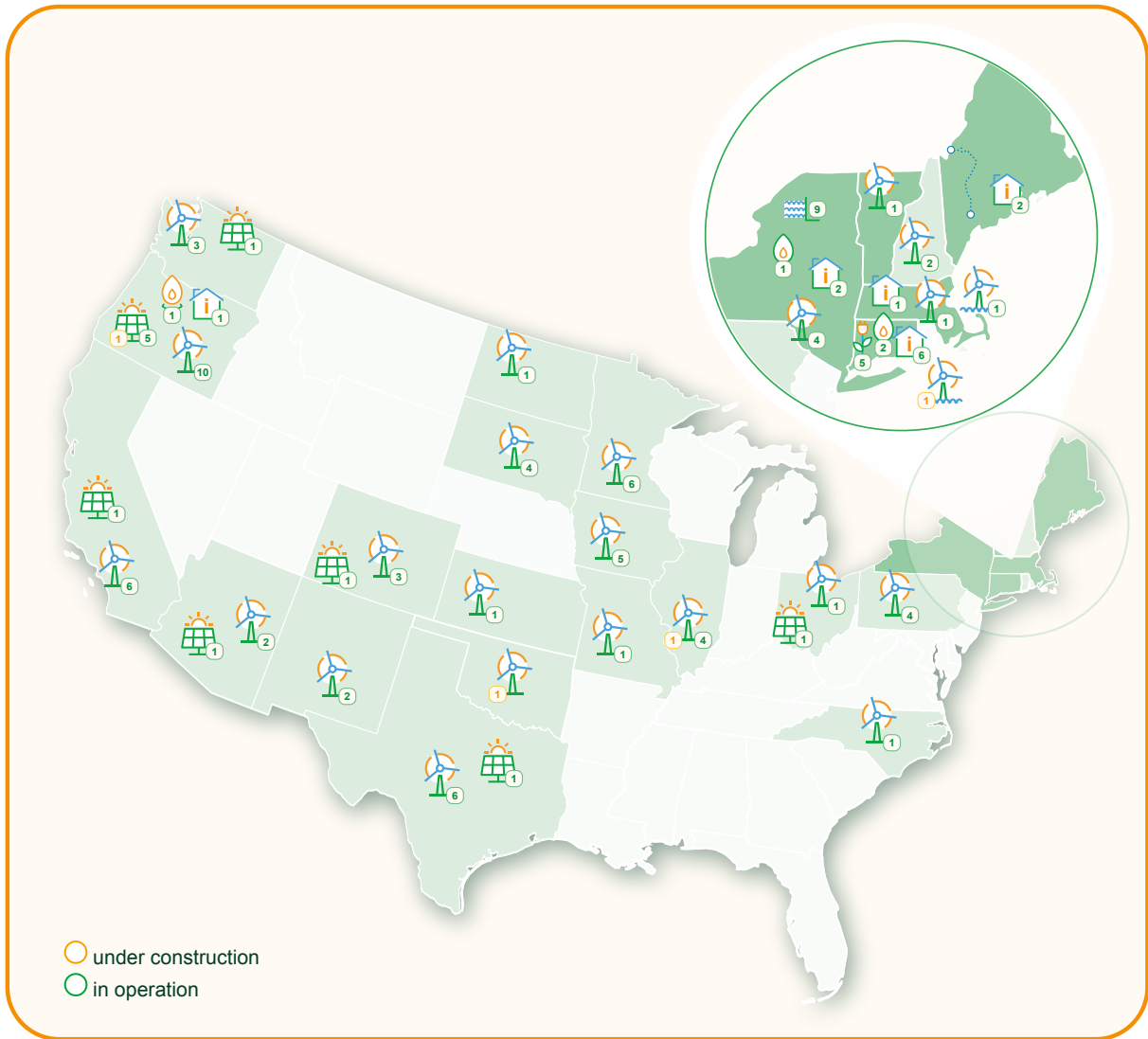


Key figures 2024

<p><b>10,543</b> MW</p> <p>Installed capacity</p>	<p><b>9,703</b> MW</p> <p>Renewable installed capacity</p>	<p><b>24,785</b> GWh</p> <p>Net production</p>
<p><b>173,920</b></p> <p>Km / Power lines</p>	<p><b>37,642</b> GWh</p> <p>Distributed energy</p>	<p><b>3.4</b></p> <p>Million consumers <sup>(1)</sup></p>
<p><b>8,269</b></p> <p>Employees</p>	<p><b>3,929</b> €M</p> <p>Gross investments <sup>(2)</sup></p>	<p><b>1,292</b> €M</p> <p>Direct tax contribution</p>

(1) Total number of electricity and gas supply points.

(2) Organic investments



○ under construction  
 ○ in operation

**68**  
 Onshore wind  
 8,045 MW

**1**  
 Offshore wind  
 farms  
 143 MW

**11**  
 Solar photovoltaic  
 plants  
 1,384 MW

**9**  
 Hydroelectric  
 plants  
 118 MW

**3**  
 Combined cycle  
 gas plants  
 204 MW

**1**  
 Cogeneration  
 plants  
 636 MW

**5**  
 Other  
 renewables  
 13 MW

**Projects under construction**

**2** **1** **1** **1**

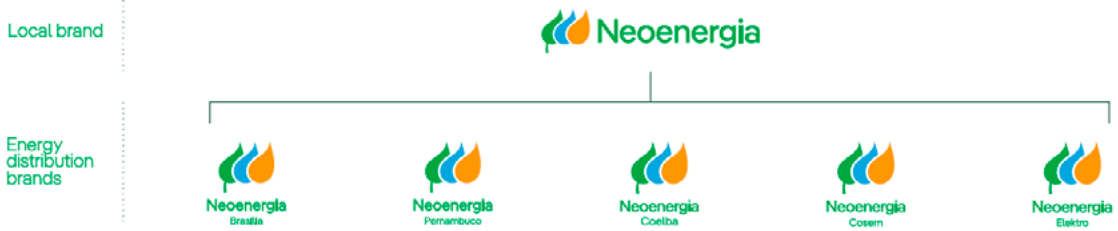
- Main offices
- Electricity distribution
- Area of influence

Iberdrola in Brazil



Nova Porto Primavera transport line, Mato Grosso do Sul, Brazil

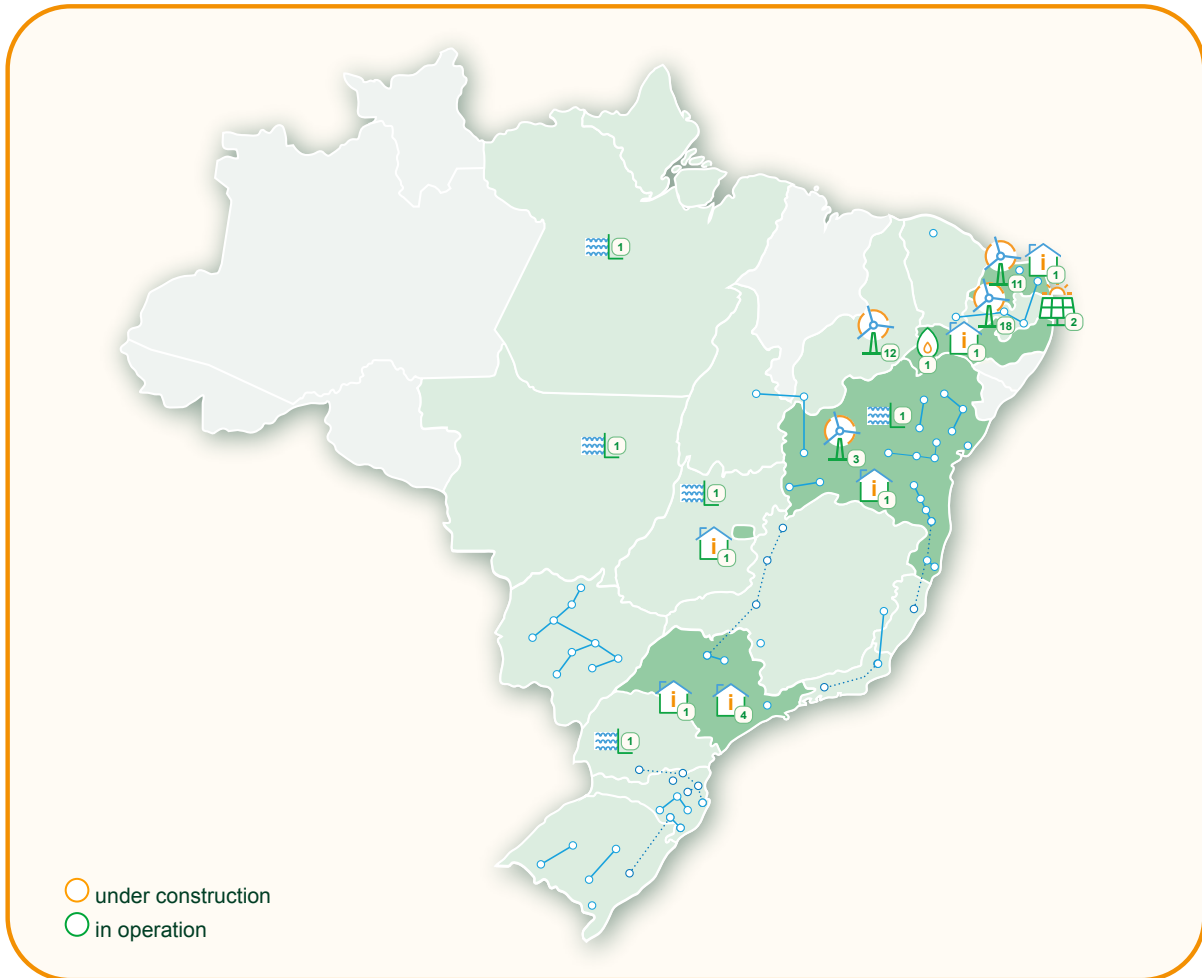
Key brands



Key figures 2024

4,412 MW Installed capacity	3,862 MW Renewable installed capacity	11,224 GWh Net production
742,111 Km / Power lines	80,922 GWh Distributed energy	16.6 Million consumers <sup>(1)</sup>
15,528 Employees	1,703 €M Gross investments	2,428 €M Direct tax contribution

(1) Total number of electricity supply points.



**44**  
Onshore wind  
1,554 MW

**5**  
Hydroelectric plants  
2,159 MW <sup>(1)</sup>

**1**  
Combined cycle gas plants  
550 MW

**13**  
Transmission lines in operation

**2**  
Solar photovoltaic plants  
149 MW

**Projects under construction**

**5**

- Main offices
- Electricity distribution
- Area of influence

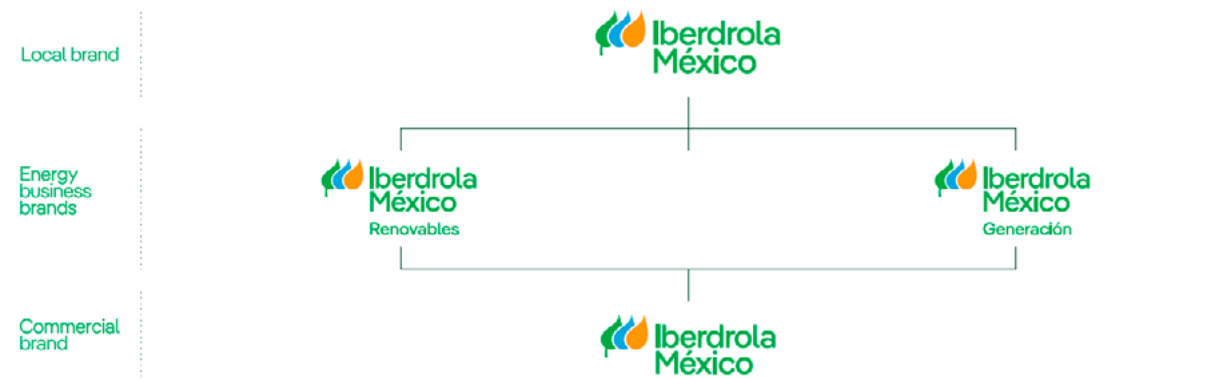
(1) Include the two power plants in the Pará area: Belo Monte and Pimental.

Iberdrola in Mexico



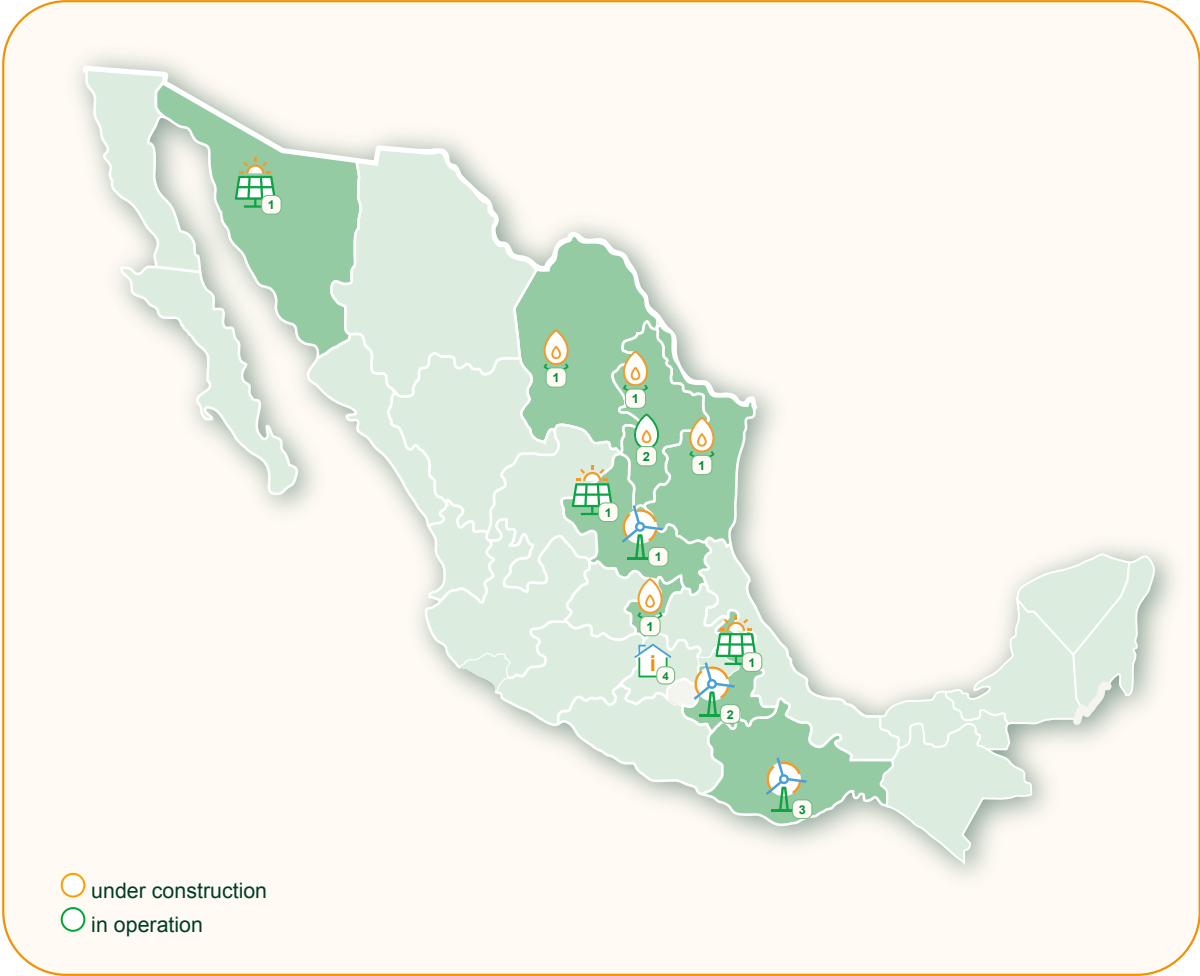
Santiago photovoltaic park, San Luis de Potosí, Mexico

Key brands



Key figures 2024

<p><b>2,600</b> MW</p> <p>Installed capacity</p>	<p><b>1,232</b> MW</p> <p>Renewable installed capacity</p>	<p><b>12,980</b> GWh</p> <p>Net production</p>
<p><b>831</b></p> <p>Employees</p>	<p><b>132</b> €M</p> <p>Gross investments</p>	<p><b>442</b> €M</p> <p>Direct tax contribution</p>






**6**  
Onshore wind  
590 MW

**3**  
Solar photovoltaic plants  
643 MW

**4**  
Cogeneration plants  
202 MW

**2**  
Combined cycle plants  
1,166 MW

-  Main offices
-  Generation facilities area
-  Area of influence

Iberdrola Energía Internacional (IEI)<sup>(1)</sup>



Saint Brieuc offshore wind farm, France

Key brands



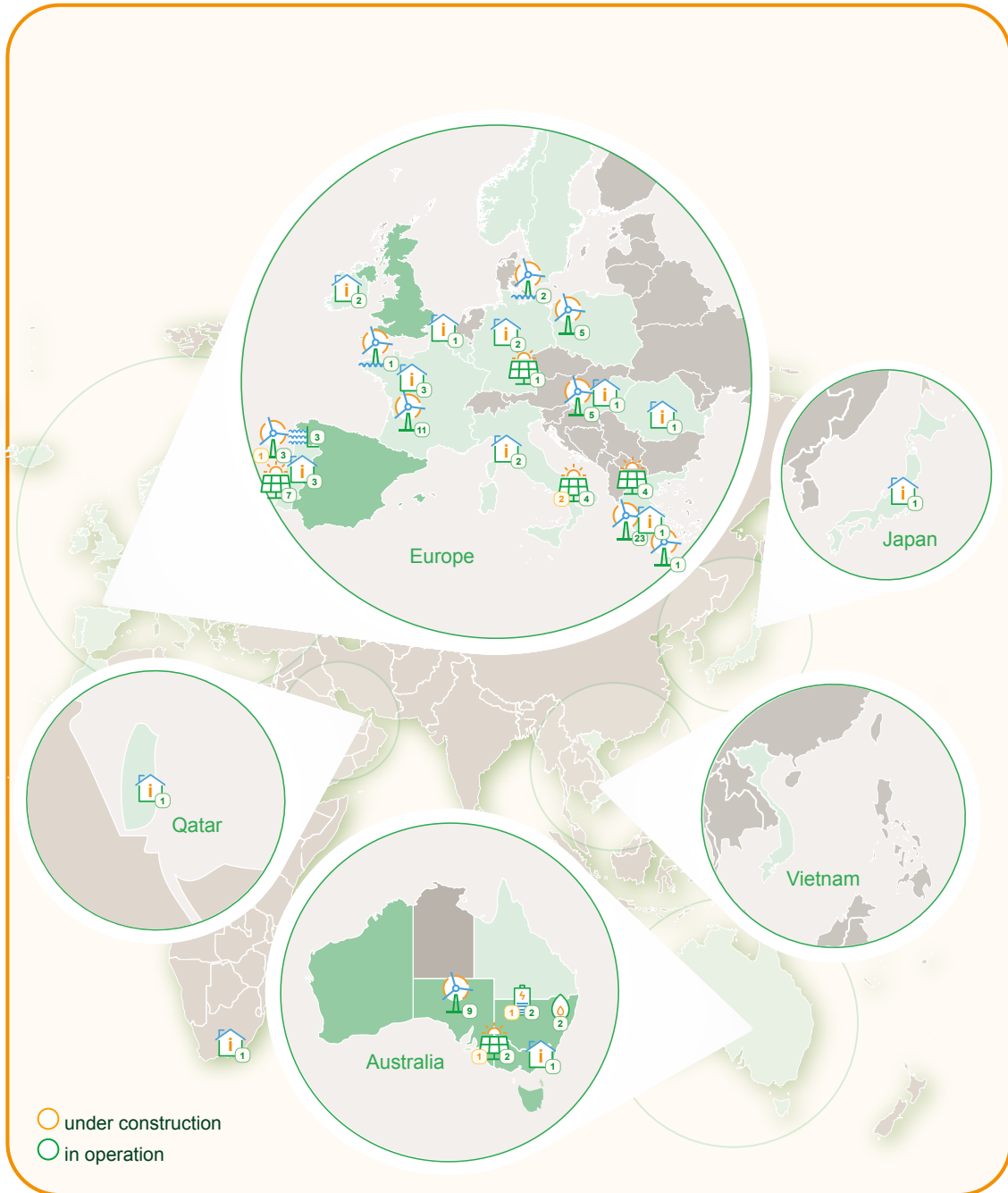
Key figures 2024

<b>4,345</b> MW Installed capacity	<b>4,102</b> MW Renewable installed capacity	<b>0.4</b> Million consumers <sup>(2)</sup>
<b>8,036</b> GWh Net production	<b>7,916</b> GWh Net renewable production	<b>1,170</b> Employees
<b>1,253</b> €M Gross investments		<b>565</b> €M Direct tax contribution

(1) This page includes information on the Group's activity in the rest of the world (compared to the previous information above), which is mainly carried out by Iberdrola Energía Internacional (IEI).

(2) Electricity and gas customers from this segment depend on Iberdrola Clientes Internacional S.A., a subsidiary of the country subholding company Iberdrola España, S.A.








(1)



**Projects under construction**



-  Main offices
-  Generation facilities area
-  Area of influence

(1) The data on the Daivoes, Gouvaes and Alto Tâmega hydroelectric power plants in Portugal are included in Iberdrola España, although they visually appear on this map.

## Installed capacity and production by country and technology

Installed capacity (MW) <sup>(1),(2)</sup>														
	Spain		United Kingdom		United States		Brazil		Mexico		IEI		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Renewables</b>	<b>22,582</b>	21,589	<b>2,996</b>	3,002	<b>9,703</b>	8,833	<b>3,862</b>	3,862	<b>1,232</b>	1,232	<b>4,102</b>	3,566	<b>44,478</b>	42,084
Onshore wind	6,550	6,550	1,968	1,971	8,045	8,045	1,554	1,554	590	590	2,041	2,072	20,747	20,780
Offshore wind	0	0	908	908	143	39	0	0	0	0	1,322	846	2,373	1,793
Hydroelectric	10,823	10,826	0	0	118	118	2,159	2,159	0	0	0	0	13,100	13,103
Mini-hydro	234	244	0	0	0	0	0	0	0	0	0	0	234	244
Solar and others	4,976	3,970	120	123	1,397	631	149	149	643	642	740	648	8,025	6,164
<b>Nuclear</b>	<b>3,177</b>	3,177	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>3,177</b>	3,177
<b>Combined cycle <sup>(3)</sup></b>	<b>5,695</b>	5,695	<b>0</b>	0	<b>204</b>	204	<b>550</b>	533	<b>1,166</b>	2,617	<b>243</b>	243	<b>7,858</b>	9,291
<b>Cogeneration</b>	<b>318</b>	347	<b>0</b>	0	<b>636</b>	636	<b>0</b>	0	<b>202</b>	202	<b>0</b>	0	<b>1,156</b>	1,185
<b>Coal</b>	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0
<b>Total</b>	<b>31,772</b>	30,807	<b>2,996</b>	3,002	<b>10,543</b>	9,673	<b>4,412</b>	4,395	<b>2,600</b>	4,051	<b>4,345</b>	3,809	<b>56,668</b>	55,737 <sup>(4)</sup>

(1) Data for Production and Installed Capacity include the power plants in which Iberdrola has a holding, based on its ownership interest.

(2) Totals may vary due to rounding of decimals.

(3) Includes Peaking capacity in the United States and IEI.

(4) Including total installed capacity for third parties, the value amounts to 62,893 MWh

Net electricity production (GWh) <sup>(1),(2)</sup>														
	Spain		United Kingdom		United States		Brazil		Mexico		IEI		Total <sup>(3)</sup>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Renewables</b>	<b>33,363</b>	29,462	<b>7,279</b>	7,459	<b>20,897</b>	20,176	<b>11,137</b>	13,568	<b>2,703</b>	2,633	<b>7,916</b>	6,041	<b>83,294</b>	79,339
Onshore wind	9,626	10,726	4,082	3,609	19,294	19,019	5,339	4,976	1,579	1,394	4,611	4,366	44,531	44,091
Offshore wind	0	0	3,190	3,844	39	0	0	0	0	0	2,593	1,229	5,822	5,073
Hydroelectric	20,159	15,460	0	0	211	245	5,551	8,350	0	0	0	0	25,920	24,055
Mini-hydro	429	402	0	0	0	0	0	0	0	0	0	0	429	402
Solar and others	3,150	2,873	8	5	1,352	912	247	243	1,124	1,239	711	446	6,592	5,718
<b>Nuclear</b>	<b>22,589</b>	23,784	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>22,589</b>	2,3784
<b>Combined cycle <sup>(4)</sup></b>	<b>4,449</b>	6,452	<b>0</b>	0	<b>5</b>	6	<b>87</b>	85	<b>8,890</b>	12,836	<b>121</b>	60	<b>13,552</b>	19,440
<b>Cogeneration</b>	<b>1,638</b>	1,565	<b>0</b>	0	<b>3,884</b>	3,144	<b>0</b>	0	<b>1,388</b>	1,397	<b>0</b>	0	<b>6,910</b>	6,105
<b>Coal</b>	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0
<b>Total</b>	<b>62,039</b>	61,263	<b>7,279</b>	7,459	<b>24,785</b>	23,326	<b>11,224</b>	13,653	<b>12,980</b>	16,866	<b>8,036</b>	6,102	<b>126,344</b>	128,668

(1) Data for Production and Installed Capacity include the power plants in which Iberdrola has a holding, based on its ownership interest.

(2) Totals may vary due to rounding of decimals.

(3) Including net third-party output, the total value amounts to 168,599 GWh in 2023 and to 132,499 GWh in 2024.

(4) Includes Peaking capacity in the United States and IEI.

## Milestones in 2024

### JANUARY

- > Iberdrola and the Norwegian sovereign wealth fund announce a partnership to co-invest more than EUR 2 billion in Spain and Portugal over the next 3 years.
- > Iberdrola launches the Q – Zero Alliance aimed at the decarbonisation of thermal demand in Spain.

### FEBRUARY

- > Iberdrola completes the sale of 55% of its business in Mexico for close to USD 6.2 billion - approximately EUR 5.8 billion -. The operation involves the sale of 13 generation plants with an installed capacity of 8,539 MW, of which 99% corresponds to combined cycle gas power plants and 87% to plants operating under the Independent Power Producer regime, contracted with the CFE.
- > Avangrid brings the first Vineyard Wind 1 turbines online, providing clean energy to 30,000 homes and businesses in Massachusetts.

### MARCH

- > Iberdrola is the only Spanish company to be named one of the world's most ethical companies for the eleventh consecutive year, according to the [World's Most Ethical Companies](#), elaborated by Ethisphere Institute.
- > EIB and Iberdrola sign EUR 700M green loan to expand the electricity grid in Spain.
- > The Fitch Sustainable rating agency gives Iberdrola its top rating.

### APRIL

- > Iberdrola and Norges Bank Investment Management extend their agreement, bringing their joint investment to more than EUR 2 billion, resulting in a total portfolio of 2,500 MW.
- > The Strategic Innovation Fund of the UK energy regulator Ofgem is providing financial backing to two leading grid innovation initiatives from SP Energy Networks.
- > Construction is underway on Avangrid's first PV plant in California, designed to generate enough electricity to power 14,000 US households.
- > Neoenergia is ushering in a new era of offshore wind energy exploration in Brazil by installing an innovative floating system to study wind and sea conditions off the north coast of Rio de Janeiro.

### MAY

- > Iberdrola has reached an agreement with Avangrid to acquire the 18.4% stake in its US subsidiary that it does not control.
- > Iberdrola brings the 496 MW Saint-Brieuc offshore wind farm into operation, the second such facility in France and the first one in Brittany.
- > Iberdrola Australia has been granted preliminary approval for a major offshore wind farm, Aurora Green, which will make a significant contribution to the region's energy transition by delivering 3,000 MW of clean energy, and it will involve an investment of more than 6 billion euros.
- > The commitment to equal opportunities through women's sport is reinforced by the support provided to 800,000 female athletes.

## JUNE

- > Iberdrola receives final environmental approval to build Portugal's largest wind farm, with a capacity of 274 MW.
- > The second edition of the Convive Awards has been launched to celebrate and showcase initiatives that integrate renewable energy with socio-economic, rural and agricultural development and biodiversity conservation in Spain.
- > Iberdrola, named one of the world's most sustainable companies by Time and the international statistics portal Statista.

## JULY

- > Avangrid begins producing clean energy at its True North photovoltaic plant, its first plant in Texas, with a total installed capacity of 321 MW.
- > Successful completion of Iberdrola and Multiverse Computing's ground-breaking project to install batteries in Spain's electricity grid.
- > Iberdrola ranked among the 10 companies with the best reputation in Spain in the latest Merco Empresas y Líderes 2024 ranking, according to Merco, a benchmark monitor.

## AUGUST

- > Iberdrola buys the distribution company ENW for EUR 5 billion.
- > Iberdrola, included in the FTSE4Good index since 2009.

## SEPTEMBER

- > Iberdrola closes the largest green bond issue in its history for EUR 2.15 billion to continue its growth in the United Kingdom.
- > Positive Environmental Impact Statement (EIS) for the construction of the new Alcántara II reversible hydroelectric pumping station, capable of reversibly storing 16 million kWh of energy, equivalent to the average daily consumption of 4 million people.
- > Iberdrola receives Top Employer 2024 certification in eight countries for excellence in people management.

## OCTOBER

- > Iberdrola named one of the 10 companies with the greatest impact in the world by Richmond Global Sciences (RGS).
- > Successful completion of the installation of the 50 turbines of the 476 MW Baltic Eagle offshore wind farm in German waters of the Baltic Sea.
- > Iberdrola, the only Spanish company to have received the international "Fair Tax" certificate.

## NOVEMBER

- > Iberdrola helps restore power in "record time" after flooding caused by DANA in Valencia.
- > Iberdrola launches the first green bond issuance by a Spanish company in Australia, amounting to 750 million Australian dollars.

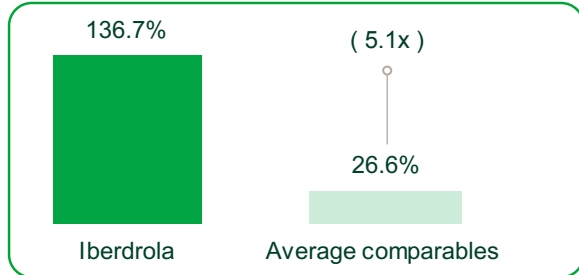
## DECEMBER

- > Iberdrola brings Japanese utility Kansai into the Windanker offshore wind project, with an installed capacity of 315 MW.

# Comparative results and recognitions

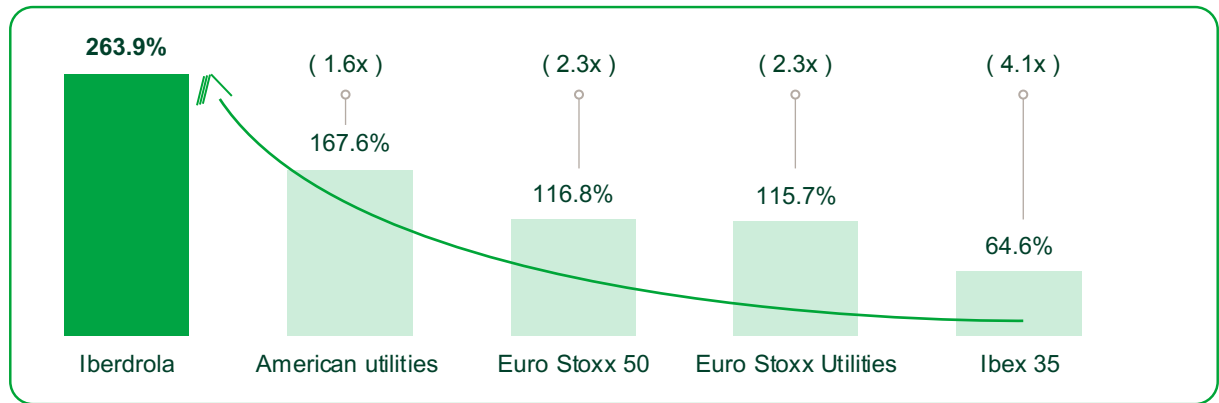
## Comparative results

### Growth in market capitalisation 2014-2024 (%)



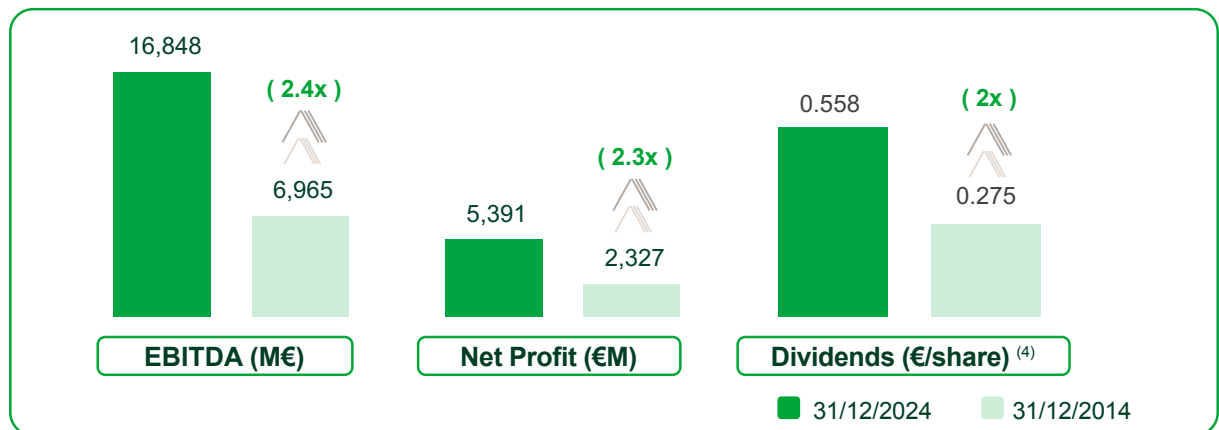
Ten years ago, Iberdrola, S.A. ranked third among comparable companies in terms of capitalisation<sup>(1)</sup>, and it currently ranks first.

### Total shareholder return performance 2014-2024 <sup>(2) (3)</sup>



### Iberdrola's performance

Since 2014, Iberdrola's EBITDA, Net Profit, and Shareholder Remuneration have more than doubled, as evidenced below:



(1) Comparable companies analysed: Enel, EDP, RWE, Engie, E.ON.  
 (2) Total shareholder return, including reinvestment of dividends  
 (3) Arithmetic mean of US utilities (NextEra Energy, Southern Co, Duke Energy)  
 (4) Dividends paid during the year

Recognitions

Presence on indices and ratings<sup>(1)</sup>

- > Leader in the Electric Utilities sector. The only European electricity company included for the past 25 years, considered to be one of the most sustainable utilities in the world.
- > A LIST rating in the CDP Climate Change Index 2024
- > Among the highest-rated utilities
- > Selected for the index since 2009
- > Iberdrola included in the leading indices
- > Leading Spanish company in the ranking due to its investment in clean energies
- > Gold medal. Iberdrola as one of the best performing companies
- > Iberdrola included in the STOXX Global ESG Leaders index and in the most important indices
- > Selected in several Euronext indices: Sustainable World 120, Sustainable Europe 120 and Eurozone 100 ESG
- > Iberdrola among the world's most influential utilities
- > Iberdrola in the top 10 of the EI Green Utilities Report 2024 ranking

**Dow Jones Best-in-Class Indices**



**CDP A List 2024**



**Rated S&P Global Sustainability**



**FTSE4Good**



**ECPI Sense in sustainability**



**CARBON CLEAN 200**



**ecovadis 2023 Sustainability Rating GOLD**



**STOXX Global ESG Leaders Indices**



**EURONEXT**



**WBA Electric Utilities Benchmark**



**EI NEW ENERGY GREEN UTILITIES REPORT**



- > Selected AAA
- > Included in the leading indices
- > Top 1% S&P Global ESG Score
- > In the Global Top 100 for Gender Equality in 2024
- > Iberdrola among the 500 most valuable brands globally
- > Iberdrola classified as Prime
- > Iberdrola as one of the best performing companies
- > Iberdrola selected in Forbes 2024 GLOBAL 2000: WORLD'S LARGEST PUBLIC COMPANIES
- > Only Spanish company included. Consecutively selected since 2014 as one of the most ethical companies in the world.
- > Iberdrola included in the index
- > Iberdrola among the top 10% of companies with the highest scores

**MSCI ESG RATINGS AAA**



**ECPI Sense in sustainability**



**S&P Global Iberdrola, S.A. Electric Utilities Top 1% Corporate Sustainability Assessment (CSA) 2024 Score**



**Iberdrola Top 100 Globally for gender equality in 2024 EQUILEAP**



**Brand Finance**



**Corporate ESG Performance Prime**



**ISS ESG**



**InfluenceMap**



**Forbes 2024 GLOBAL 2000: WORLD'S LARGEST PUBLIC COMPANIES**



**ETHISPHERE WORLD'S MOST ETHICAL COMPANIES 2014 - 2024**



**standard ethics**



**WDI 2024 Resilience**



(1) By the end of 2024

## External recognitions/awards



### To the Group's companies:

- Iberdrola, Alcance 3.0 award in the category of 'Best practice in the energy sector' for promoting sustainability in its value chain (CPOnet Group): 2024
- Iberdrola, award for excellence in the practice of business law, and most innovative company in the field of compliance (Expansión): 2024
- Iberdrola, best EMEA company in sustainability disclosure, according to the LACP: 2024
- Iberdrola, Financial Times Innovative Lawyers Award in Operational Transformation (Legal Operations): 2024
- Iberdrola, award for the best business transaction for the sale of combined cycle plants in Mexico, from the El Economista newspaper: 2024
- Iberdrola's Convive Programme, given a Tu Economía Award by the Spanish newspaper La Razón: 2024
- Iberdrola and Avangrid, Ponce de León 2024 Business of the Year Awards from the Spain-U.S. Chamber of Commerce: 2024
- Ruth H. Silman Climate Change Project of the Year Award for Vineyard Wind 1: 2024



- Avangrid, Patriot Award given by Employer Support of the Guard and Reserve (ESGR) of the US Department of Defense: 2024
- Avangrid in Newsweek's ranking of America's Greenest Companies 2025: 2024
- The Edison Electric Institute gave Avangrid two Emergency Response Awards for its conduct during storms: 2024
- Neoenergia, top distinction in the Artificial Intelligence category of the ABT Awards for its Voz do Cliente 360° initiative: 2024
- The five distributors of Neoenergia, Best in Management Awards 2024, awarded by the National Foundation for Quality (FNQ) of Brazil: 2024
- Iberdrola Mexico, Ibero-American Quality Award, Gold category, from the Ibero-American General Secretariat (Segib): 2024
- Iberdrola Mexico, winner of the Exceptional Companies awards for its strong portfolio of renewable projects, awarded by CCE, the IFC and Voz de las Empresas: 2024
- Iberdrola France, Trophée de la mixité femmes-hommes du maritime in the category of Marine Renewable Energies (EMR), awarded by WISTA France: 2024

### To the chairman:

- Chosen by Time Magazine as one of the 100 Most Influential Climate Leaders in Business.
- Selected as one of the 10 most influential CEOs in the world in the fight against climate change, according to Bloomberg.
- Recognised as one of the 100 most committed Latinos in the fight against climate change, published by Sachamama and supported by Agencia EFE: 2022, 2023, 2024.
- Best Business Leadership in Energy Transition award from El Periódico de la Energía: 2023
- In 2023, he received the Medal of Honour from the World Jurist Association at the United Nations for his commitment to environmental, social, governance and financial performance principles.
- Selected among the five best CEOs in the world by Harvard Business Review (2019).
- Twelve times nominated best Chief Executive Officer (CEO) in the European electricity sector by the Institutional Investor Research Group. He was also nominated as best CEO of European utilities and Spanish listed companies in investor relations, according to the Thomson Extel Survey, and best CEO in Investor Relations by IR Magazine on three occasions.
- Honorary Doctorates from the Universities of Salamanca (2011), Strathclyde (2013), Edinburgh (2024) and Comillas (2024).
- Commander of the Most Excellent Order of the British Empire: 2014

# Business model and strategy

- Business model
- Activities
- Finance
- Innovation
- Sustainable business



## Business model

The current operational context reaffirms the strategic vision that Iberdrola has been developing for more than 20 years, contributing to the electrification of the energy system based on renewable energies and developing a **sustainable and competitive business model that creates value for society**.

**Electrification** is the lever for ensuring self-sufficiency, energy security, efficiency, competitiveness and reduced emissions. It is the basis of Iberdrola's business model, which focuses on **investing in grids, boosting renewables** with greater value, growing in **storage**, and optimising the customer portfolio.

**In the electrification scenarios**, the long-term growth opportunities for the electricity sector as a result of the energy transition are clear. The International Energy Agency, in its latest World Energy Outlook 2024, states that electricity use has grown at twice the rate of total energy demand; but it is projected to grow six times faster between now and 2035. Furthermore, the report states that we are rapidly entering the age of electricity, where current electricity generation would almost double even in the scenario of no change in current policies. The Net Zero Emissions (NZE) scenario shows how electricity based on almost 90% renewables would provide 55% of final consumption in 2050. Specifically, the electricity sector would reach net zero globally before 2045 and by 2035 in advanced economies, becoming the new backbone of the global energy system by 2050.

## Diversification of businesses and geographical areas

**Electrification is unstoppable**, and therefore, based on its experience and opportunity for organic growth, **the Company is committed to expanding and strengthening electricity grids** mainly in regulated and stable markets such as the US, the UK, Brazil and Spain. Major grid investments are planned, with the aim of connecting demand with clean energy sources to replace fossil fuels.

Iberdrola is therefore committed to **digitalisation**. Technology is key to developing the grids, and is driven by the **Global Smart Grids Innovation Hubs** in Spain, the UK and Qatar. The Company therefore has a digitalised asset base, with increasingly smart operating processes that allow

it to improve customer service through control and operational excellence.

With an installed capacity of more than **44 GW at the end of 2024, Iberdrola is one of the world leaders in renewable energy**. This positioning gives the Company the flexibility to invest selectively in different technologies and countries, pursuing greater growth in offshore wind, onshore wind and solar.

The Group has a presence in geographical areas that have a **stable regulatory framework and a high credit rating**, thus guaranteeing the viability of its investments and ensuring margins in the medium and long term.

## Financial Strength

Iberdrola reaffirms its commitment to **maintaining financial solvency and soundness, aligning the financing model with an investment plan characterised by sustainability and offering its lenders and investors, in each transaction, a solid guarantee that their capital will contribute to having a positive impact** on the environment and society.

## Integrated sustainability in the business and shared value

The combination of **financial and social dividends**, aimed at **meeting stakeholder expectations** and integrating **sustainability aspects** into the **Company's strategy and management**, is the **key pillar of long-term value creation**.

The Company continues to make progress on its **aim to reduce emissions**, with the aspirational goal of being **Carbon Neutral in Scopes 1 and 2 by 2030 and in all 3 scopes by 2040**; protecting nature, for which it has set the target of having a **positive impact on biodiversity by 2030**; and promoting the efficient use of resources, for which it has drawn up a **Circular Economy Plan**.

With regard to its **value chain**, a series of main principles of conduct based on **business ethics and transparency** are promoted in purchasing equipment and materials and in contracting work and services, while seeking continuous

improvement and mutual benefit, and promoting **sustainability and innovation** activities.

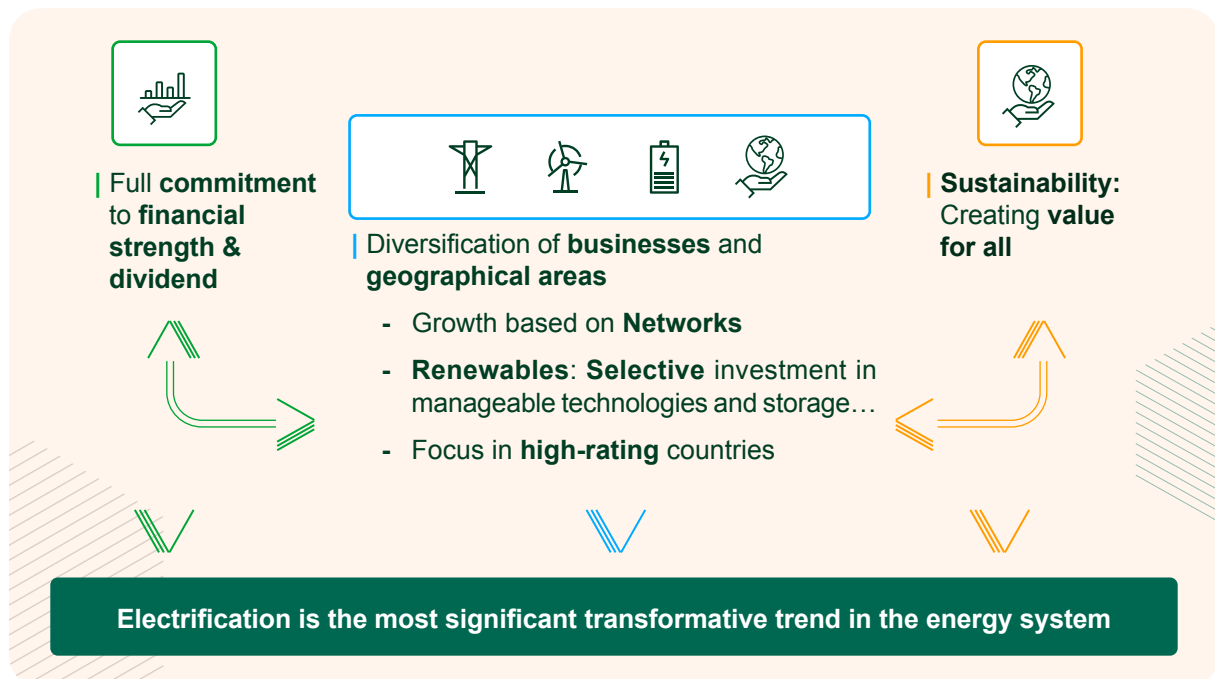
Iberdrola has a set of tools to ensure the protection of people in order to prevent, mitigate, and redress potential negative impacts, in its **firm commitment to defending human rights**.

The Company will continue to promote **equal opportunities** and will continue to strengthen the **learning and development of its professionals**.

The Group's growth continues to give preference to sustainable financing instruments, given the very high degree of **alignment of the investment plan with the EU Taxonomy**.

All this is made possible by a **governance and sustainability system based on ethics, transparency and good governance**, which continues to incorporate best market practices.

## A business model that enables acceleration of the creation of value for all



## Activities

Iberdrola, through its businesses and activities, is responding to the growing **demand for electricity** by developing a **sustainable and competitive business model** that **creates value for society**.

### Networks Business



### Key business information

Iberdrola is a pioneer in the development of **innovative projects** to improve the **reliability, safety, resilience and digitalisation** of its **grids**, in order to offer its customers excellent service quality. The Company is therefore working to maximise the system's operating efficiency through operational excellence and the digitalisation of its assets. The Company, as a leading player in the energy transition, is moving towards a **more electricity-based energy model** due to the massive deployment of its smart grids which, thanks to the information they provide, facilitate more proactive, remote and secure management, favouring more efficient integration of (centralised and distributed) electric power generation and the deployment of electric vehicles and heat pumps, among other things.

### Principales magnitudes

Item	Spain		United Kingdom		United States		Brazil		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Gross margin (€M)	1,933	<b>1,914</b>	1,658	<b>1,899</b>	3,749	<b>4,016</b>	2,637	<b>2,818</b>	9,976	<b>10,646</b>
EBITDA (€M)	1,553	<b>1,543</b>	1,232	<b>1,463</b>	1,400	<b>1,329</b>	1,826	<b>2,088</b>	6,011	<b>6,423</b>
Distributed energy (GWh)	87,866	<b>89,060</b>	30,321	<b>30,540</b>	37,174	<b>37,642</b>	78,343	<b>80,922</b>	233,704	<b>238,164</b>
Supply points (Electricity) (Millions)	11.4	<b>11.5</b>	3.6	<b>3.6</b>	2.3	<b>2.3</b>	16.4	<b>16.6</b>	33.7	<b>34.1</b>
Gas supply (GWh)	--	--	--	--	59,900	<b>61,517</b>	--	--	59,900	<b>61,517</b>
Supply points (Gas) (Millions)	--	--	--	--	1.0	<b>1.1</b>	--	--	1.0	<b>1.1</b>
Gross investments (€M)	656	<b>586</b>	1,014	<b>1,493</b>	1,980	<b>2,541</b>	1,527	<b>1,661</b>	5,178	<b>6,281</b>

Main activities during the year

✓ Planning and development



Spain

Projects to improve tools and processes

In 2024, facilities worth more than EUR 580 million were commissioned and electrification improvement projects were launched, facilitating and strengthening grid connections.



United Kingdom

RIIO-ED2, RIIO-T2 and RIIO-T3

The RIIO-ED2 and RIIO-T2 regulatory mechanisms are underway, which, according to the business plans submitted to the regulator, will involve an investment of more than GBP 4 billion in distribution and more than GBP 2 billion in transmission. In December, the business plan for RIIO-T3 was submitted to Ofgem, proposing an investment of GBP 11.6 billion in transmission by 2031 to meet the government's Clean Power 2030 target, including three new HVDC connections to England and Wales. RIIO-ED2, which focuses on the low voltage grid, will free up grid capacity and allow around 5 million electric vehicles and 2 million heat pumps to be connected to the grid.

Distribution System Operator (DSO)

The Company is transitioning to the DSO role, enabling more active and dynamic network operation that prioritises grid resiliency and efficiency to provide better access to customers.



United States

Grid resiliency

More than USD 130 million were invested to improve grid resiliency, including flood walls, substation relocation and transmission line reconstruction. In total, USD 318 million was invested in climate adaptation and mitigation in 2024.

Resource interconnection

A total of 7,467 new distributed energy resources were interconnected, totalling more than 850 MW, 95% of which was solar Pvphotovoltaic. In New York, a new flexible interconnection technology was demonstrated that could integrate more renewable energy and minimise costly upgrades.

Smart meters

By the end of 2024, one million smart meters had been rolled out in New York, marking a milestone that represents half of the total target of approximately 2 million.

NECEC

Construction continued on the New England Clean Energy Connect (NECEC), a 145-mile transmission line that will connect 1,200 MW of hydroelectric power from Quebec to the New England grid.



Brazil

Improved distribution

In distribution, the Company continues to invest in improving customer service (16.6 million) and in grid resilience through the Investment Plan until 2027. In addition, 39 refurbished customer service branches have been opened and the mobile app has been improved, which now centralises nearly 40 functionalities (services).

Improved transmission

BRL 4.1 billion were invested. The Itabapoana, Estreito and Paraíso projects and parts of Lagoas dos Patos, Morro do Chapéu, Guanabara and Vale do Itajaí projects were delivered. This added around BRL 300 million in annual revenue, closing the year with BRL 1 billion in RAP. According to the established investment cycle, the Company will reach around BRL 1.9 billion in RAP in 2025.

 **Customer service**



**Spain**

**Improved customer experience**

**Customer experience** continues to be a strategic priority for i-DE, which strives to be a top leader. Investments in electricity infrastructure and network digitalisation have improved the quality of supply. In 2024, the process of accessing and connecting to the grid was simplified, significantly improving the customer experience and the accessibility of relevant information through digital channels.



**United Kingdom**

**AI rollout**

SP Energy Networks increased **customer satisfaction** over the last year, ranking as one of the UK's top companies across all service sectors according to the Institute of Customer Service. It has successfully implemented Salesforce CRM to personalise and improve customer interactions. In 2025, it **will roll out AI** to further increase satisfaction and internal efficiency.



**United States**

**Digital customers**

A total of 1.4 million customers have been registered on the mobile app and 1.3 million are signed up for electronic billing, which is expected to increase thanks to ongoing promotional campaigns. In addition, the average **satisfaction rating rose by 150% according to digital surveys**.



**Brazil**

**Customer-centric vision**

In 2024, Neoenergia reinforced its **customer-centric vision** by implementing the **360° customer vision** and strengthening the cultural transformation through the **'Our Neoenergia Style' programme**, highlighting pillars such as owner attitude, humanisation, resolution and flexibility.

**Modernised customer service**

The new **call centre model**, driven by cloud technology and competitive alliances, has ensured efficiency that is also recognised by ANEEL.

The **New Customer Service Model** and **improved governance in complaints** improved satisfaction indicators. As a result, it won the gold trophy in the **SA Customer Award** for the **'Voz del Cliente 360°'** programme, highlighting best practices in customer management and experience in Brazil.

This last project (Voz del Cliente 360°) was also awarded silver in the Smart Customer Award, together with URA 2.0, which won gold.

## Operational excellence



Spain

### Service quality improvement (TIEPI and NIEPI)

**Operational performance was very strong in 2024, with** customer service levels (TIEPI) continuing to improve and energy losses reaching historically low levels this year.

### Valencia DANA

The Company responded exceptionally during the worst rainstorm of the century in Spain (**Valencia DANA**), **restoring the electricity supply in record time** and providing support to the affected community (more than 180,000 people were left without electricity). i-DE mobilised more than 500 workers and sent 1 million sms/emails to its customers, recovering approximately 90% of the affected electricity supply in 48 hours, with the entire supply of the distribution network recovered in just over 72 hours. Iberdrola presented the il-lumina project, in which EUR 100 million will be invested to redesign the affected power grid.

### Digitalisation of processes

In 2024, a mobility platform for network maintenance processes was implemented, which avoids the use of paper and reduces clerical work. This automation, which adds AI to the process, improves reliability and makes it easier to manage the activity. The implementation of the SAS protocol in substations was also industrialised, facilitating its future extension.



United Kingdom

### Secondary communications and electronic devices

SP Energy Networks has been working on **operational excellence** for secondary communications and electronic devices.

### Service quality improvement (grid infrastructure)

ScottishPower has launched a tender for GBP 5.4 billion (more than EUR 6.28 billion) to **upgrade grid infrastructure** and enable a zero emissions future. This is the largest grid contract that the company has ever issued in the country. The contracts, which cover the next 10 years, include transmission projects and will create green jobs for decades to come. The investment will also strengthen energy security, enabling the integration and transmission of new renewable capacity and maintaining the United Kingdom's leading position in electrification.

### New industrial technologies

SP Energy Networks has implemented a development that incorporates **new industrial technologies and solutions** such as the IoT Hub, edge computing and machine learning.



United States

### Security, reliability, excellence and innovative solutions

Avangrid's distribution companies, New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E), have announced that they have achieved their **best supply reliability ratings** in five years. This achievement has resulted from ongoing efforts to improve New York State's electricity infrastructure, which serves 1.9 million customers.

A SecurityScorecard **cybersecurity rating** of 98/100 was achieved, which is significantly **higher than the average for the energy sector (86)**. The Company maintained its ISO 45001 certification and obtained a new ISO 14001 certification, thus achieving **integrated certification of its environmental health and safety system**.



Brazil

### Service quality improvement (DEC and FEC)

Despite climate challenges, with excessive rainfall and electrical discharges in the first quarter in the states of the Northeast and São Paulo, the distributors met **the regulatory limits for the quality indicators of Equivalent Duration of Interruption per Consumer (DEC) and Equivalent Frequency of Interruption per Consumer (FEC)**, most notably Neoenergia Brasilia, which had the best performance in both.

Much of this success is due to the **accelerated digitalisation** of the grids, with self-healing systems that allow supply to be restored in up to 60 seconds.

Several **awards were won for these results**: Abradee Award from the Brazilian Association of Electricity Distributors, Neoenergia Cosern as the best distributor in the Northeast, third in Brazil and second in Management Quality, as well as a mention in Health and Safety; and Neoenergia Elektro, first in Management Quality and third in Innovation Management.



## Network digitalisation and Flexibility



Spain

### Distribution System Operator (DSO)

i-DE continues to implement the role of DSO in distribution grids, which aims to make more efficient use of grids through **active management** of flexible resources, both its own and those of third parties (generation, demand and storage), so that the generator or consumer can adapt to the needs of the grid, offer the DSO flexibility and respond to its needs. A logical order is proposed to implement the **flexibility mechanisms and solutions** based on the results of pilots and projects carried out and on the Iberdrola Group’s experience in other countries, such as the United Kingdom, where implementation has been successful. The DSO’s role with flexible solutions is a paradigm shift mainly in the operation and planning processes, and the creation of new processes not yet in place.



United Kingdom

### Grid monitoring

Enhanced monitoring **capabilities** are being developed and deployed to **extend the visibility and operation of the grid**. This includes the installation of new monitoring points and a solution to capture exponential volumes of data. In addition, an open data portal has been launched so that customers can access and use the data through an API.



United States

### Operational performance (HealthAI)

**HealthAI** is a tool developed by the **operational performance** team that uses AI, street views and drone imagery to catalogue and assess the condition of equipment and infrastructure, **allowing better informed maintenance and repair decisions to be taken**.

### Grid quality improvement: GeoMesh

**GeoMesh** is a geospatial platform that identifies **strengths and weaknesses in the grid** using data such as weather and vegetation. The GeoMesh platform uses machine learning to model the grid’s response to weather conditions, optimising maintenance and improvement depending on the specific needs of each area.

### Substations improvement: Sparky

‘**Sparky**’, a robot ‘dog’, can **inspect substations** using artificial intelligence. This pilot involved performing visual and thermal inspections at two substations. During the inspections, the AI models can read meters and inspect transformers, circuit breakers and other critical equipment.



Brazil

### Digital networks

In 2024, **80% of Neoenergia’s networks were digitalised**, reaching more than 18,000 automated devices, and its telecommunications network was expanded with 7 additional towers (in total, more than 350 towers) and 220 km of optical fibre (in total, about 2,000 km of optical fibre).

Neoenergia Brasilia began to implement a private 4G LTE (Long Term Evolution) communication network and installed the first smart meters as part of the Godel Multilink R&D project.

### Automatic Grid Reconnection and SelfHealing

The AGR (Automatic Grid Reconnection) project was completed for the Neoenergia Cosern reclosers and the expansion at Neoenergia Pernambuco. AGR, a self-healing (automatic reclosing) technology, benefits more than 5 million customers.

### Digital VHF radio system

**Two new back-up operation centres** were implemented for Neoenergia Elektro and Neoenergia Brasilia and Neoenergia Elektro’s voice communication system was completely overhauled with a new digital VHF radio system, providing more resilience and security to operations.

## Electricity Production and Customers



### Key information

The purpose of the Electricity Production and Customers Business is to offer competitive, efficient, sustainable and high-quality supply, for which purpose it works to continuously improve the efficiency of its operations. In this context, care for people and environmental protection are integrated into operating procedures, which prioritise occupational health and safety and environmental management.

### Key figures

Item	Spain		United Kingdom		United States		Brazil		Mexico		IEI <sup>(1)</sup>		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Gross margin (€M)	7,010	<b>7,077</b>	3,104	<b>2,965</b>	1,119	<b>1,295</b>	443	<b>361</b>	1,131	<b>634</b>	645	<b>925</b>	13,456	<b>13,257</b>
EBITDA (€M)	4,277	<b>4,617</b>	2,087	<b>1,807</b>	686	<b>978</b>	348	<b>227</b>	786	<b>2,141</b>	420	<b>721</b>	8,601	<b>10,487</b>
Electricity contracts (millions)	10.2	<b>10.3</b>	2.7	<b>2.5</b>							0.4	<b>0.03</b>	13.2	<b>12.9</b>
Gas contracts (millions)	1.2	<b>1.3</b>	1.8	<b>1.8</b>							0.1		3.1	<b>3.1</b>
Smart Solutions contracts (millions)	10.4	<b>11.7</b>	2.8	<b>3.0</b>			0.7	0.8			0.3		14.1	<b>15.6</b>
Gross investments (€M)	1,523	<b>1,414</b>	1,156	<b>1,202</b>	1,009	<b>1,381</b>	129	<b>39</b>	161	<b>128</b>	1,993	<b>1,253</b>	5,971	<b>5,416</b>

(1) Electricity and gas customers from this segment depend on Iberdrola Clientes Internacional S.A., a subsidiary of the country subholding company Iberdrola España, S.A.

## Main activities during the year

### Installed renewable capacity:



#### Onshore wind

**50 MW** in Australia



#### Solar photovoltaic

**986 MW** in Spain  
**766 MW** in the United States  
**56 MW** in Germany  
**36 MW** in Italy



#### Batteries

**20 MW** in Spain



#### Offshore wind

**117 MW** in the United States in the Vineyard Wind project  
**476 MW** in Germany in the Baltic Eagle project

### Projects under construction:



#### Onshore wind

> **1,000 MW** in Spain, the United Kingdom and Portugal.



#### Solar photovoltaic

> **1,000 MW** in Spain, the United States, Australia and Italy.



#### Batteries

**140 MW** in Spain, the United Kingdom and Australia



#### Offshore wind

Growth continues with the construction of the **806 MW Vineyard Wind project** in the United States.

### Projects with approved investment:



#### Onshore wind

> **400 MW** in Spain, the United Kingdom, the United States and Greece



#### Solar photovoltaic

> **700 MW** in Spain, the United States, Germany and Italy.



#### Batteries

**300 MW** in Spain and Australia.



#### Offshore wind

The **316 MW Windaker project** in Germany and the **East Anglia TWO and East Anglia THREE** projects at ScottishPower.

## Green hydrogen



Spain

### Puertollano project

20 MW **Puertollano** project for the decarbonisation of the fertiliser industry.

### TMB hydrogen plant

The first public and commercial **hydrogen plant** in Spain, installed in Barcelona (2.5 MW capacity) and operational from January 2022.

### Benicarló production plant

Progress continues to be made on the construction of the **third green hydrogen production plant** in Benicarló for the chemical company IFF (International Flavors & Fragrances). With a 1.25 MW electrolyser, which replaces 100% of the plant's grey hydrogen consumption.

### Iberdrola and BP alliance

Following the formation of the Castellón Green Hydrogen joint venture between the two companies, the final investment decision for the construction of the plant with a capacity of 25 MW was taken in 2024.



United Kingdom

### Cromarty and Whitelee

Projects selected under the UK Government's Hydrogen Allocation Round 1 programme (Cromarty 15 MW and Whitelee 10 MW).

In addition, in order to respond to the electrification and decarbonisation needs of sectors that are difficult to downscale and to provide added value to our customers, Iberdrola continues to work actively on implementing green hydrogen, green ammonia and e-methanol projects in countries where the Company has a solid renewable portfolio, such as Spain, Portugal, the United Kingdom, Brazil and Australia.

## Customers

➤ In 2024, **the portfolio of smart products sold to customers** was expanded to **more than 16 million**, thus maintaining our commitment to developing products and services such as plans adapted to consumer habits and solutions that meet the needs of our customers (Smart services, Smart mobility, Smart solar, Smart home, Smart climate and Smart Cities).

➤ The Group has entered into **strategic alliances** with a long list of large companies, with which it has **signed PPAs (Power Purchase Agreements)**, long-term **clean energy purchase and sale agreements** for more than 5 million MWh per year.

PPAs are essential instruments for the electrification of the economy. From the customer's point of view, the main advantage of PPAs is that they offer a stable and predictable price, avoiding market volatility. The contracting company is therefore able to secure the price of energy over the long term, with agreements typically for 10, 15 or even 20 years. The consumer knows the price of energy for the coming years in advance, which provides cost stability and competitive prices.

## Finance

### Economic and financial performance

Iberdrola continues to develop a resilient business model, while managing the current complex macroeconomic context with a robust and prudent financial policy.

In 2024, the Company generated a **net profit** of **EUR 5,612 million**. **Investments grew** organically by **5%** to **EUR 11,946 million**, a record for the Group, and approximately **EUR 5,000 million** have been paid for acquisitions in **corporate transactions** of ENW (United Kingdom) and Avangrid (United States), mainly the funds obtained from the divestment of the thermal generation assets in Mexico.

**Gross margin** grew by +2.5% to **EUR 23,876.1 million** (+3.0% excluding the exchange rate effect), as a result of the improvement in procurements, which were 19.9% lower than in 2023, while income declined to a lesser extent, 9.3% below the value reported in 2023. Iberdrola is committed to **operational efficiency** through **cost-optimised** project design over the life of the asset, as well as continuous improvements in operation and maintenance management through standardisation and digitalisation of processes.

**EBITDA amounted to EUR 16,847.7 million, up 17%** on 2023, as a result of the strong operating performance due to a larger asset base and better returns obtained in the Networks business, higher production with better prices, normalisation of margins in the Electricity Production and Customers business, as well as the impact of the income from the divestment of the thermal generation assets. **Operating cash flow amounted to EUR 11,836 million.**

The Company has two other main levers at its disposal: On the one hand, it made **purchases of EUR 17,853 million**, securing the supply chain for future investments. On the other hand, capital gains arising from **asset rotation** are driving the implementation of efficiency measures and adjustments that will **strengthen future profits**.

The Company maintains a **robust liquidity** position, which allows it to face possible market tensions and volatility, with more than **EUR 20,000 million of liquidity**, which allows it to cover 22 months of financial needs without having to tap the market.

This economic and financial structure has allowed the Company to maintain **solid financial ratios** that keep credit ratings at BBB+/Baa1 with a stable outlook.

The Company's performance over the past decades, and particularly in recent years when there has been a very significant energy and logistics crisis, demonstrates the **resilience of the business model** and the compatibility of continuing to have a positive impact on the environment with the **creation of value for shareholders**.

As a result of the above, **shareholder remuneration will increase by 15% to EUR 0.635 gross per share**, subject to approval at the General Shareholders' Meeting.

# EU Taxonomy












Iberdrola fulfils the reporting requirements of Article 8 of EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment.

Under this regulatory framework, companies are required to report their **eligibility and alignment with the EU Taxonomy** through three economic indicators; as a percentage of turnover, investment and operating expenditure.

After identifying eligible activities for regulatory purposes, each eligible activity is analysed to see whether or not it meets the requirements of the technical screening criteria. To be considered an aligned activity, it must meet the technical criteria of making a significant contribution to at least one of the six environmental objectives. Each eligible economic activity is then assessed to determine whether it substantially **contributes to one of the objectives**, whether or not it meets the criteria of do no harm to the other environmental objectives, and whether there are sufficient social safeguards in the context of the activities carried out.

## Eligibility

The classification of the activities carried out by the Group is shown below, distinguishing between eligible and non-eligible activities in accordance with the regulated definition.

Eligible activities according to RD 2021/2139, 2022/1214 and 2023/2485	Ineligible activities according to RD 2022/1214
 Manufacture of hydrogen.	Electricity generation at nuclear facilities.
Generation of electricity: <ul style="list-style-type: none"> <li> using solar photovoltaic technology.</li> <li> from wind power.</li> <li> from hydroelectric power.</li> <li> from gaseous fossil fuels.</li> </ul>	Distribution of gas and the sale of electricity or gas to end customers.
 Electricity transmission and distribution	
 Storage of electricity	
Installation, maintenance and reparation of equipment: <ul style="list-style-type: none"> <li> energy efficiency.</li> <li> charging stations for electric vehicles,</li> <li> instruments and devices for measuring, regulating and controlling the energy performance of buildings,</li> <li> renewable energy.</li> </ul>	

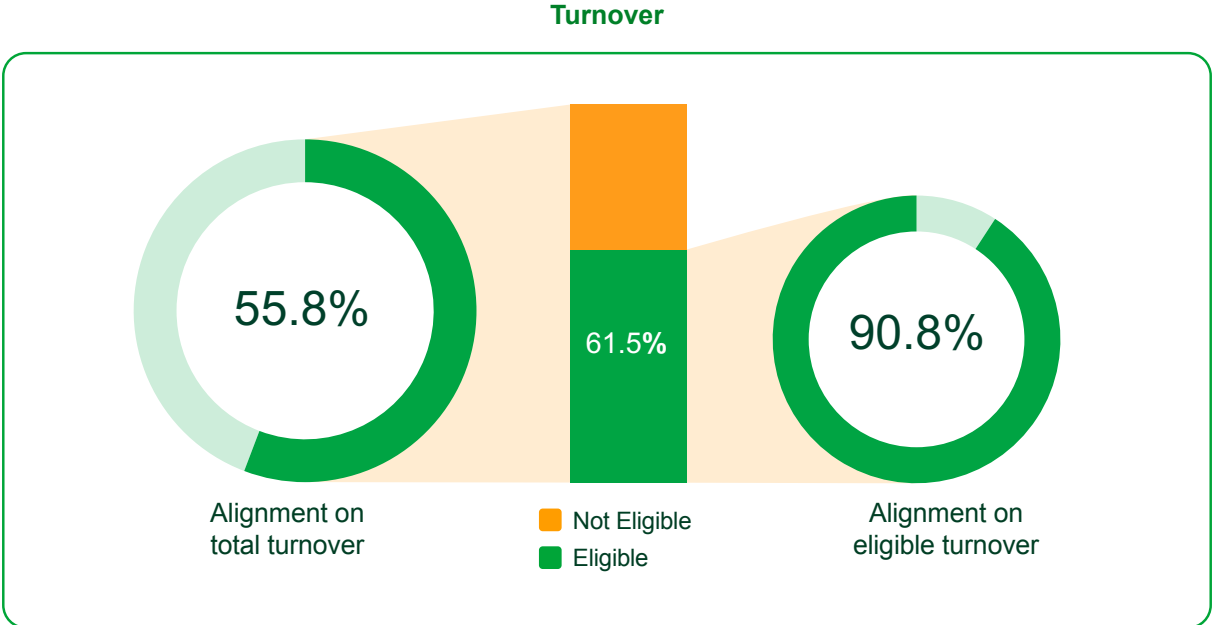
### Sustainable turnover

Eligible activities are defined by regulations and the eligibility percentage determines the ceiling of the possible alignment percentage. As a result of the mix of the Group’s economic activities, the percentage of eligible activities is 61.5% of turnover and the percentage of revenue alignment is 55.8%, which in the Company’s opinion is not an accurate reflection of the sustainability of its operations.

The proportion of taxonomy-aligned **turnover** in relation to **the taxonomy-eligible turnover is 90.8%**.

The turnover associated with sources that generate emissions has been gradually decreasing over the last decade. The effect of the divestment of the thermal generation business in Mexico can be seen in 2024.

The breakdown by taxonomy-aligned turnover is as follows.

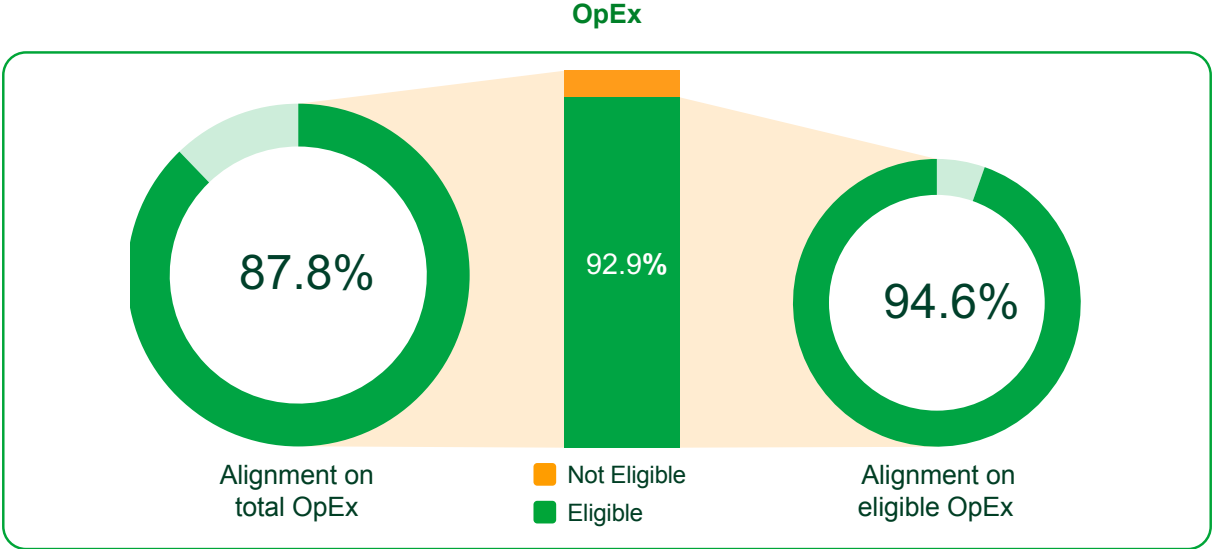


### More than 90% of turnover from eligible activities is European taxonomy-aligned turnover

### OpEX

Eligible OpEx represents 92.9% of the Group’s total OpEx. Environmentally sustainable and taxonomy-aligned activities account for 87.8%, which is a increase of more than 20 percentage points, up from 64% in 2023; this was positively impacted both by the divestment of the gaseous fossil fuels business and the thermal generation business in Mexico, and by having met the technical screening criteria applicable to the Electricity Transmission and Distribution business in New York and Connecticut, whereby this activity substantially contributes to the climate change mitigation objective, in addition to the adaptation objective, as it did in the previous financial year.

The **OpEx** of the aligned activities would increase to **94.6% of total eligible activities**.

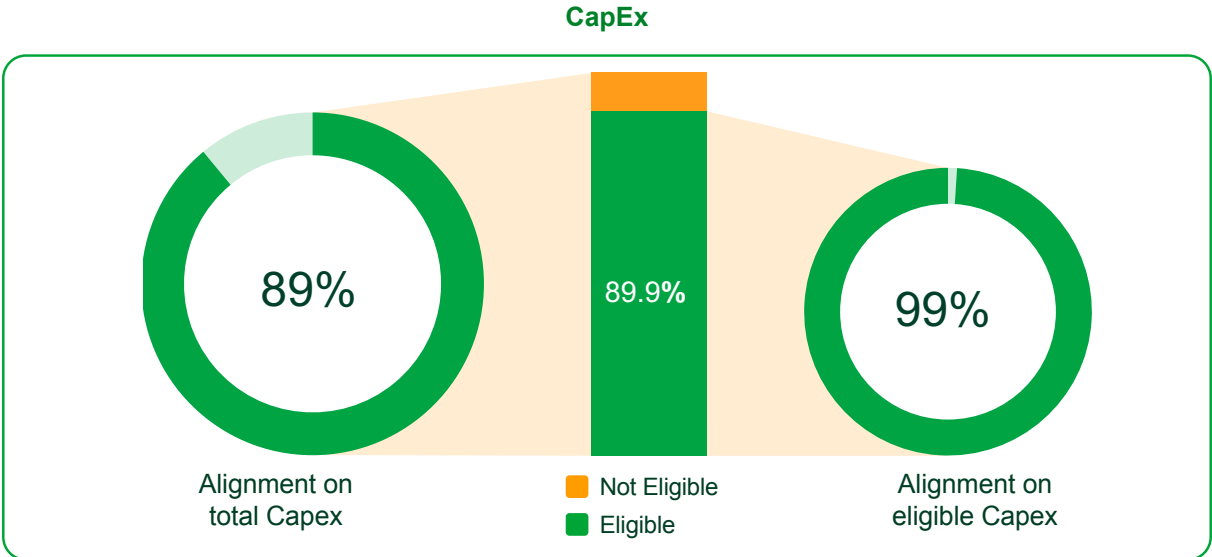


**The OpEx of the aligned activities would increase to 94.6% of total eligible activities.**

**Sustainable CAPEX**

The Company believes that the indicator that best reflects the Group’s level of sustainability is the degree of alignment of CapEx, which represents 89% of the total and 90% for all eligible activities, as a result of its growth strategy based on smart grids and renewable generation, activities on which it focuses almost all its investments.

The **CapEx** of the **aligned activities** represents **99%** of total eligible activities, growing year on year thanks to the investment strategy implemented.



**99% of investments for eligible sustainable activities are taxonomy-aligned investments**

For more details regarding the criteria applied, see the [Consolidated Statement of Non-Financial Information \(SNFI\) and Sustainability Report](#).



## Sustainable finance

Thanks to the **Company’s financial discipline**, Iberdrola has access to various **sources of financing**, leading the way in the market in terms of corporate sustainable financing. At year-end 2024, virtually 90% of the Company’s investment plan was aligned with the EU taxonomy, allowing it to remain the **world leader in green bonds**, with **strong demand from sustainable investors**, which provided total **sustainable financing of EUR 60,053 million** <sup>(1)</sup>.

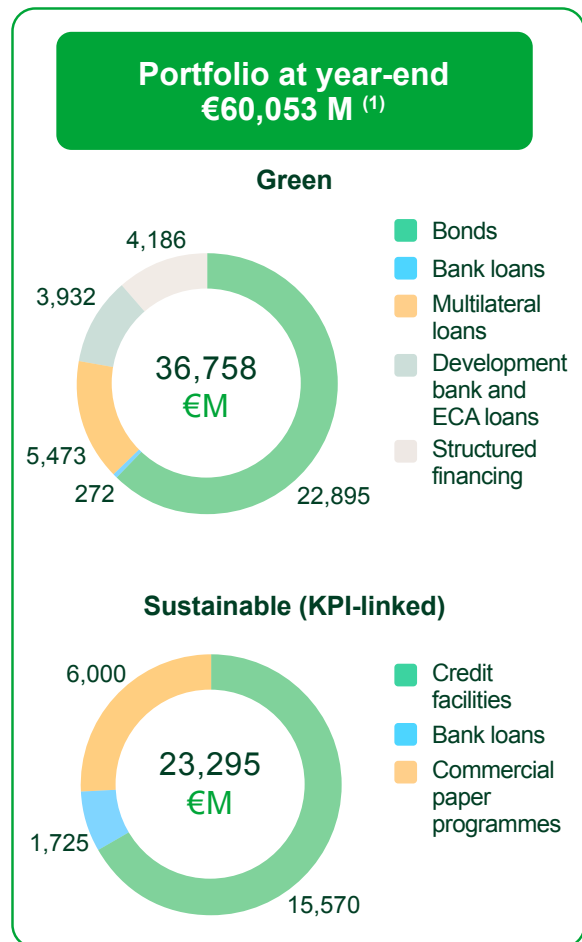
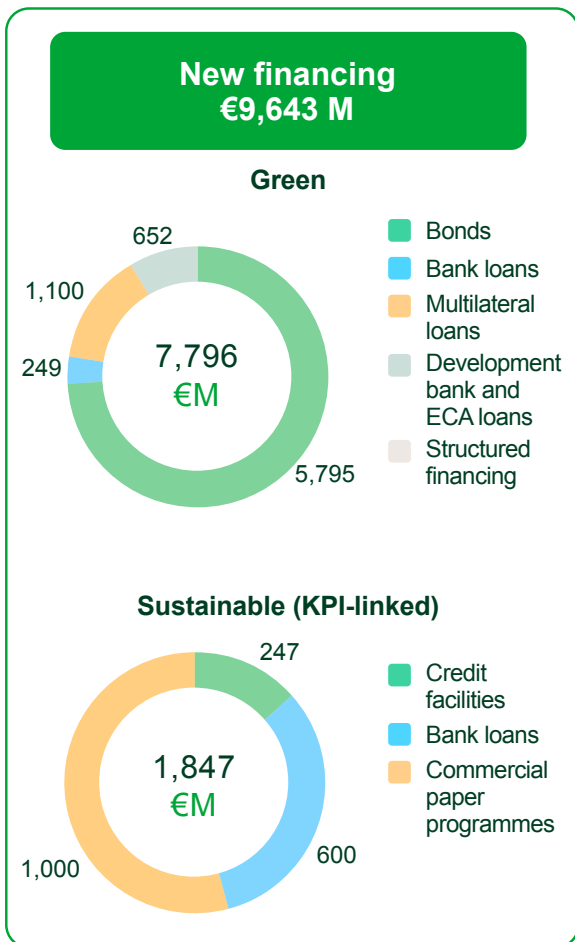
Thus, for another year, Iberdrola has reaffirmed its commitment to a sustainable financial strategy and business model for three main reasons:

- **Solvency and financial strength** are key pillars for implementing the Group’s ambitious strategic plan.

- The **financing model** is consistent with an investment plan **characterised by the sustainability** of the investments, where 90% of the investments envisaged for the 2024-2026 period are aligned with the EU Taxonomy.
- In each transaction a firm commitment is made to lenders and investors their capital will contribute to **having a positive impact on the environment and society**, on the various geographical areas and through the different instruments and markets in which projects are financed, which contributes to broadening the investor base and optimising its borrowings costs.

Against this backdrop, the sustainable financing signed by the Iberdrola Group in 2024 amounts to EUR 9,643 million, reaching a **sustainable financing portfolio of EUR 60,053<sup>(1)</sup> million**. The breakdown by product is as follows.

### Sustainable financing of the Group in 2024 (€M)



(1) Includes the Tax Equity Investment green financing agreement and the project finance of Vineyard Wind 1, a company accounted for using the equity method, for a total of USD 3,297 million (EUR 3,160 million).

### Green finance transactions

The Group signed **new green finance transactions in 2024** for a total amount of **EUR 7,796 million**. This brings **total green finance at year-end 2024 to EUR 36,758 <sup>(1)</sup> million**.



The distinguishing feature of this financing is the commitment to use the funds obtained for projects with a positive impact on the environment, including renewable energy, expansion and digitalisation of electricity transmission and distribution grids, researching new, more efficient generation technologies, or the smart mobility projects in which Iberdrola invests. The Company also commits to providing annual reports, through various indicators, on the environmental return generated by these projects, so that investors can be aware of their level of contribution to the environmental improvement achieved.

**The funds secured through all these transactions have gone towards financing or refinancing investments in projects that meet certain environmental and sustainable development criteria,** as described in the relevant Green Financing Frameworks of Iberdrola, Avangrid or Neoenergia<sup>(1)</sup>. These Frameworks are aligned, inter alia, with the Green Bond Principles (“GBPs”) established by the International Capital Markets Association (ICMA) and have the Second Party Opinion of a renowned international expert regarding their alignment with the GBPs in all cases.


The most notable green instruments are the bonds, with Iberdrola being the world’s leading private Group in terms of green bonds issued. The Company issued its first green bond in 2014, and since then has stepped up its financing through this type of instrument, with numerous other issues and in various forms: both public and private transactions, senior and subordinated debt (*hybrid bonds*), issued by the Corporation or other subsidiaries (*green bonds* of AVANGRID or *green debentures* of NEOENERGIA and other companies under these subgroups).

(1) Iberdrola Framework for Green Financing, AVANGRID Framework for Green Financing and Green Finance Framework of the Neoenergia group.

 **Bonds**

 In 2024 Iberdrola issued **6 new green bonds at the corporate level**, 4 of which are senior debt and 2 of which are subordinated debt <sup>(1)</sup>


**January** **Perpetual hybrid bond**

 **EUR 700 million** that can be repurchased at par after 7.25 years to finance the repurchase—in March—of another green hybrid bond for the same amount, which had financed renewable assets (offshore and onshore wind and hydro) in various countries.


**July** **Senior transaction in the Swiss market**

 **CHF 335 million (EUR 357 million)** at 4 and 7 years to finance Network assets in the UK.


**Senior transaction in the Euro market**

 **EUR 750 million** at 10 years to refinance renewable onshore wind or solar energy assets in the United States.


**October** **Senior bond**


 **GBP 500 million (EUR 602 million)** at 12 years to partially finance the investment in the East Anglia 2 offshore wind farm in the UK, which is still under construction.

**November** **Senior transaction in the Australian market**


 **AUD 750 million (EUR 447 million)** at 6 and 10 years to finance renewable assets (solar and batteries) in Australia.

**Perpetual hybrid bond**

 **EUR 800 million** that can be repurchased at par after 5.75 years to finance the repurchase—in February 2025—of another green hybrid bond for the same amount, which had financed the Wikingen offshore wind farm in Germany (2017) and East Anglia offshore wind farm in the UK (2019).

 **United States**

Its subsidiaries issued **4 green bonds** for a combined amount of USD 955 million (**EUR 915 million**). The funds obtained were allocated to Networks projects.

 **Brazil**

Its subsidiaries issued **15 green finance transactions** for a combined amount of BRL 7,922 million (**EUR 1,225 million**). The funds obtained were allocated mainly to Networks projects.

 At year-end **2024**, Iberdrola had a portfolio of green bonds worth **EUR 22,895 million, broken down as follows:**

**24 green bonds** issued by the Corporation for a total of **EUR 16,203 million** (including EUR 5,250 million in hybrid bonds).

USD 4,520 million (**EUR 4,332 million**) issued in the US market by AVANGRID and several of its subsidiaries.

BRL 15,267 million (**EUR 2,360 million**) issued in Brazilian capital markets by NEOENERGIA and its subsidiaries.

(1) Further details on these green transactions and their environmental returns can be found in the [Green Finance Returns Report](#) (for transactions carried out by the Corporation), and the [Neoenergia Sustainability Report](#) (for transactions carried out by Neoenergia and subsidiaries).

### Bank loans <sup>(1)</sup>

In the banking market, Iberdrola received the first green loan obtained by an energy company in 2017, which was followed by other green transactions.



Brazil

In 2024, Neoenergia took out **5 green bank loans** maturing in 2027 and 2029 for a total of BRL 1,500 million (**EUR 249 million**) for distribution network construction and automation projects, as it did for the first time in 2023, with a loan maturing in 2026, for BRL 150 million (EUR 28 million).

### Loans with multilateral institutions <sup>(1)</sup>

In May 2019, Iberdrola obtained its first green loan from the European Investment Bank (EIB) and has since continued to expand this type of instrument and the range of lenders. These public entities have their own criteria for assessing projects and allocating green instruments, which are in any case compatible with the Green Bond Principles, market standards and the commitments made by Iberdrola and its subsidiaries under their Green Financing Frameworks.



Spain

A total of **EUR 1,000 million** has been signed to finance a multiannual 2024-2026 **distribution networks** programme in Spain. EUR 500 million of this total was provided through Recovery and Resilience Mechanism funds, which is the first transaction signed by the EIB with funds earmarked for Spain.



Italy

A loan of **EUR 100 million** has also been taken out to partially finance a **solar project** in Sicily (Italy). This loan is secured by the Italian Export Credit Agency (SACE) to promote renewable energy in Italy.

(1) Further details on these green transactions and their environmental returns can be found in the [Green Finance Returns Report](#) (for transactions carried out by the Corporation), and the [Neoenergia Sustainability Report](#) (for transactions carried out by Neoenergia and subsidiaries).

## Loans with development banks and Export Credit Agencies (ECAs) <sup>(1)</sup>

- > In 2022, Iberdrola signed its first corporate-level green loans with an Export Credit Agency (ECA) underwriting policy.
- > On 18 June 2024, a loan of EUR 29 million was taken out with ICO to partially finance the investment programme for the fast and ultra-fast charging networks implemented in 2023-2026 by the Charging Together joint venture.
- > On 20 July 2024, Iberdrola took out a loan with HSBC, Sabadell and ICO for EUR 500 million, with the green policy coverage of the Spanish Export Credit Agency CESCE, in order to finance the development of renewable assets in Italy, Australia and the United States. This is the second transaction signed by Iberdrola with this type of coverage.

All of the assets financed by these institutions are included as projects eligible for green financing within Iberdrola's Green Financing Framework.



Brazil

On 11 June 2024, Neoenergia took out a loan with BNDES through its subsidiary Coelba for BRL 794 million (EUR 123 million), which received a green rating.

## Finance transactions linked to achieving sustainable targets

In addition, the Group has entered into other sustainable finance agreements, as they are finance transactions where their cost or certain structural aspects are linked to meeting a set of sustainable objectives. These are so-called KPI-linked finance transactions, such as the credit facilities taken out by Iberdrola and the commercial paper programme that the Group has in place to manage and optimise its liquidity.

As with green finance transactions, KPI-linked finance transactions are certified by an independent expert as regards the selected sustainability indicators and their compliance with the corresponding Sustainability-Linked Loan Principles (SLLP) of the LTSA or Sustainability-Linked Bond Principles (SLBP) of the ICMA.

(1) Further details on these green transactions and their environmental returns can be found in the [Green Finance Returns Report](#) (for transactions carried out by the Corporation), and the [Neoenergia Sustainability Report](#) (for transactions carried out by Neoenergia and subsidiaries).

## Bank loans linked to sustainable objectives

At **year-end 2024**, Iberdrola had **bilateral bank loans** with various commercial financial institutions for a total of **EUR 1,125 million** linked to environmental indicators, and in 2024 it took out **four commercial bank loans** for a **total of EUR 600 million**.

## Commercial paper

On 11 April 2024, Iberdrola renewed **its Euro Commercial Paper (ECP) programme**, whereby the latest changes include **increasing** the maximum limit for the outstanding balance to **EUR 6 billion** (from the previous EUR 5 billion), and incorporating the sustainable seal by undertaking to achieve two sustainability targets included in the Group's strategy.

## Credit facilities linked to sustainable objectives

At **year-end 2024**, Iberdrola had **KPI-linked credit facilities** for a total of **EUR 15,570 million**, which includes transactions signed at the Corporation level and by AVANGRID and Neoenergia.

The main targets established in these credit facilities are linked with environmental and social indicators aligned with the Group's targets:

- Sustainable syndicated credit facility for EUR 2,500 million in July 2022, the maturity date of which was extended in 2024 for an additional year to 2029.
- Sustainable syndicated credit facility for EUR 2,500 million in April 2021 and a bilateral credit facility for JPY 16,000 million (EUR 101 million) in June 2021, the maturity dates of which were extended in 2023 for an additional year to 2028.
- Sustainable syndicated credit facility for EUR 1,500 million in March 2019, the maturity date of which was extended in 2024 for an additional six months to 2026.
- Sustainable syndicated credit facility for EUR 5,300 million in December 2023, the maturity date of which was extended in 2024 for an additional year to 2029.

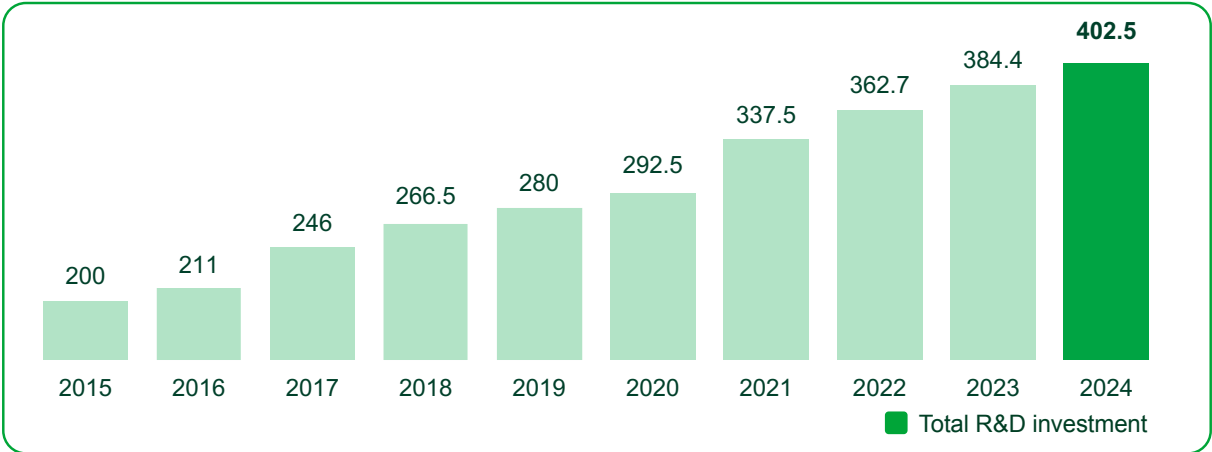
In 2021, AVANGRID also extended the maturity date and limit of the syndicated credit facility signed in 2018 to 2026 and USD 3,575 million (EUR 3,426 million), respectively, while maintaining the initial indicator that requires reducing CO<sub>2</sub> emissions.

Lastly, in 2024 Neoenergia converted existing credit facilities for a total of BRL 1,600 million (EUR 247 million) into sustainable finance transactions by introducing an environmental indicator and a social indicator.

# Innovation

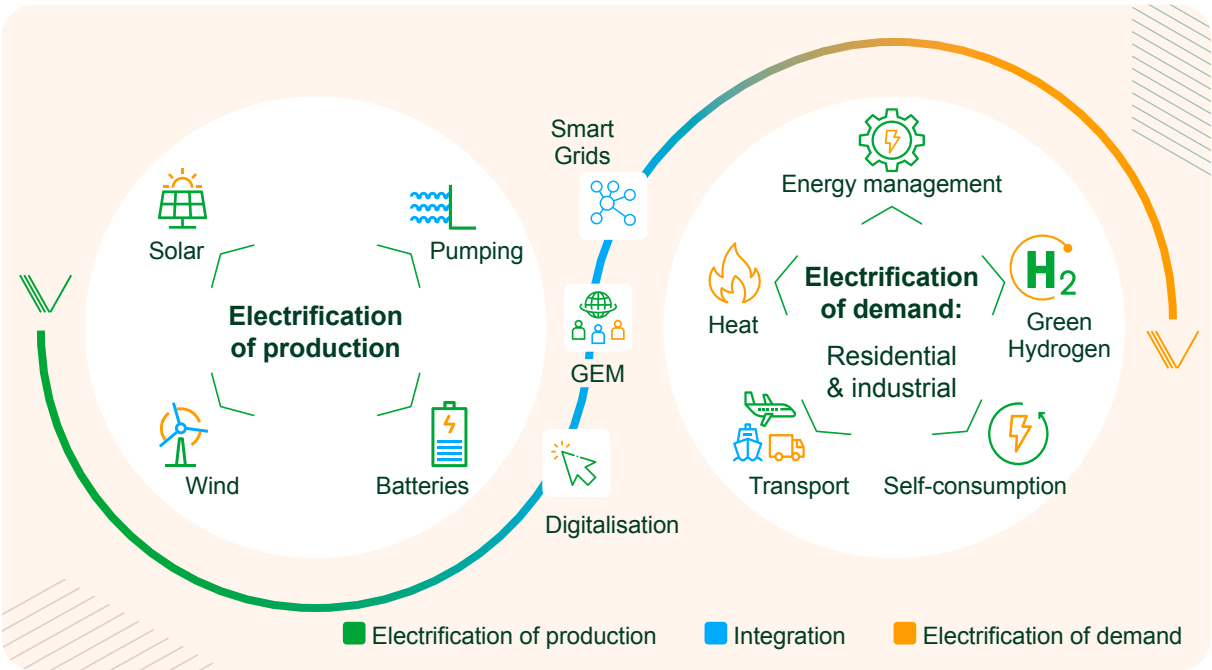
Today Iberdrola is a global energy leader thanks to a strategic vision that anticipated the trend towards electrification, renewables and the energy transition by two decades, and to its innovative ability to put this strategy into practice.

**Investment in R&D** > **€402.5 M**  
 invested in 2024  
 (+5% Vs 2023)



Thanks to Iberdrola's ongoing commitment to innovation, it has been recognised for **the fourth year in a row as the private utility that invests most in R&D worldwide**, according to the European Commission's classification.

The projects or initiatives described below drive the key areas for transforming the sector: **electrification of production**, system integration through **smart grids and digitalisation**, and electrification of demand through emission-free technologies.



## ✓ Electrification of production



### Wind

#### WINDTWIN project

In the **meteorological forecasting** field, the project seeks to develop new control methods for wind farms and turbines, and predictive models for energy demand and price, and to implement advanced predictive maintenance and monitoring techniques for structures.

#### RENOTWIN project

It seeks to develop and validate the Building Information Modelling (BIM) methodology based on digital twins for renewable energy, which comprehensively captures all the necessary parameters to reflect the reality of the **lifecycle of renewable assets**, from design to O&M, using big data and AI tools.



### Solar

#### ECOSIF project

This project continued to contribute to **increasing the lifespan of photovoltaic systems**, improving their efficiency and reducing their design, construction, operation and maintenance costs, through a detailed analysis of the corrosion processes that take place in the buried part of the fixed pile structures that support the photovoltaic modules.

#### Floating photovoltaics and agrovoltaics

Work continued to acquire **expertise in floating photovoltaic** technology and new solutions for **agrovoltaics**, resulting in a portfolio of large-scale projects.



### Hydroelectric generation

#### SHERPA project

To **extend and/or adapt** the **operating range of hydroelectric plants** to include flows below the technical minimum, without affecting their service life, economic viability and environmental and social impact, thus maximising the use of this key technology for system flexibility.

#### HYDROSES and AVANHID projects

These projects allow technological developments and innovative solutions to be incorporated to **optimise the performance of hydroelectric plants** in reversible operation.



### Energy storage and batteries

#### ATENA+ project

The aim is to develop Na-ion cells and modules for **hybrid storage systems** with renewables or in a stand-alone configuration.

#### Hybrid batteries

Deployment with renewable facilities continues, most notably with six projects to be carried out in existing photovoltaic plants.



### Operation and maintenance

#### AEROEXTENS and NEWPREDICT projects

Development of the **ASPA system** continues with digital modelling of each turbine using AI, a diagnostic matrix, **a more efficient and continuous predictive maintenance model**, and in FEM and aeroelastic models to analyse wind turbine behaviour.

#### PERAL project

**New voltage control strategies** are developed that allow a unified approach to the use of synchronous generation resources, asynchronous generation, storage systems, flexible demand (electrolysers) and self-consumption, overcoming the specific limitations of each technology.



## System integration: *Smart grids* and digitalisation



### Smart grids

#### Global Smart Grids Innovation Hub (GSGIH) project

Pioneering centre and global benchmark for innovation in smart grids, with various actions:

- | **“Product developed in the GSGIH”.** Product certified by AENOR as a label for products developed in the GSGIH ecosystem.
- | **Innovation Data Space (i-DS).** An open data space.
- | **Smart Grid Academy.**

#### Architecture and digitalisation of the low-voltage grid

Continue to develop new equipment to improve the efficiency, security and reliability of the grid.

#### BeFlexible project

Project in the area of grid flexibility that promotes the participation of *prosumers*.

#### MICROFLEX project

It aims to maximise the use of microgrids in island mode to improve the quality of supply by combining grid batteries and distributed resources.

#### ASTRA-CC project

To design a public DC power grid architecture that facilitates the connection of distributed resources.



### GEM-Global Energy Management

#### FLEXENER project

The project has been successfully completed, investigating new solutions for the integration of a 100% renewable, flexible and robust electrical system.

#### Virtual Power Plant (VPP)

With regard to the management of distributed generation and demand resources, the VPP is making progress in the integration of assets, with a particular focus on the design of aggregation services for successful participation in the electricity market, such as the Demand Response Service (DRS).

#### ONESYSTEM and DEFINER projects

These projects aim to develop advanced models to integrate different energy vectors and renewables, and demand-side management tools.



### Digitalisation

#### IA4TES project

More than 60 use cases were developed that rely on AI technologies to facilitate the transformation of the electricity sector towards predominantly renewable generation, a market environment with active customers, all supported by a smart, secure and expandable grid.

#### Digital Boost project

Based on the use of technology platforms, the modernisation of core systems and the use of digital technologies to foster collaboration and engagement among employees. This will be facilitated by the accelerated adoption of cloud technologies and the use of generative AI. In addition, a component has been added to ensure that technology solutions comply with the various compliance, audit and risk frameworks.

## Electrification of demand



### Electrification of transport

#### TANGERINE project

The strategic alliance between Iberdrola and BP Pulse has bolstered the project, funded under the CEF Transport call, for the installation of 1,220 high-power charging points.

#### URBANHUB project

Commissioning of a very high performance charging hub that integrates a second-life storage battery.

#### Electrification of heavy transport

Development of the first stations for heavy electric vehicles with chargers equipped with the new MCS (*Megawatt Charging System*) technology

#### Onshore Power Supply (OPS)

Focuses on the implementation of an innovative infrastructure that will allow the supply of renewable energy to ships moored in the ports of Pasaia, Vigo and Alicante.



### Electrification of heat

#### Industrial electrification

Progress has been made on proposals to decarbonise production processes at Bayer Asturias and BASF Tarragona, among others.

#### Renewable Heating and Cooling Network project - Palencia

It promotes the decarbonisation of urban heating, cooling and hot water systems through heating and cooling networks powered by electrification and other renewable energy sources. Along this line, the pioneering Renewable Heating and Cooling Network project - Palencia stands out, which will deliver heat by the end of 2025.



### Self-consumption

#### Autogrid Flex

A new platform developed in collaboration with Schneider Electric and adapted to self-consumption, delivering smart customised solutions based on an innovative energy forecasting and distribution system.



### Energy management

#### Certificate management platform

A platform has been launched in partnership with Balantia to provide a comprehensive energy certificate management system.

#### Microgrids as a Service

Development and deployment of Microgrids as a Service, including solar, batteries and energy management software.



### Green hydro

#### Benicarló plant

Work continued in 2024 on the construction of the 1.25 MW green hydrogen plant in Benicarló, Castellón, which is expected to be commissioned in 2025.

#### Castellón GH2 project

Progress is also being made on this project, which consists of developing a 25 MW PEM technology electrolysis plant for green hydrogen production at the bp refinery in Castellón to replace grey hydrogen.

#### AVOGADRO project

This project was completed with excellent results in the research and development of technological solutions in the value chain for renewable hydrogen gas refuelling stations for heavy vehicles.

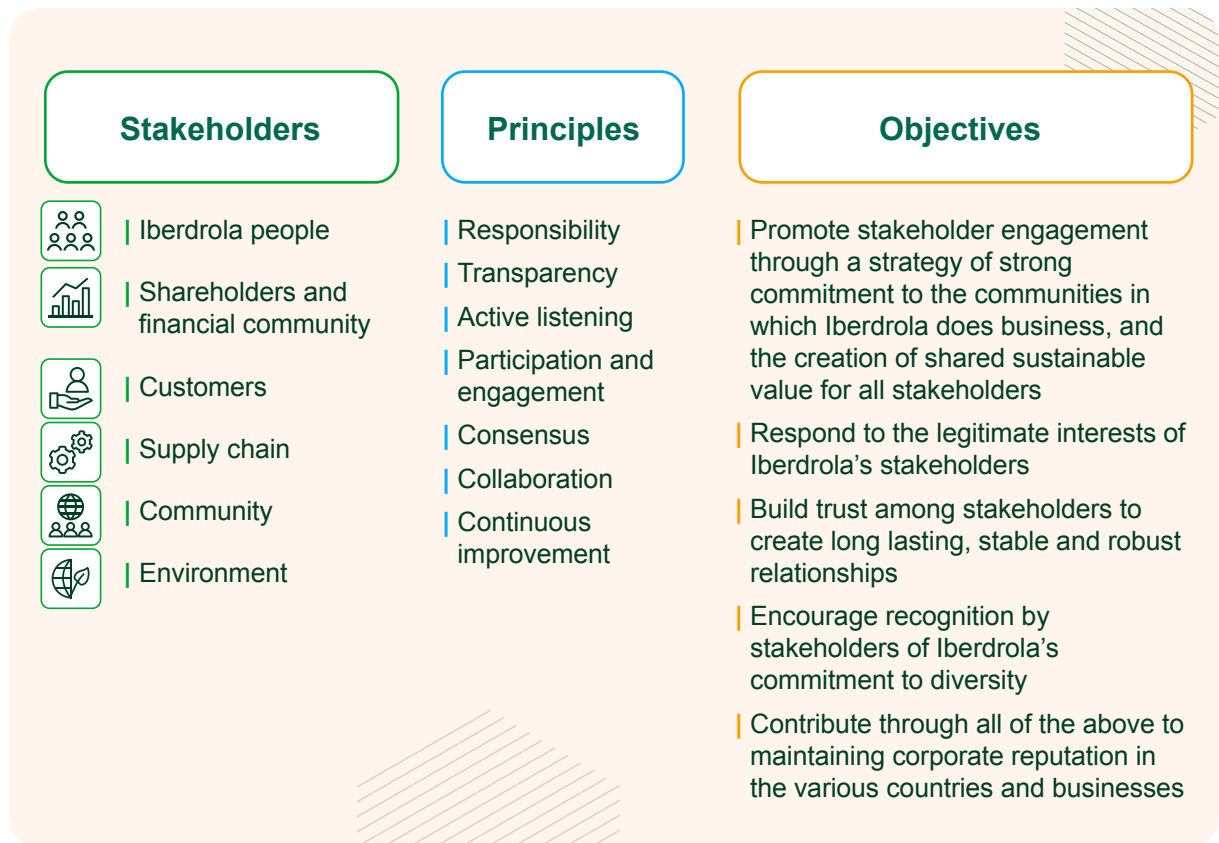
## Sustainable business

Iberdrola has been integrating sustainability aspects into its strategy and management for more than 20 years, making it a pillar of growth for the Company.

### Stakeholders

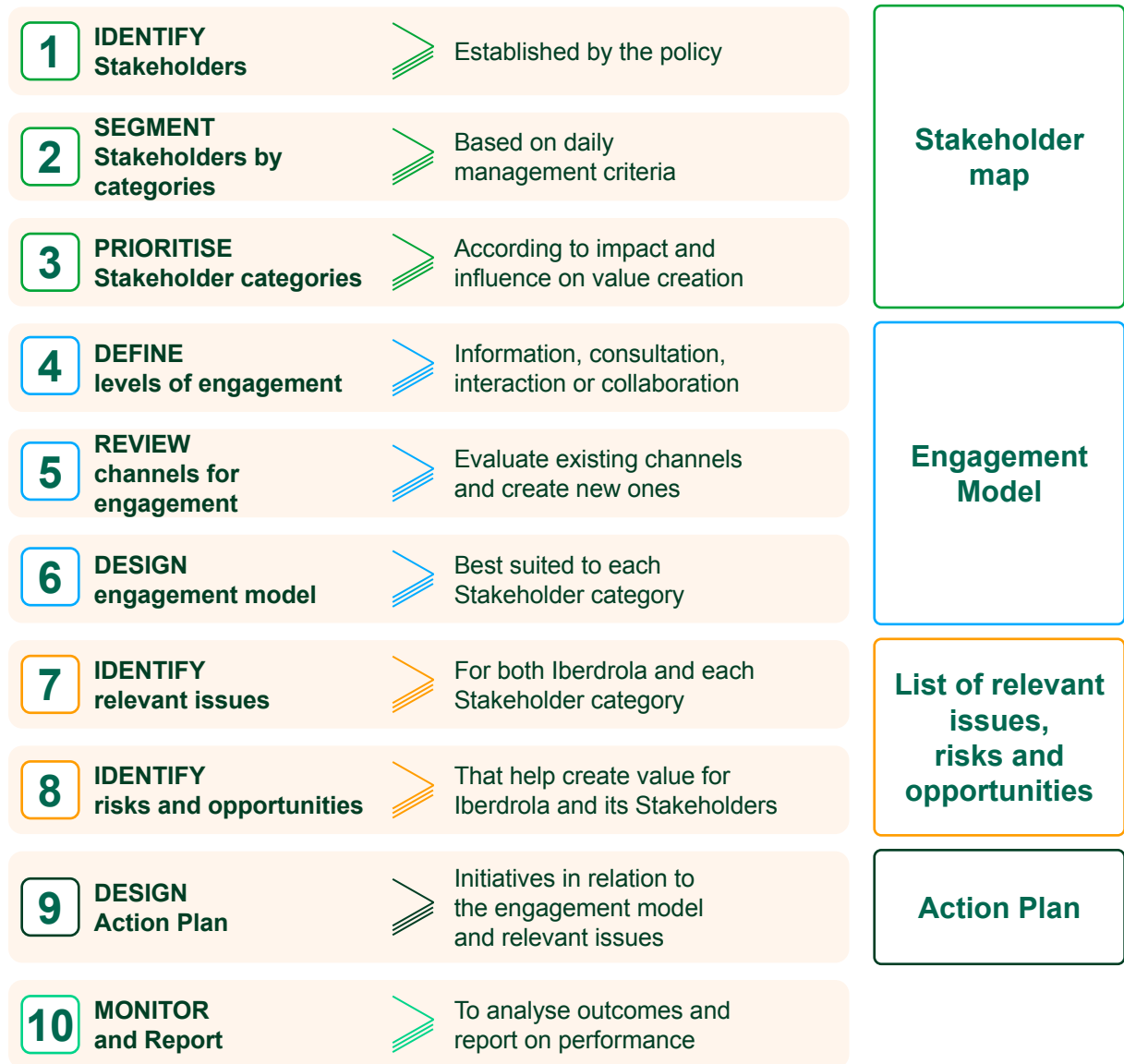
The Group companies work to increasingly engage its stakeholders in all of the Company's activities and operations. Iberdrola's Stakeholder Engagement Policy, approved by the Board of Directors in February 2015, defines the Company's stakeholders as "those groups and entities whose decisions and opinions have an influence thereon and who, at the same time, are affected by the Iberdrola Group's activities".

The value chain comprised of Iberdrola's businesses means that there is a large number of these groups and, therefore, the Company has grouped them into categories of stakeholders. As a result of the process of reflection with the Company's various areas and businesses and with external experts in the field, six categories of stakeholders have been established, as shown in the following chart:



To meet its objectives in this area, Iberdrola has a Global Stakeholder Engagement Model based on the AA1000 Stakeholder Engagement Standard 2015 (AA1000SES, 2015), on the AA1000 AccountAbility Principles 2018 (AA1000AP, 2018), and on its four principles of inclusion, relevance, responsiveness and impact. This Model aims for all areas and businesses of Iberdrola to 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 potentially negative impacts while maximising the potentially positive ones for Stakeholders (and the related risks and opportunities for the Company). Iberdrola's ambition is for the Model to be gradually and effectively implemented at all of the Group's facilities. The Company has therefore committed to implementing the Model at 90% of its facilities by 2030 through one of its global sustainability targets, which had already reached 80.1% at the end of 2024.

Prioritisation is established as the basis for redefining, if applicable, the strategies and levels of communication and engagement with the various Stakeholders and Sub-stakeholders. This strategy and the levels are determined based on the degree of impact that the Company has on its stakeholders and that of the stakeholders on Iberdrola.



### Relationship channels and significant issues

Iberdrola keeps the relationship channels with its stakeholders updated and makes continuous efforts to identify the issues that are most important to each of them. Some channels and topics are specific to each geographical area and stakeholder class, but many of them are cross-cutting, as shown below:

	General channels	Usage frequency	Significant overarching issues
	Telephone, email, website and intranet	Constant	Ethics, integrity and transparency (accountability to stakeholders and society)
	Meeting and interviews	Periodic	Climate emergency, energy transition and industrial alliances
			Innovation, artificial intelligence, digitalisation and cybersecurity
			Electricity prices
			Vulnerable customers and universal access to energy
			Strategy, investment plans, financial perspectives and regulatory changes
			Respect for human rights, local communities and fair transition
			Sustainability performance
			Action for biodiversity and nature

### Iberdrola Stakeholders' Hub

The Company has a stakeholder coordination body made up of the parties responsible for all of Iberdrola's stakeholders and businesses. This hub meets on a regular basis and its main purpose is to share experiences and best practices in the area of *stakeholder engagement*. In 2024, numerous best practices were identified and shared, including the following:

**Good practices**



**Spain**

**New Customer App Functionality - Chat “recovery”**

Iberdrola Spain has launched an innovative tool that allows customers to self-manage and sign up for a plan that fits their needs. This tool offers a personalised way of addressing customers’ main queries, allowing greater autonomy in choosing when they wish to interact with the bot.



**United Kingdom**

**National Planning Improvement Hub in Scotland**

The Scottish Government has established a hub to provide expertise to promote green energy development and opportunities in Scotland. Against this backdrop, ScottishPower proposed potential solutions to the challenges associated with permitting, a measure that was welcomed and appreciated by the Scottish Government. The hub will initially focus on accelerating the process of granting permits for hydrogen projects until March 2025. In the future, this team will focus on other types of development, including wind energy, thus benefiting other ScottishPower initiatives.



**United States**

**Indigenous communities**

In the United States, state regulators are increasing requirements related to engagement and impacts, including those affecting indigenous peoples. An example of this is New York State’s policies and requirements, which are aligned with the UN principle of Free, Prior, and Informed Consent (FPIC), recognising the need for projects to consider the direct and indirect impacts on indigenous peoples.



**Brazil**

**Social Working Group**

The experience of the Social Working Group of Neoenergia’s Sustainability and Renewable Energy Department involves more than 10 technical and corporate areas and aims to create a space for exchanging ideas and making decisions to continuously improve human rights due diligence.

The benefits of this group include preventing and reducing impacts, managing grievance mechanisms, engaging stakeholders and improving relations with communities. The working group focused on human rights involves 300 leaders, managers, analysts, technical teams (wind, solar and hydro) and corporate areas and has become a benchmark for the Civil Office of the Presidency of the Republic.



**Mexico**

**Customer loyalty programme**

This programme is designed to strengthen long-term relationships with customers and provide greater value by focusing completely on the customer experience and seeking to directly impact them.

The actions undertaken by the programme most notably include Smart Solar opening ceremonies, where the achievement of important sustainability goals is celebrated with customers. Visits to facilities are also organised, inviting customers to learn about Iberdrola’s power generation operations, which fosters engagement and relationships.

In addition, personalised events are held, such as Energy Day and the annual Iberdrola Awards, which recognise customer loyalty to the Company.

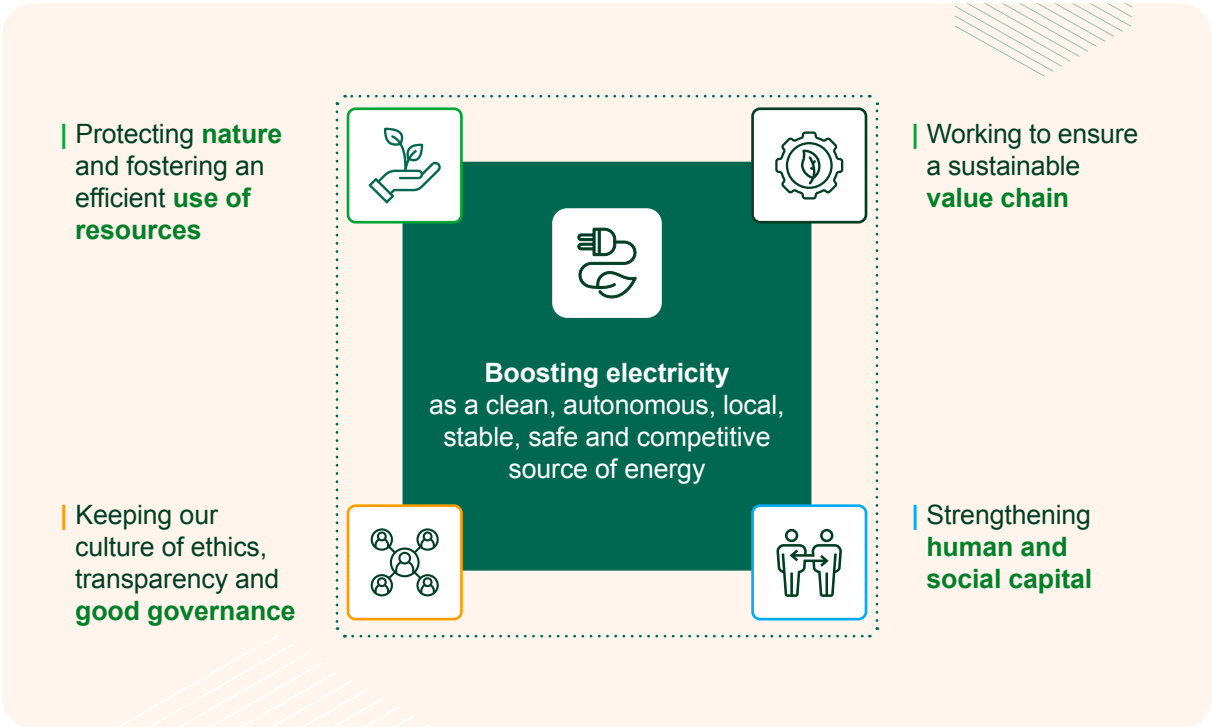
In addition, at the last meeting of 2024, a team of experts presented the key messages and the importance of Community Engagement to the members of the Stakeholders’ Hub.

## Sustainability Targets

Iberdrola identifies the material aspects for its stakeholders, and for the Company itself, by carrying out a double materiality study that takes into account the impact of the Company’s activities. Since the Company has an active role in the creation of a sustainable energy model and the creation of sustainable value for its stakeholders, it has established its sustainability roadmap through its sustainability targets.

These targets are broadly linked to the *Group’s Ethical and Basic Principles of Governance and Sustainability* and to the corporate policies that make up these principles. They reinforce the Company’s strategy and its commitment to sustainable development, the social dividend and the creation of shared value with all stakeholders, which are primarily embodied in the *Purpose and Values* of the Iberdrola Group, as well as in the *Sustainable Development Policy* and the *Stakeholder Engagement Policy*.










The Company updated its **Sustainability Targets in 2024**. These targets are based around five pillars where environmental, social, governance and financial aspects converge, and seek to structure actions along the same lines as the *Group’s Ethical and Basic Principles of Governance and Sustainability*.









The Company’s main sustainability targets are structured around these **five priorities** and are set out below:

2024	2025	2026	2030
------	------	------	------

Electricity as a clean, autonomous, stable, safe and competitive energy source

Green electrification	 <b>Carbon Neutral in electricity generation in 2030</b> Specific emissions (global mix) (gCO <sub>2</sub> /kWh)	65	60	55	Carbon Neutral <sup>(1)</sup>
	 <b>Net Zero in scopes 1, 2 and 3 before 2040</b>	In progress		Comply with SBTi milestone <sup>(2)</sup>	
	 <b>NOx emissions</b> kg/MWh	0.157	0.17	0.15	< 0.10
	 <b>Storage capacity</b> Cumulative installed storage capacity (GWh)	108.2	108	118	136
Innovation and digitalisation	 <b>Smart grids</b> % automation of high and medium voltage assets	81.4%	83%	85%	90%
	 <b>Investment in R&amp;D</b> Million euros (annual)	402.5	420	443	550
	 <b>Cybersecurity assessments</b> Number of annual assessments or external verifications	3,224	2,000	2,000	2,000
Sustainable finance	 <b>CAPEX Aligned</b> % of Taxonomy aligned CapEX <sup>(3)</sup>	89%	~90%	~90%	~90%
	 <b>Sustainable Financing</b> % of total financing	94%	Min. 80% <sup>(4)</sup>	Min. 80% <sup>(5)</sup>	-

Ensuring a sustainable value chain

Sustainable supply chain	 <b>Purchases from sustainable suppliers</b> % of total purchases	93%	>= 85%	>= 85%	>= 85%
	 <b>Percentage of sustainable suppliers</b> % of main suppliers subject to sustainable development policies and standards	88%	>85%	>85%	>85%
Customers	 <b>Quality of supply</b> Reduce the Global SAIDI <sup>(6)</sup>	-12.3%	-10%	-11%	-16%
	 <b>Smart solutions portfolio</b> Millions solutions	16	18	19	21
	 <b>Customer Accessibility Solutions<sup>(7)</sup></b> Number of solutions	50	62	63	63
	 <b>Digital customers</b> % of total commercial customers	72%	75%	76%	80%

(1) <10 gCO<sub>2</sub>/kWh  
 (2) Interim target certified by SBTi (Science-based targets initiative).  
 (3) Organic CapEx; according to European Taxonomy Regulation.  
 (4) Average sustainable financing for 2023-25 period.  
 (5) Average sustainable financing for 2024-26 period.  
 (6) Calculated against the 2019-21 period average  
 (7) Including Neoenergia solutions from 2023 onwards.



What steps are we  
are we taking?

Period-end  
Group performance

Electricity as a clean, autonomous, stable, safe and competitive energy source

**84% own production** associated with emission free technologies.

**38** (gCO<sub>2</sub>/kWh) in Europe  
5 times lower than the industry average

Green  
electrification

Green light for **Iberdrola's new reversible hydroelectric pumping station** in Alcántara (Spain)

**108.2 GWh** of cumulative installed storage capacity

Iberdrola Innovation Middle East has developed a battery assessment tool to help improve the management and optimisation of energy storage systems.

**EUR 402.5 million** (per year) in R&D investment.

Innovation and  
digitalisation

**EUR 6,281 million** gross investment in networks.

**~80%** Smart grids

Iberdrola closes the largest issue of **green bonds** in its history, for **EUR 2,150 million**, to continue its growth in the United Kingdom.

**94%** sustainable financing relative to the total.

Sustainable finance

Ensuring a sustainable value chain

**Supplier of the Year Awards in Spain, with a special Sustainability category**

Iberdrola recognised at the Alcance 3.0 Awards as the best in the sector for promoting sustainability in its value chain.

**87.9%** of key suppliers are sustainable

Sustainable supply  
chain

Iberdrola has been awarded **four Excellence Awards in Customer Relations** by the **Spanish Association of Customer Relations Experts (AEERC)**.

**50** accessible solutions





Customers

Iberdrola will invest more than **EUR 290 million** to improve the customer experience through **digitalisation**, among other measures.









Overall SAIDI improvement

2024	2025	2026	2030
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



**Nature and efficient use of resources**

Efficient use of resources		<b>Specific water consumption reduction</b> % Reduction of water consumption intensity <sup>(1)</sup>	-12.5%	-32%	-36%	-63%
		<b>Blade and Solar Panel Recycling</b> % of blades and panels recycled of total blades and panels dismantled <sup>(2)</sup>	98.4%	50%	50%	100%
Biodiversity preservation		<b>Conservation, restoration and plantation of trees</b> Number of trees (million) and No Net Deforestation in 2025	5	8	10	20
		<b>Net positive impact in 2030</b> % assets with biodiversity assessment and neutrality plan	11%	20%	25%	100% (Net positive)

**Strengthening human and social capital**

Equal opportunities		<b>External EDGE plus certification <sup>(3)</sup></b> Attainment	In progress	In progress	√	-
Safety and health		<b>Wellness Plan</b> Global deployment	Implemented	In progress	Certification	-
		<b>Occupational safety</b> TRIR (reduction) <sup>(4)</sup>	-19%	-10%	-13%	-21%
Employee skills improvement		<b>Green skilling</b> Program deployment	√	√	√	-
		<b>Training in cybersecurity and protection of information</b> Annual hours of training completed	96,417	63,000	64,480	68,000
Community development		<b>Beneficiaries of the “Electricity for all” program</b> Millions of beneficiaries (cumulative)	13.8	14	15	16
		<b>Beneficiaries of the Foundations programs</b> Millions of annual beneficiaries	6.1	8	8	10
		<b>Corporate volunteering</b> No. of annual volunteers (thousands of employees and companions)	22.8	19	19.5	23

**Maintaining our culture of ethics, transparency and good governance**

Corporate governance		<b>Corporate Governance</b> Maintain best practices	√	√	√	√
Composition of the Board of Directors		<b>Percentage of independent directors</b> Over 50%	√	√	√	√
		<b>Varied composition of the Board of Directors</b> Promote	√	√	√	√
Compliance		<b>Compliance System</b> Obtain/maintain (yearly)	√	√	√	√
Human rights		<b>Human Rights Due Diligence</b> Continuous revision of the DD System	√	√	√	√
Stakeholder engagement		<b>Stakeholder Engagement Model</b> % of facilities with the model implemented	80.1%	70%	75%	90%

(1) Calculated against the base year 2021  
 (2) Includes blades and panels out of operation with a destination decision different from disposal.  
 (3) EDGE Plus equal opportunities certification by 2026  
 (4) Calculated against the base year 2021

What steps are we  
are we taking?

Period-end  
Group performance

Nature and efficient use of resources

	<p>Iberdrola selects EnergyLoop to <b>recycle blades</b> for its first repowering project in Spain.</p>	<p><b>98.4%</b> of recycled blades and panels</p>	<p>Efficient use of resources</p>
	<p>ScottishPower Renewables restores <b>more than 1,000 hectares</b> of wetlands at Whitelee wind farm.</p> <p><b>Carbon2Nature</b> continues to make progress in its mission to capture more than 60 million tCO<sub>2</sub> in natural sequestration sinks.</p>	<p><b>11%</b> of assets with a biodiversity assessment and neutrality plan</p> <p><b>5 million trees</b></p>	<p>Biodiversity preservation</p>

Strengthening human and social capital

	<p>Iberdrola receives <b>EDGE</b> (Economic Dividends for Gender Equality) <b>certification</b>.</p>		<p>Equal opportunities</p>
	<p>AENOR awards the ISO 45001:2018 Occupational Health and Safety Management System certificate to Iberdrola España.</p>	<p>TRIR reduced by <b>19%</b> compared to 2021.</p>	<p>Safety and health</p>
	<p>We launched the <b>Smart Grids Academy</b>, an international training platform for smart grids.</p> <p>Iberdrola earns the <b>Top Employers 2024 certification</b> in eight countries for excellence in its people management practices</p>	<p>More than <b>95,000 hours</b> of cybersecurity training</p>	<p>Employee skills improvement</p>
	<p>Iberdrola is working alongside <b>Fundación Adecco and Fundación Prodis</b> to reduce <b>barriers</b> to the job market for <b>people with intellectual disabilities</b> through pro bono activities.</p>	<p>More than <b>6 million</b> beneficiaries in the last year, <b>21 million</b> in the last 4 years</p>	<p>Community development</p>

Maintaining our culture of ethics, transparency and good governance

	<p>Newsweek ranks Iberdrola as <b>one of the most trustworthy companies in the world</b></p>		<p>Corporate governance</p>
	<p><b>86% of external directors and, in particular, independent directors</b>, who have been selected based on their diverse skills, expertise and professional backgrounds.</p>		<p>Composition of the Board of Directors</p>
	<p><b>Top score for the second consecutive year</b> in the Ibx 35 ranking for transparency and good governance in compliance</p>		<p>Compliance</p>
	<p><b>80.1%</b> of facilities with the Stakeholder Engagement Model.</p>		<p>Human rights</p> <p>Stakeholder engagement</p>

## Climate Action Plan

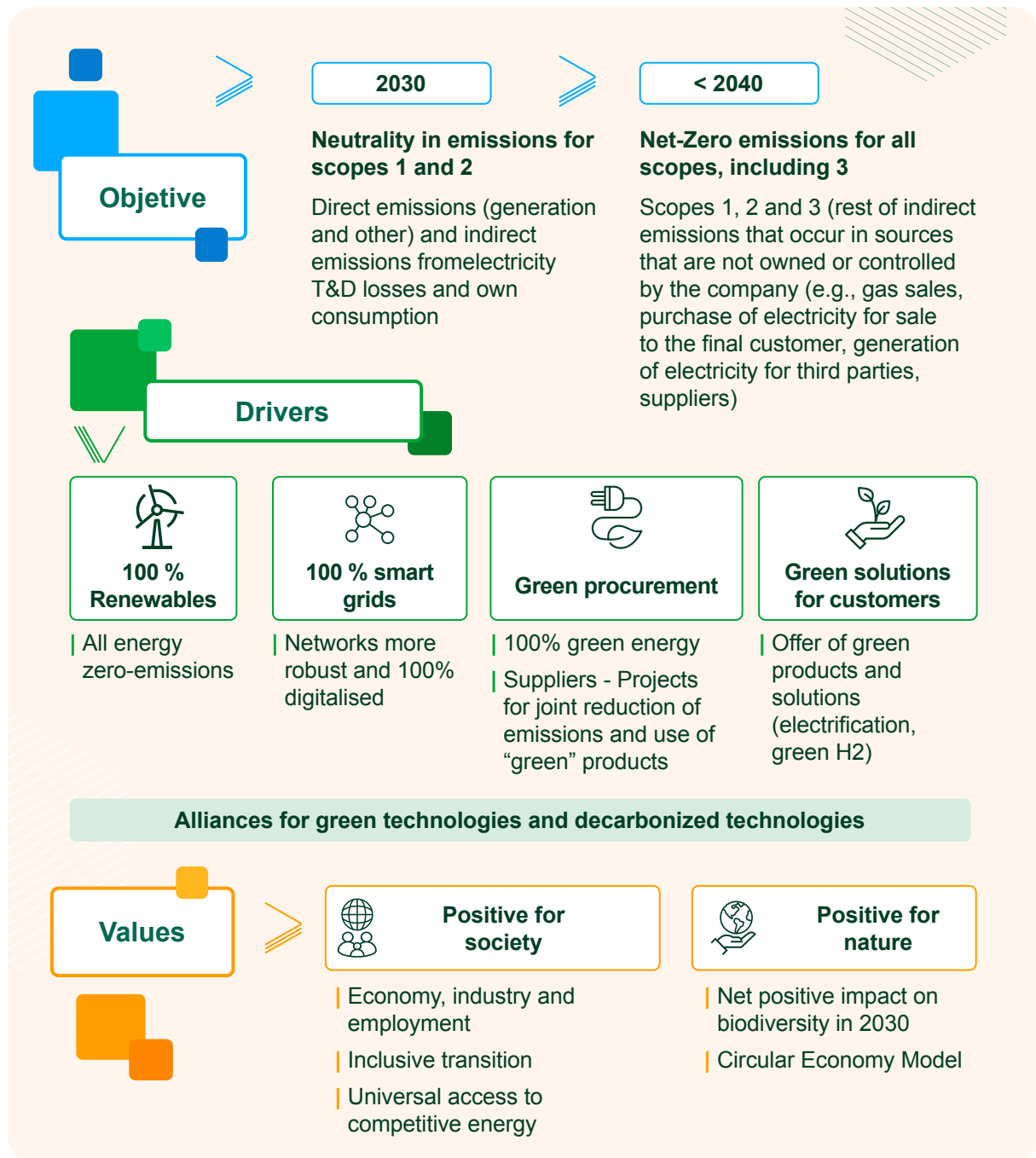
The Company firmly believes that the transition to a carbon-neutral economy by 2050 is technologically possible, economically viable and socially necessary. The energy transition to a low-carbon economy is a great opportunity to create autonomy, wealth and jobs, and to improve the state of the planet and human health. Over the last two decades, **Iberdrola has invested more than EUR 160,000 million in networks, renewable energy and storage.** And it will continue with an ambitious investment plan focused on increasing its installed capacity in renewable energies: onshore and offshore wind, photovoltaics, batteries and hydropower, and electricity grids.

**Iberdrola's Climate Action Plan sets out a roadmap with the aim of achieving CO<sub>2</sub>eq neutrality for Scopes 1 and 2 by 2030, and net zero CO<sub>2</sub> equivalent emissions by 2040.**

The Science Based Target Initiative (SBTi) has certified that this trajectory is consistent with the objectives of the Paris Agreement. Therefore, by 2040 absolute emissions from all its scopes would be reduced by 90% compared to 2020 and residual emissions would be neutralised in accordance with the highest quality standards.

This Climate Action Plan also constitutes the Company's transition plan and describes the levers and associated activities that contribute to electrification and emissions reduction of the economy as a whole, as well as the values and tools that underpin its implementation and which respond to the vision of an energy model in harmony with nature and people.

## Energy transition and Climate Action Plan



## Levers

The actions identified so far to achieve this target have an impact on the three emission scopes:

- **100% smart grids:** operating a robust transmission and distribution grid as a key pillar of an electrified energy system based on renewable energy sources. This infrastructure is fundamental in order to integrate new renewable capacity into the electricity system and to absorb increased demand from new applications: electric vehicles, heat pumps, data centres, etc.
- **100% renewable:** The Iberdrola Group's investment plan for the 2024-2026 period does not contemplate any capital investment in new carbon-intensive assets, but instead invests in renewable generation, increases storage capacity and promotes new technologies (e.g. hybridisation, long-term storage, etc.).
- **Green solutions for customers:** contributing to the gradual electrification of energy demand, with actions such as the sale of renewable energy, the promotion of direct electrification solutions (such as heat pumps), green hydrogen and other derivatives, a sustainable mobility plan, key alliances in green technologies, etc.
- **Green purchases:** through the acquisition of renewable energy for own consumption, on the one hand, and the establishment of alliances and partnership agreements with its supply chain to jointly reduce emissions and to speed up and facilitate the development of green products, on the other.
- **Partnerships in green technologies:** These levers are underpinned by a cross-cutting lever focused on activating a robust network of partnerships to advance green electrification solutions, and by support and collaboration to establish ambitious approaches to climate policy and action.

Iberdrola advocates an ambitious and robust approach to promote the acceleration of climate action. This approach is undertaken by exercising globally recognised leadership in the international climate agenda through very dynamic participation in the most significant milestones each year (including the annual United Nations climate conferences (COP) and New York Climate Week) and by actively collaborating and strengthening alliances

with numerous organisations from different sectors (including international bodies, industry associations, think tanks, academic institutions, NGOs). Iberdrola is particularly actively involved in some of these alliances, contributing to their strategic approaches and making the viability of climate solutions visible from a business perspective. Some particularly relevant examples are the We Mean Business Coalition (WMBC), UN Global Compact, Corporate Leaders Group (CLG), the Ibero-American network of green growth groups (launched by the Spanish Green Growth Group), the Community for Climate, and others. It is also worth noting the very close collaboration with think tanks, such as Bruegel and the Real Instituto Elcano in their energy and climate work branches, and the cooperation with the United Nations Framework Convention on Climate Change (UNFCCC), especially in the framework of the Paris Committee on Capacity-Building network.

Iberdrola also collaborates in alliance with UNICEF to help vulnerable young people take advantage of opportunities arising from renewable energies and the transformation of the energy model. This alliance has been in operation for more than two years in Spain and internationally, promoting training and employability opportunities in sectors related to the green economy. Therefore, together with public authorities, suppliers, NGOs and academic institutions, training courses are being designed and carried out, offering work placement opportunities and the possibility of employment, and promoting the creation of start-ups in the green economy.

## Values

Due to its cross-dimensional nature, the [Climate Action Plan](#) is based on the aim of making climate action compatible with the general social interest and contributing to sustainable development, so as to contribute to building an energy model in harmony with nature and human beings. These two dimensions are the values that underpin the plan, ensuring positive impacts on nature and society.

In this regard, the [Convive Programme](#) in Spain stands out, a programme promoting continuous improvement that integrates all the initiatives and alliances that are being carried out in the development of renewable energies and that

contribute to socio-economic development, the protection and improvement of biodiversity and collaboration in alliances with other agents. The second edition of the Convive Awards was held in 2024 with the aim of recognising the best third-party initiatives for coexistence between renewable energies, nature and people.

Regarding the progress made in the decarbonisation roadmap, Iberdrola deploys resources, tools, and projects that seek to maximise the social and economic opportunities of climate action, managing potential impacts on communities. These initiatives most notably include the Lada and Velilla Citizen Innovation Platform project launched in 2020 to accompany the closure of Iberdrola’s plants in Lada and Velilla and to channel entrepreneurship initiatives that act as a tool to accelerate collaboration processes between citizens, public entities, and companies.

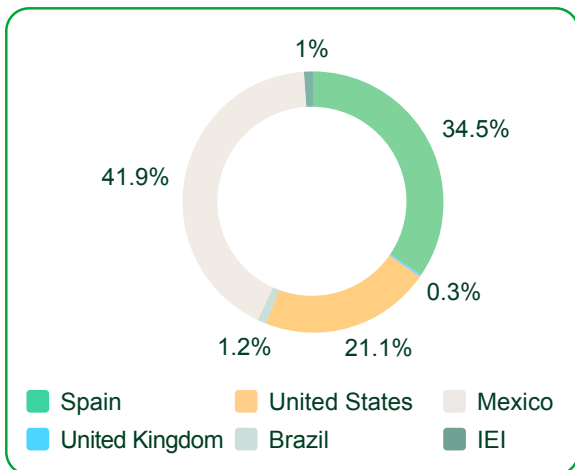
### Reduction of emissions

The implementation of the plan demonstrates a strong, ongoing reduction in the intensity of direct emissions, from 250g CO<sub>2</sub>/kWh in 2010 to **65g CO<sub>2</sub>/kWh in 2024, a reduction of 74%**. Emissions intensity has been reduced by 34% since 2020, the reference year for the 2030 target. This trend is aligned with the fulfilment of the published targets of 60g CO<sub>2</sub>/kWh by 2025, 55g CO<sub>2</sub>/kWh by 2026 and less than 10g CO<sub>2</sub>/kWh by 2030.

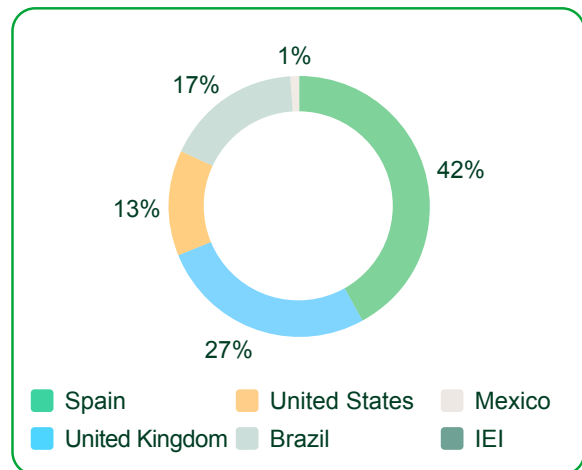
Absolute emissions stood at 42.8 Mt CO<sub>2</sub>eq in 2024 (calculated using the location-based method). With respect to the aspirational target of achieving net zero emissions by 2040, by the end of 2024, an **emissions reduction of more than 40%** has been achieved compared to the comparable base year 2020. This reduction is in line with achieving the target of a 65% reduction by 2030.

The following graphs show the distribution of Scope 1, 2 and 3 emissions in 2024.

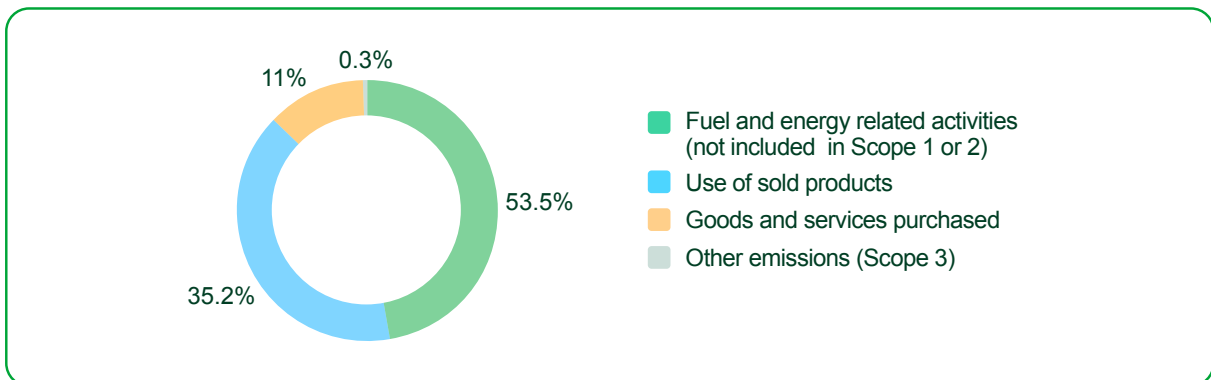
**Scope 1 CO<sub>2</sub> emissions by geographic area**



**Scope 2 CO<sub>2</sub> emissions by geographic area**



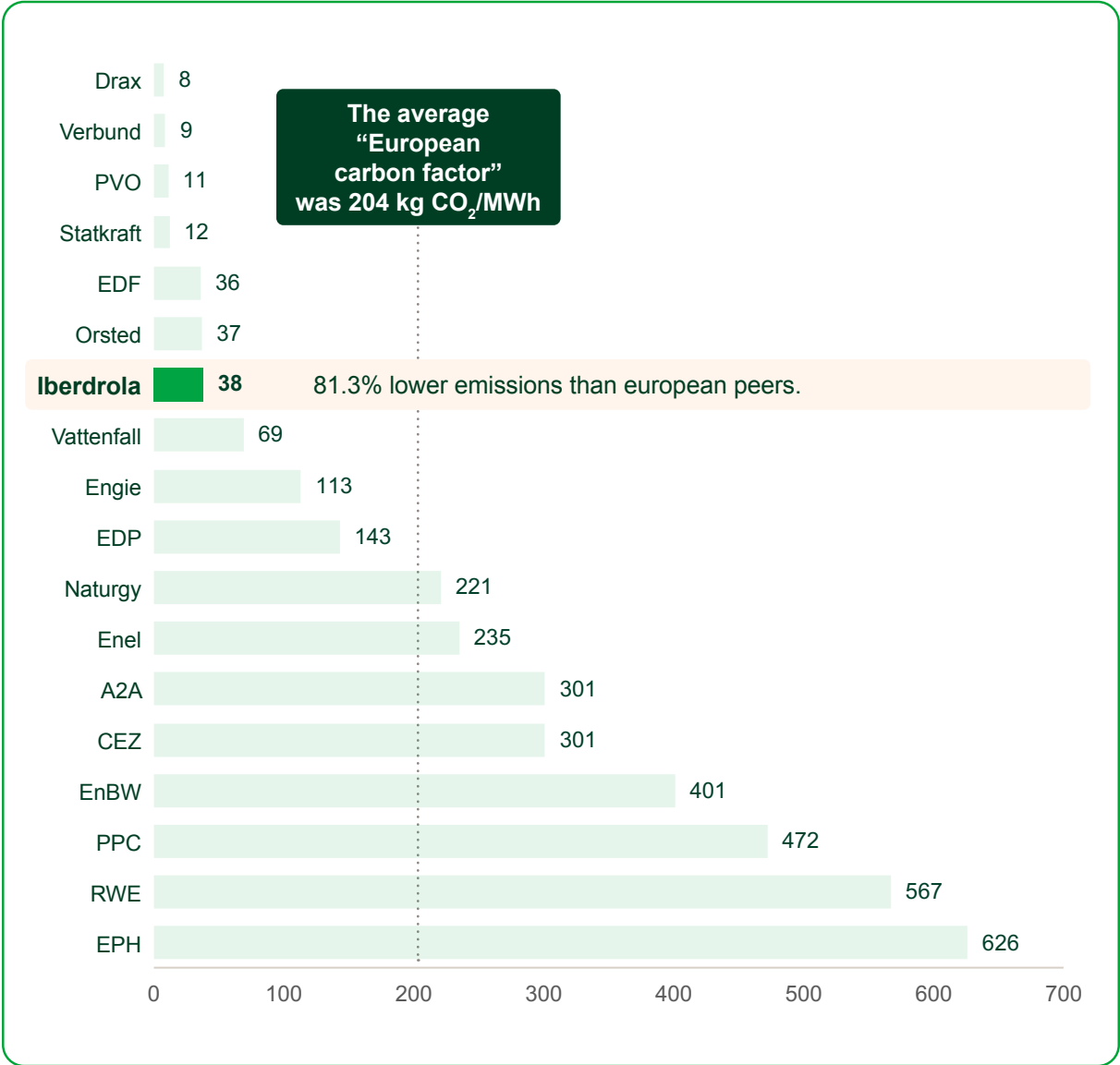
**Scope 3 CO<sub>2</sub> emissions by type**



Iberdrola is a global leader in the energy transition and the fight against climate change within the energy sector.

Iberdrola’s transformation towards climate neutrality is part of the strategy to achieve a more efficient, competitive, clean and sustainable economic system, and consolidates the Company as the **largest electricity company in the world without coal production, with its CO<sub>2</sub> emissions standing at 38 g/kWh in Europe, five times less than the average for the European sector.**

Specific CO<sub>2</sub> (kg CO<sub>2</sub>/MWh) emissions from facilities in Europe <sup>(1)</sup>



In addition, the Group has reported a set of targets in the context of the Group’s [Sustainability Targets](#), which also serve as supplementary metrics to the monitoring of the climate action plan.

(1) The figure of 38 g CO<sub>2</sub> in this chart refers to the emissions generated by Iberdrola’s facilities in Europe during 2023. The data on the average European carbon factor and the data for the other companies are obtained from *Climate Change and Electricity: European carbon factor*. PwC France. Nov. 2024 and, in the case of companies, include only the European area for 2023.



# Sustainable value chain

Supply chain  
Products and services for our customers



*"Iberdrola España Supplier of the Year Awards 2024", presented in Valencia (Spain)*

The Group adopts and promotes a series of **main principles of conduct** in its relations with **suppliers** based on **business ethics and transparency** in purchasing equipment and materials and in contracting work and services, while seeking continuous improvement and **mutual benefit**, and promoting **sustainability, innovation and development** activities.

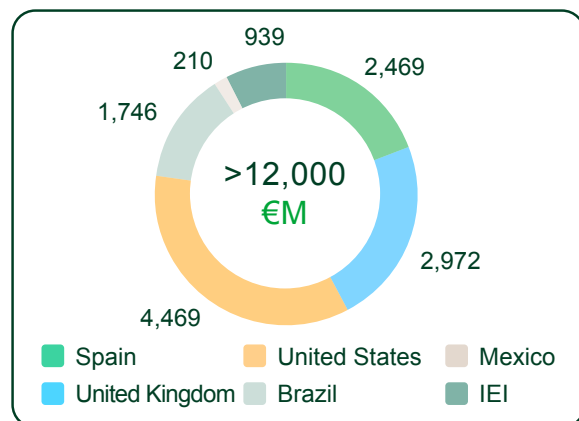
In addition, it aims to promote sustained, accessible and sustainable economic growth, ensure **productive and dignified employment**, guarantee **occupational health and safety** of the professionals who participate in the value chain, while raising awareness and establishing controls to mitigate the risks inherent in the work carried out. The Company therefore implements the necessary mechanisms to ensure that purchasing decisions guarantee, in all cases, a balance between technical suitability, quality, accessibility, occupational safety and cybersecurity, respect for the environment and price, as well as the **sustainability and quality** of the supplier as a basic condition for the contribution of value, and establishes supplier selection processes that meet criteria regarding **objectivity, impartiality, non-discrimination and equal opportunity**, ensuring **compliance at all times with the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group**, regardless of its own interests or those of third parties, and promotes compliance by suppliers with contractual terms and conditions and with applicable legal provisions.

## Supply chain

In 2024, Iberdrola placed **orders with more than 19,000 suppliers**. The Group's supply chain is managed through two different processes:

- The procurement of equipment and materials and the contracting of works and services, which is the responsibility of the Group's Purchasing and Services Division.
- The procurement of fuel, the responsibility of the Electricity Production and Customers Business.

**General supply of equipment, materials, work and services (€M)**



## Sustainability in the supply chain

Iberdrola has the responsibility and the ability to motivate its **suppliers to improve** their **environmental, ethical and social performance** through actions that promote excellence in their management of sustainability.

Iberdrola's commitment to sustainability extends to its supply chain and is embodied in **two ambitious goals** (see the section on [Sustainability Targets](#)):

- To ensure that **more than 85%** of the Group's main suppliers are **subject to sustainable development policies and standards by 2025**. This target is included in the target structure of the 2023-2025 Strategic Bonus.
- To achieve a **procurement volume of 85% or more** from **suppliers subject to sustainable development policies and standards**.

To achieve these goals, Iberdrola uses a **global supplier management model** as the basis for promoting a comprehensive and unified corporate approach to the responsible management of suppliers, regardless of their geographical location, economic activity or the territorial scope of the purchases, while **taking into account** any **local requirements** that may exist in the supplier’s country of origin.

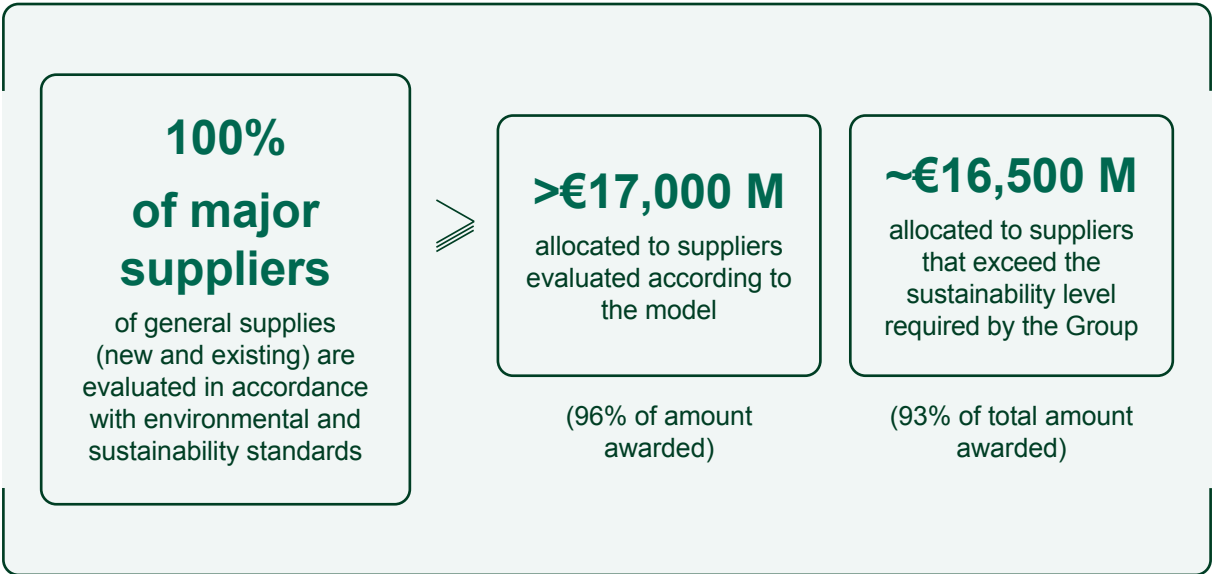
**Supplier classification and screening**

Iberdrola has developed and implemented **supplier classification and screening processes** that are applied during supplier registration and in the purchasing process. The purpose is to **identify** potentially critical suppliers **based on risk criteria** established in the *Purchasing Policy* and the Procurement Risk Guidelines.

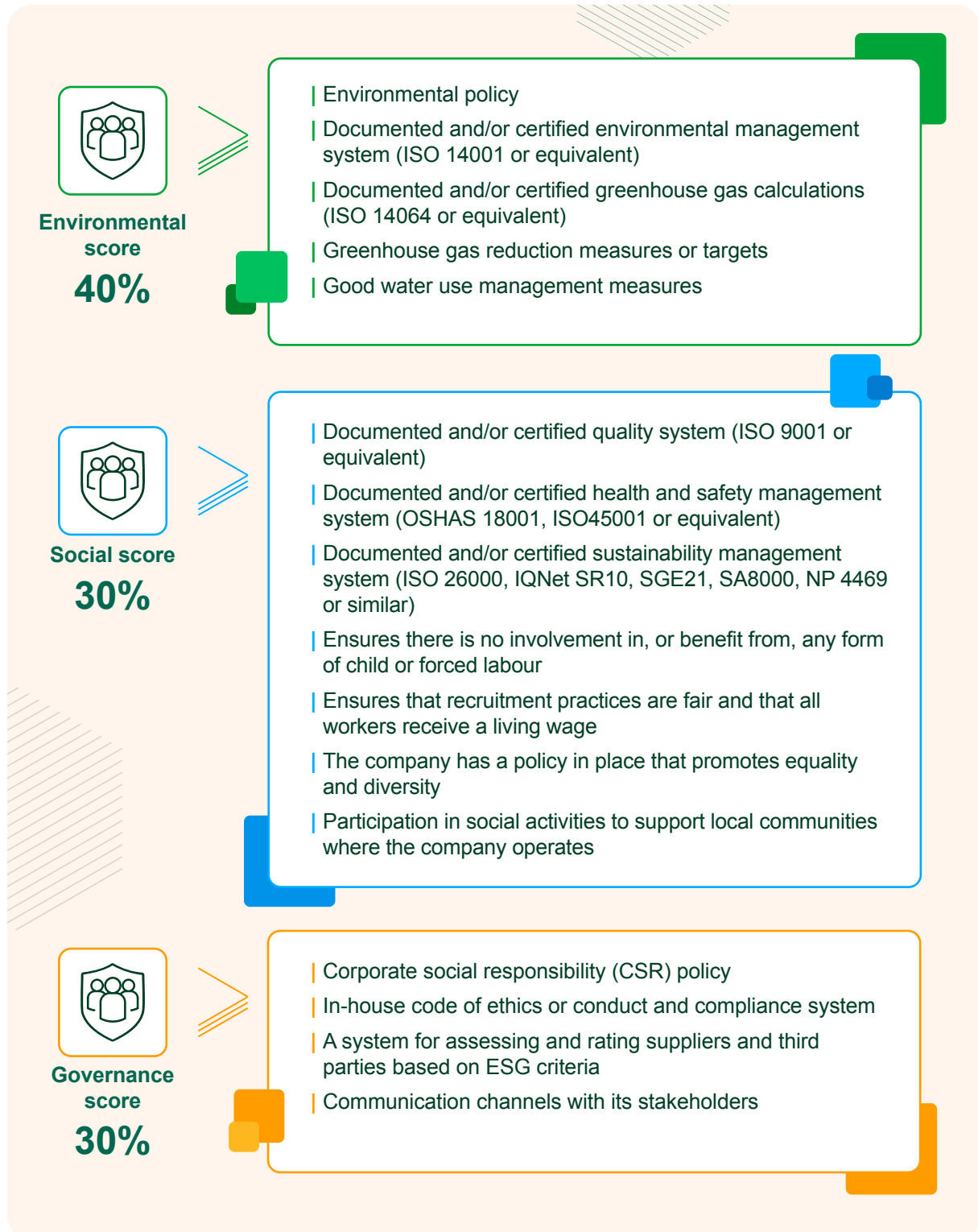
These classification and screening processes are the **initial step** in identifying suppliers to be **evaluated**.

**Supplier sustainability evaluation model**

Once these potentially critical suppliers have been identified through the classification and *screening* processes based on the different risk criteria, they are **evaluated** during the **purchasing process** to **determine their potential risk**.



This **evaluation** measures the supplier’s performance in highly significant attributes based on **three dimensions**:





**Iberdrola obtained the Sustainable Procurement Strategy certificate awarded by Aenor (ISO 20400:2017)**

**Mechanisms for dialogue with suppliers**

The **supplier survey** is one of the main mechanisms for dialogue between the Company and its suppliers. This survey **is conducted every two years** with suppliers in all areas and makes it possible to **identify** those **aspects** of the Iberdrola Group and its procurement process and tools that are most valued by suppliers, and to identify those **areas with opportunities for improvement** in order to establish medium- and long-term action plans. The last survey, carried out in 2024, showed that supplier satisfaction levels have been consolidated over the years.

**Other supply chain communication initiatives:**

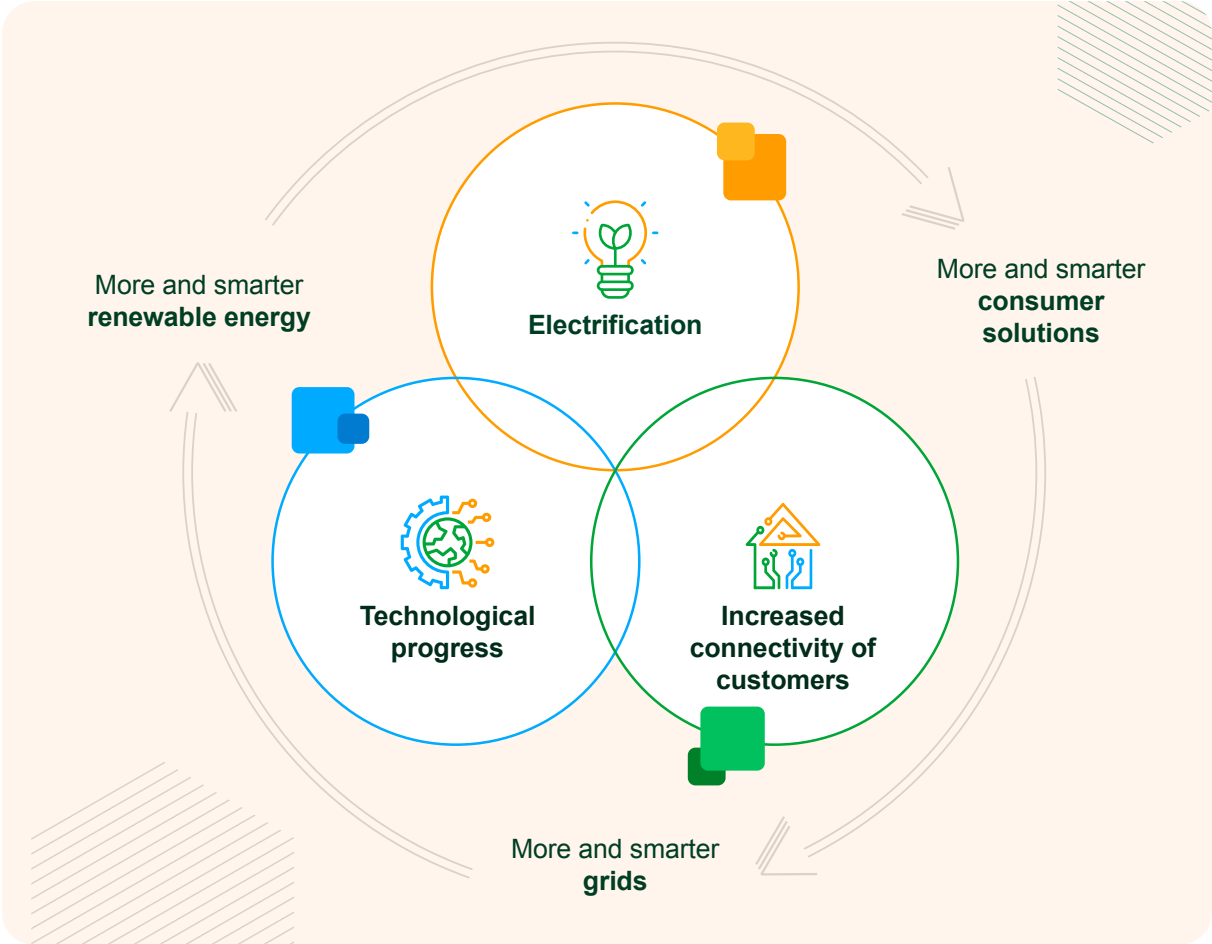
- **Iberdrola Supplier of the Year Awards 2024 in the five main countries where it operates**
- **Support for small and medium-sized enterprises, such as the “Sustainable Suppliers” training programme or the SMEs + Sustainable Day.**
- **Investment of more than EUR 200 million globally in the Iberdrola Ventures Programme - Perseus**

For more information on how sustainability is integrated into **supplier management and relationships**, see the [“Contribution to sustainability”](#) section of the corporate website.

# Products and services for our customers

Iberdrola strives to constantly develop its **products and services** to provide **better solutions** for its customers: more **flexible**, more **efficient**, more **agile** and of **better quality**, to improve their experience with the Company.

To meet their demands, the Company has adopted an ongoing **commitment to innovation**, investing in the **development of technologies and projects** aligned with the fundamental vectors of the **transformation of the energy sector**.



Its commitment to the ongoing improvement of its products and services is shown by the targets that the Company has defined in this area, which are based on the fundamental cornerstones of quality, sustainability and digitalisation. **These targets are defined in detail in the [Sustainability Targets](#) section.**

## Safe and efficient electricity supply

Constant **improvement in the quality of supply** is one of Iberdrola's fundamental goals. To maintain and improve an outstanding level of quality, the Group **invests** in new electricity infrastructure and in the maintenance and renewal of existing infrastructure in all countries in which it does business, and continues to make progress in its ambitious digitalisation plan of its electricity grids.



To meet its objectives in this business, Iberdrola monitors the quality of the service provided in the various countries, measuring it on the basis of the frequency and duration of interruptions in supply, as reflected in the following table.

Average power outage duration		2024	2023
Spain <sup>(1)</sup>	TIEPI (min) <sup>(2)</sup>	< 34 min	< 36 min
United Kingdom	CML (min) <sup>(3)</sup>	28.5	30.2
United States	CAIDI (h) <sup>(4)</sup>	1.9	1.8
Brazil	DEC (h) <sup>(5)</sup>	9.2	9.7
Frecuencia de los cortes de suministro eléctrico		2024	2023
Spain	NIEPI (N°) <sup>(6)</sup>	<0.7	< 0.7
United Kingdom	CI (ratio) <sup>(7)</sup>	29.8	33.4
United States	SAIFI (index) <sup>(8)</sup>	1.3	1.2
Brazil	FEC (frequency) <sup>(9)</sup>	4.0	4.6

The percentage of the electricity<sup>(10)</sup> served through the Group's smart grids is close to 100% in Spain, 71.8% in the United States and 66.2% in the United Kingdom.

(1) Quality data for Spain (NIEPI and TIEPI) include commercially sensitive information.

(2) TIEPI: Installed Capacity Equivalent Interrupt Time.

(3) CML: Customer Minutes Lost Per Connected Customer.

(4) CAIDI: Customer Average Interruption Duration Index.

(5) DEC: Equivalent Duration of Interruption by Consumer Unit.

(6) NIEPI: Installed Capacity Equivalent Interrupt Number.

(7) CI: Customer Interruptions per 100 Connected Customers.

(8) SAIFI: System Average Interruptions Frequency Index.

(9) FEC: Equivalent Frequency of Interruption by Consumer Unit.






(10) In the case of Spain and the United States, the data has been reported by the Networks Business; in the case of the United Kingdom, the data has been reported by the Wholesale and Retail Business.

## Digital, intelligent and innovative solutions

Thanks to digitalisation and investments in R&D, Iberdrola **sells a wide range of products and services that promote efficiency, energy savings and care for the environment**, while focusing on customers, providing them with greater connectivity and decision-making capacity. Iberdrola offers smart and innovative solutions in the residential and industrial areas.

The **Smart solutions** for residential customers within the Group’s current portfolio <sup>(1)</sup>:



-  | **Smart Mobility:** a solution for electric vehicles including installation and management of the charging infrastructure, as well as a customised contract for the supply of clean energy that is 10 times cheaper than fuel.
-  | **Smart Solar:** a solution for photovoltaic self-consumption with the customised installation of solar panels, comprehensive maintenance and payment facilities.
-  | **Smart Home:** services aimed at improving energy efficiency and savings, with unbundled access to consumption for optimal management.
-  | **Smart Services:** electrical services for a Smart home (electrical emergencies, appliance repairs, electrical DIY, etc.).
-  | **Smart Clima:** heating and cooling solutions using different systems, including athermal energy.

It also offers different options for **customisation of rates**, as well as online tools to **maximise energy efficiency**, simulating consumption and the most appropriate rates. Similarly, the Group also offers various apps so that its customers can, for example, **manage their energy consumption**, send meter readings, obtain live help, locate and reserve **charging points** for their electric vehicle, and select the most convenient payment method according to each country, prioritising **digital payments**.

The package of **services for industrial customers** includes: Industrial Heat —electrification of industrial processes— and, as in the **residential sector**, Smart Mobility, Smart Solar and Smart Climate.

(1) Not all products are offered in all geographical locations in which the Company operates



Nature and efficient use of resources

Circular economy and efficient use of resources  
Biodiversity






More than 20 years ago, Iberdrola established a vision that an energy model committed to nature and responsible use of resources, where the production of clean energy, the creation of smart grids through digitalisation, storage as a key technology that guarantees accessibility to markets and the development of smart products for our customers, contributes to the creation of environmental, social and economic value.

To guarantee the “Iberdrola, Positive with Nature” commitment, the Company bases its work on three strategic pillars:

- Climate Action Plan:** establishes an ambitious roadmap aimed at achieving zero net CO<sub>2</sub> equivalent emissions by 2040. This Plan describes the levers, actions and associated metrics that contribute to the decarbonisation of Iberdrola’s businesses and promote the electrification of the economy.
- Biodiversity Plan:** sets a goal for a net positive impact on biodiversity by 2030 and envisages mechanisms to measure, act and support transformation to curtail and reverse biodiversity loss.
- Circular Economy Plan:** defines the work guidelines and targets that will steer the Company towards reducing the use of raw materials, including the efficient use of water, advocating a greater use of renewable materials, improving the efficiency of our processes, and making products and services available to our customers that help them to responsibly use resources.

The Group’s commitment to nature and the responsible use of resources is reflected across its entire value chain through these three pillars.



<p><b>Based on:</b></p>	<p>1 Generation of electricity from renewable energy</p> 	<p>1 Smart grids and efficient energy storage</p> 	<p>1 Electrification of demand</p> 
<p><b>Action:</b></p>	<p><b>Climate Action Plan</b></p> <ul style="list-style-type: none"> <li>- Carbon neutral by 2030 (generation and distribution)</li> <li>- Zero emissions by 2040 (all activities)</li> </ul>	<p><b>Biodiversity Plan</b></p> <ul style="list-style-type: none"> <li>- Net positive impact on biodiversity by 2030</li> <li>- No net deforestation by 2025</li> </ul>	<p><b>Circular Economy Plan</b></p> <ul style="list-style-type: none"> <li>- Blade recycling</li> </ul>

Innovation is the lever that enables Iberdrola to approach all these challenges and launch the relevant action plans to benefit from opportunities as they arise. Innovation makes it possible to find solutions to problems that currently seem unsolvable, and to discover more efficient ways to carry out existing activities.

## Circular economy and efficient use of resources

Iberdrola addresses the challenge of the circular economy through three pillars: **promoting the efficient use of resources; using secondary materials**, together with circular design and improved efficiency in processes and services, and with the aim of reducing our impact on the consumption of materials, mainly natural gas; and **minimising the generation of waste**, always applying the principle of waste hierarchy.

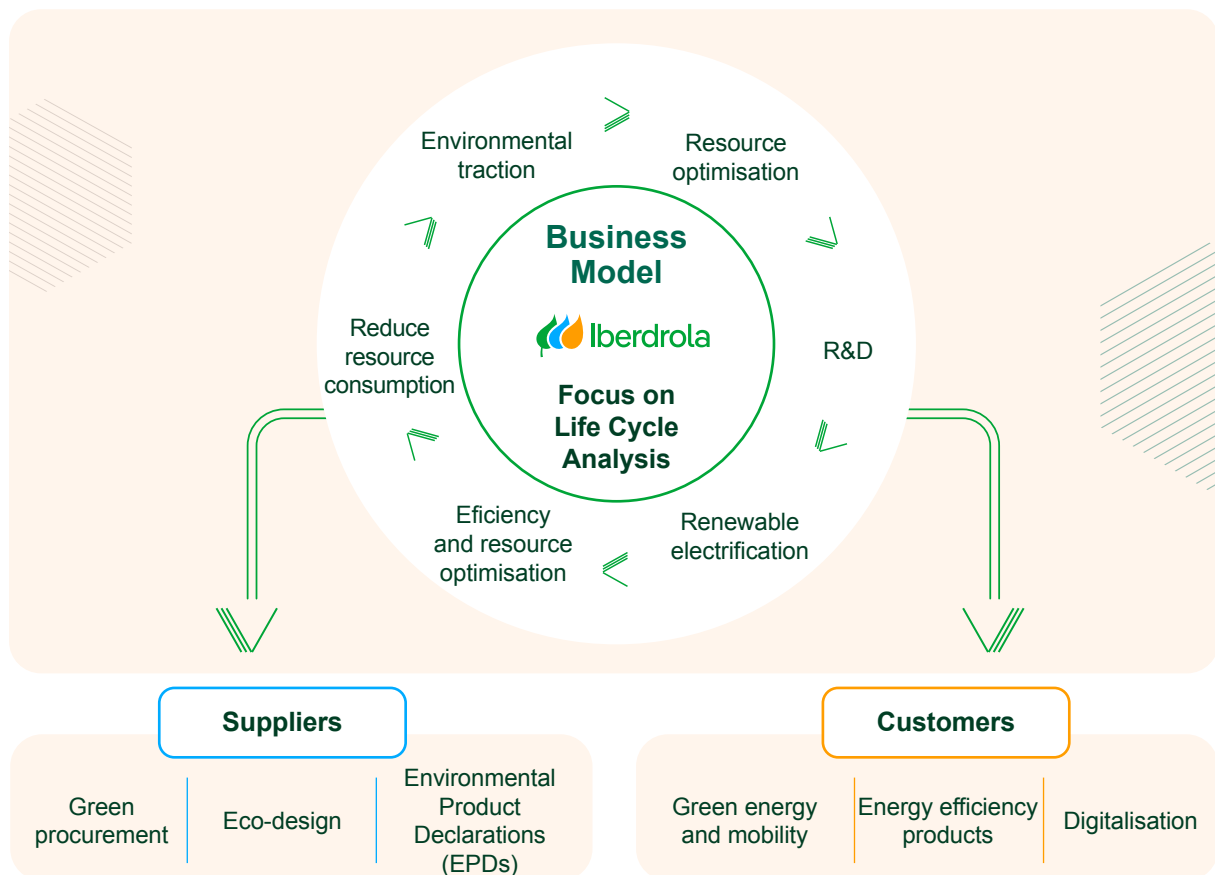
Iberdrola’s management model is approached through the following areas of activity:

1. **Business model** based on the efficient generation, storage, transport and distribution of energy. This translates directly into a **reduction in the use of fossil fuels** (natural

gas), reduced water consumption and less waste produced.

2. **Value chain:** Working with **our suppliers** to provide Iberdrola with products and services with higher rates of secondary raw materials, **lower energy consumption and better reuse and recycling rates**, and making products available to our customers that guarantee responsible consumption of resources and minimise fossil energy demand (green energy, green H2 and Smart solutions, etc.) that improve energy efficiency.

3. **Life cycle of our facilities:** through the use of innovative technologies that allow us to **extend their useful life** (repowering) and to optimise water use (pumping).



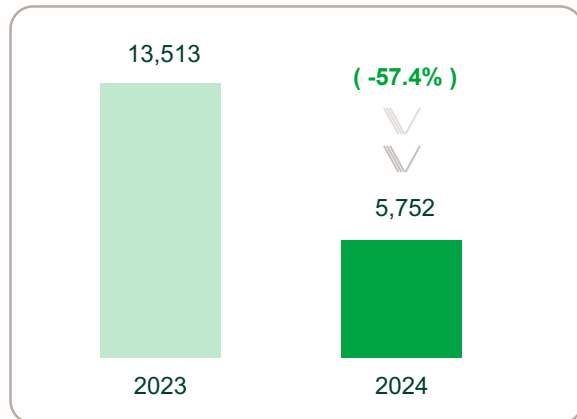
All of these actions are framed within Iberdrola’s Circular Economy Plan, which sets out the global goals and guidelines to be implemented locally by each of the country subholding companies.

## Main materials

As part of its commitment to the responsible use of resources, Iberdrola has significantly reduced its consumption of natural gas, which it uses as fuel at its thermal power stations generating electricity. Renewable production, storage, and smart grids account for the reduction in the use of this resource.

Furthermore, Iberdrola’s firm commitment to the electrification of the economy, especially in sectors such as transport, residential and industrial heating, and some energy-intensive industrial processes, is a fundamental vector for reducing the use of raw materials in our society.

### Natural gas (millions of Nm<sup>3</sup>)



## Water use

Water is a fundamental and irreplaceable natural resource in many of Iberdrola’s activities, especially in the generation of hydroelectricity, where water energy is converted into electricity and the same water is returned to the environment, and in thermal power plants, which rely on water supply as a coolant.

Aware of this dependence and of the risks arising from water scarcity, Iberdrola monitors in detail the use and specific consumption of water, comparing it from year to year and seeking to minimise this consumption.

Iberdrola is developing an ambitious plan to promote pumping at its hydroelectric plants. Therefore, the construction of three plants with a storage capacity of 22 GWh was completed in 2024. Construction has also begun on another plant that will add a further 15 GWh by the end of 2026.

## Waste generation and management

As part of its commitment to the circularity of its activities, Iberdrola aims to recycle solar blades and panels. This is a voluntary target that aims to ensure that 100% of the decommissioned solar blades and panels are recycled by 2030.

In addition, Iberdrola has made the following commitments in relation to waste generation:

- Minimise the generation of waste at source.
- Maximise the reuse, recycling and recovery of waste.
- Promote awareness-raising campaigns regarding the minimisation of waste.

All wind repowering projects launched in 2024 will recycle 100% of the dismantled blades. In addition, the EnergyLoop venture (launched in 2023 together with FCC) continues to develop advanced industrial solutions for recycling blades. The treatment plant in Spain is expected to be operational in the second quarter of 2025.

# Biodiversity

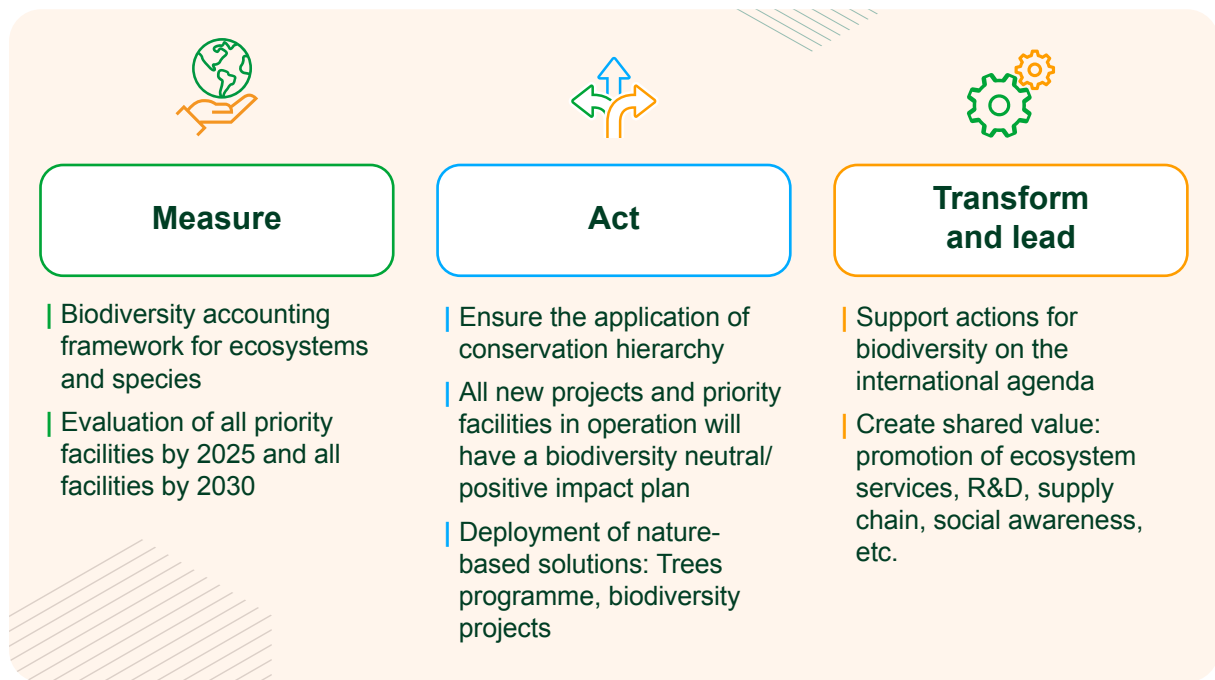
Iberdrola considers biodiversity to be a material issue for its business model, and has therefore made respect for species and ecosystems a priority within its business strategy for more than 15 years. This is reflected in its [Biodiversity Policy](#), approved in 2007 and strengthened in 2021.

Iberdrola therefore focuses its operations on having a positive impact on biodiversity by 2030. This means that, by that year, its activities will have contributed to the fight against the loss of species and the degradation of ecosystems, generating a positive impact.

In addition, Iberdrola is committed to ensuring that its activities do not generate net deforestation by 2025. This commitment applies to both direct

actions and those of the Group’s supply chain. Iberdrola will therefore contribute to the preservation and restoration of ecosystems by planting trees.

The [Biodiversity Plan 2030](#) (the “Plan”), approved in October 2022, establishes the mechanisms and tools that Iberdrola will use to achieve this ambitious goal. This Plan applies to all of the Iberdrola Group’s facilities and activities and is based on three lines of action: MEASURING the relationship between operations and biodiversity, ACTING to reverse the loss of species and degradation of ecosystems, and TRANSFORMING society through innovation and scientific research to disseminate and raise awareness of the importance of preserving biodiversity.



Iberdrola publishes its [Biodiversity Report](#) every two years, in which the Company presents its management approach and how its activities interact with species and ecosystems, as well as the actions carried out in the areas of preservation, knowledge improvement, collaborations with stakeholders, and awareness-raising.

The Plan is aligned with international frameworks on measuring, assessing and responding to nature-related risks and opportunities (Taskforce on Nature-related Financial Disclosures - TNFD) and the Nature Positive 2030 initiative that was created out of the Kunming-Montreal Global Biodiversity Framework agreement. The Plan is therefore the Company’s mechanism for aligning itself with the demands of the regulator and its stakeholders.

Iberdrola has carried out numerous actions in the area of biodiversity protection and preservation that have been set out in the Group's 2024 Biodiversity Report or as part of the Convive programme, which helps to facilitate the coexistence of electricity generation facilities with the traditional agricultural uses in the territory (agrovoltaic plants, etc.). One example of these actions is the collaboration between Avangrid and Neoenergia in the preservation of the Lear's Macaw. This is a species that migrates from the north to the south of America and is affected by Brazil's energy transmission networks. Both companies have worked to create a new construction standard for distribution networks with a voltage of 13.8 kV that has resulted in the modification of a total of 1,840 structures over a total of 128 km in the Raso da Catarina region of Bahia state.



# Human and social capital

Commitment to human rights and just transition

Our people

Support to local communities

Fiscal responsibility

Corporate reputation



The integration of sustainability into operations involves **creating shared value** for all stakeholders. The Group focuses on **continuously improving the relationship with** its various **stakeholders** and on **respect for human rights** in the implementation of all its activities and those of its partners in the value chain.

Iberdrola collaborates in the **development of the communities** in which it has a presence through various initiatives that are driven by the Company itself, its subsidiaries or investees, and its foundations in the various countries. The Group strives to gradually increase the number of people benefiting from the initiatives and programmes it supports, thereby **having an ever greater positive impact**.

The conduct of the different companies in the Group in relation to their stakeholders shapes their **reputation**, which in turn influences the decisions that they make regarding Iberdrola.

**The regulatory framework is ensured through:**

- 1** Governance and Sustainability Model.
- 2** Integration of due diligence systems into human rights framework.
- 3** Three lines of defense control model.

**International Human Rights Framework**

- Policy on respect for Human Rights of Iberdrola Group
- Specific policies related to relevant human rights issues
- Human rights policies of each of the countries
- Regulations that respond to the most relevant issues that impact on human rights business areas and corporate holding
- Rules, procedures and protocols that respond to the most relevant issues that impact on human rights from the business and corporate areas of the countries

**Governance and Sustainability Framework**

- Purpose and Values of the Iberdrola Group , Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group , By- Laws, Sustainable Development Policy.
- Stakeholder Engagement Policy and Sustainability Policies

**Regulatory framework for Sustainable Development**

- Sustainable Development Policy
- Innovation Policy
- Sustainable Human Capital Management and Anti-Harassment Policy
- ...



**The human rights regulatory due diligence framework of the Iberdrola group is based on:**

Recognition of the duty of multinational companies to respect human rights.

Differences in the laws of the countries in which the group does business.



## Commitment to human rights and just transition

Iberdrola is **firmly committed to defending human rights**. It therefore has a set of tools to ensure the protection of people in order to prevent, mitigate and repair negative impacts in this area. These tools are aligned with international standards (United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, United Nations Declaration on the Rights of Indigenous Peoples, Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, International Labour Organisation Conventions (including No. 169), among others).

The *Policy on Respect for Human Rights*, sets out the mandatory principles in this area:

- a. **To respect the human and labour rights recognised** in domestic and international law, and in international standards in those countries in which human rights legislation has not reached an adequate level of development.
- b. **To reject child labour and forced labour or any other form of modern slavery** and to respect freedom of association and collective bargaining, as well as **non-discrimination**, the **freedom of movement** within each country, and the rights of **ethnic minorities and of indigenous peoples** in the places in which it does business.
- c. **To respect the right to the environment of all communities in which it operates**, considering their expectations and needs and understanding access to energy as a right related to and linked to other human rights.
- d. **To advance a culture of respect for human rights** and promote awareness-raising in this field among its professionals.

In addition, the policy includes a commitment **to communicate to all stakeholders** the importance of respecting the human and labour rights recognised in domestic and international law and to demand the same commitment from all business partners.

## An ongoing human rights due diligence process

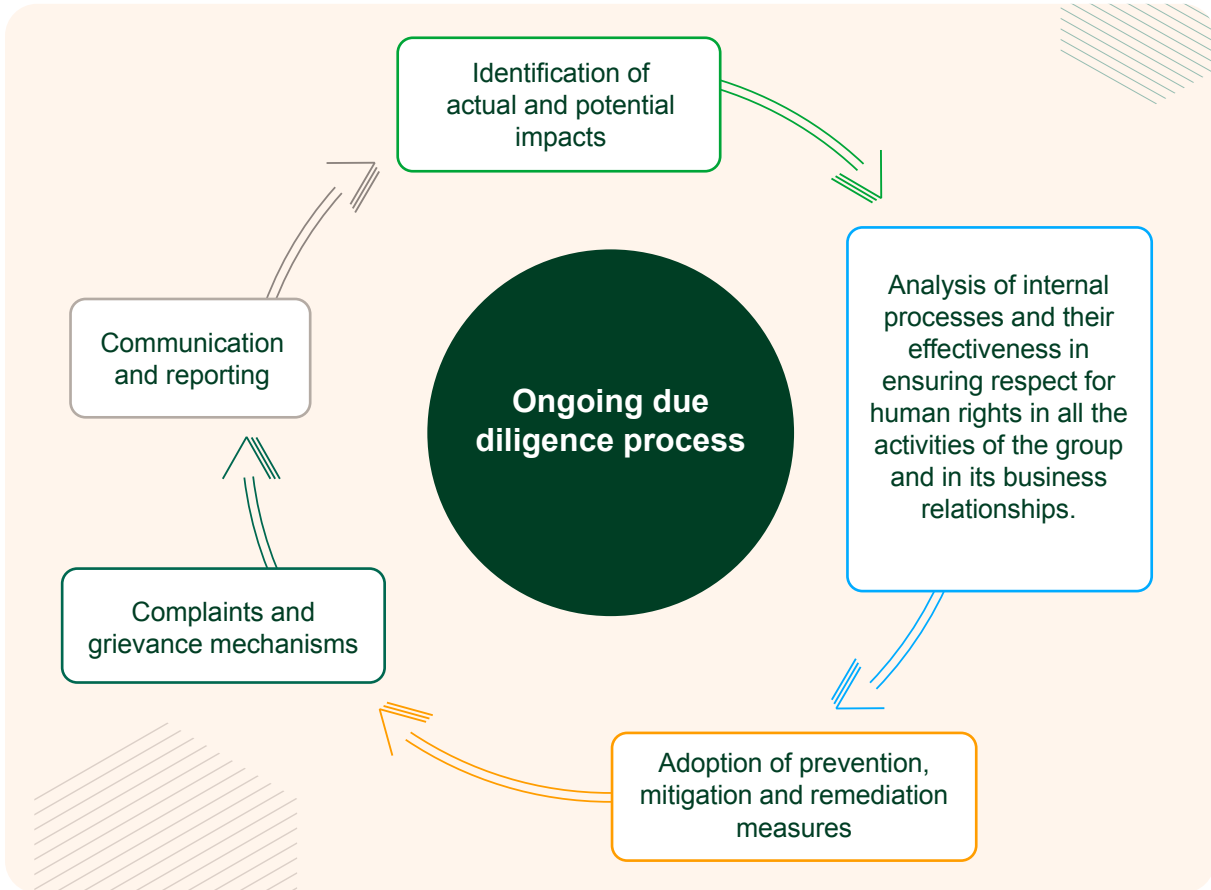
The **ongoing human rights due diligence process** is underpinned by the *Group's Ethical and Basic Principles of Governance and Sustainability* and the **control model based on three lines of defence** (prevention, monitoring and assessment of human rights management).

This is a continuous review process used to identify and manage the risks and impacts associated with the performance of all phases of operations (design, construction, operation, maintenance and decommissioning of electricity facilities), taking into account the geographical and social context and the characteristics of the supply chain.

As a result of adopting a broad definition of human rights, which covers a large diversity of potential issues and impacts, the due diligence process is based on various subsystems and procedures (e.g. Compliance, Health and Safety, Environmental, Purchases and Cybersecurity, among others). These subsystems are assessed annually to ensure that they adequately cover these issues from a human rights perspective. The ultimate goal is to facilitate the independent and efficient management of each area from a comprehensive and cross-cutting viewpoint.

## Identification of impacts

A **proactive approach** to identifying actual and potential human rights impacts early is the first step in the due diligence process. The methodology adopts the UNGP recommendations at three levels, which allows potential impacts, material issues and priority issues in relation to human rights to be assessed.



## Identification of actual and potential impacts

The Company relies on analyses conducted by independent experts to identify actual and potential impacts, as well as consultations with potentially affected groups, an area in which the **Stakeholder Engagement Model** plays a key role, as detailed in section [Stakeholders](#).

In addition, Iberdrola has a **human rights risk map** that identifies the main potential risks in this area, both in the countries in which the Group does business and in those from which it sources its procurements. These data are cross-checked with the list of the main locations of operation for each business to identify those facilities where there may be a greater risk of human rights violations. This map is regularly

updated with the help of independent external specialists of recognised prestige in the field and, unlike other generic indices in the market, it allows the risks inherent to the energy sector to be weighted and supplements them with the particular characteristics of Iberdrola’s activities, providing results that are more in line with the Company’s reality.

At the project level, potential impacts or risks are identified in the environmental and/or social assessment studies (EIA/SIA) prior to construction of the facilities, which include a Social Impact Assessment (SIA) in accordance with the legislation in force in each country and are approved by the competent public authorities.

## Measured adopted

Iberdrola has developed a global social management and community engagement procedure in order to standardise the processes for identifying and managing the Group’s social impacts, integrating the perspective of affected stakeholders. This procedure is a fundamental tool to properly identify and manage impacts and to involve the affected parties.

Whenever a risk or potential impact detected, the various due diligence processes include the design and implementation of appropriate prevention and **mitigation measures where applicable**. For actual impacts, i.e. those that have already occurred, due diligence processes include measures to mitigate or remediate them.

For potential impacts, prevention is about reducing the likelihood that they will materialise, while for actual impacts, mitigation refers to measures to reduce their magnitude and scope. Actions to prevent and mitigate abuses vary depending on whether the Company causes or contributes to an adverse impact, or whether it is involved because the impact is linked to its operations, products or services.

These measures will vary depending on the Stakeholders that they target:

- Iberdrola’s people
- Supply chain
- Customers
- Communities

And these measures are translated, for example, into **prevention action plans** at the facilities, which may consist of incident identification processes, investigation of possible causes and factors contributing to impacts, communication and training measures, strengthening relations with stakeholders to develop internal capacity to mitigate impacts, among others. Mitigation plans can be all those related to environmental and social impact management plans at the facility level or improvement plans established with the Company’s suppliers.

In addition, cross-cutting prevention and mitigation measures are implemented, such as the establishment of incentives linked to sustainability, corporate fiscal responsibility, analysis of sustainability and human rights indices and rankings, training and capacity building, and participation in multi-stakeholder initiatives.

## Commitment to remediation: complaint and grievance mechanisms

Although the due diligence processes should preferably enable action to be taken in the phases of prevention and mitigation of potential impacts, when this is not possible, the Group implements **remedial actions or measures** to ensure effective redress through legitimate processes and active cooperation. Remedial actions are intended to restore one or more of the affected rights, returning the affected people to the situation prior to the impact as much as possible. In any case, the Company does not in any way prevent access to government judicial or non-judicial mechanisms and cooperates in good faith with them.

In addition, **complaint and grievance mechanisms** have been developed to handle any potential negative consequences early, and take appropriate remedial action where applicable.

## Communication and reporting of measures adopted

Iberdrola reports information on human rights management through other internal and external channels, such as its [Statement of Non-Financial Information \(SNFI-SR\)](#); the [human rights section of the corporate website](#); various newsletters addressed to employees; responses to surveys from analysts, investors and indices; and specific training activities.

## Social management and community engagement

Iberdrola maintains **community engagement** during all phases of a project and establishes **channels of dialogue** through which the communities can communicate their expectations and needs. These channels include consultations, community surveys, specific panels, complaint boxes, and other project-level outreach and engagement mechanisms capable of ensuring that all interested parties communicate with the Company, including those in the vicinity of the facilities.

Iberdrola continually strengthens its **engagement with the communities** in which it operates through an outreach process aligned with the principles set out in the [Stakeholder Engagement Policy](#). Early communication and engagement is considered an essential element in identifying actual and potential impacts, and for measuring the effectiveness of the measures adopted to manage potential impacts on the human rights of the communities. Project stakeholders may include potentially affected communities or

individuals, as well as their formal or informal representatives, among others. Special attention is given to vulnerable groups, including indigenous peoples.

Prior and meaningful consultation is key to begin building and maintaining the project's community relations in a transparent manner and with open dialogue. Consultation may vary depending on the country and type of facility, but in particular potentially affected groups are considered, with a special focus on vulnerable groups.

Another key element in the strategy of engaging with the communities is community investment. In accordance with the Company's By-Laws, Iberdrola makes a significant social contribution, which, among other activities, is demonstrated through various sponsorship, patronage, investment, and support activities for local communities, as described in section [Support to local communities](#).

## Management of suppliers from a human rights perspective

Iberdrola invites its suppliers to align themselves with its strategic sustainability targets by implementing good human rights practices. The purchasing function also seeks to have the necessary mechanisms in place to ensure a fair, transparent and ethical supply chain.

Strengthening **human rights due diligence in the supply chain** has been one of Iberdrola's priorities in anticipation of regulatory requirements. Along these lines, the Company's priorities include an ambitious multi-year target to strengthen the Human Rights Due Diligence System in the Supply Chain, which forms part of the targets of the executive chairman's variable remuneration plan.

The measures adopted by the Company to protect human rights in the management of suppliers and during the purchasing process are based on the [Purchasing Policy](#), the [Policy on Respect for Human Rights](#) and the [Code of Conduct for Directors, Professionals and Suppliers](#). In addition, the supplier management process includes other measures such as an analysis of the potential risk of new suppliers in various areas of human rights during the registration process; an assessment based on sustainability criteria, including human rights, in the selection of suppliers; specific improvement plans to incentivise suppliers who fail to demonstrate an adequate level of management; specific clauses in the terms and conditions of contracts and in contracts for certain products; and compliance reviews during the term of contracts.

Furthermore, Iberdrola draws up an annual **sustainability audit plan** for its main suppliers in order to verify that they are complying with the criteria laid down by the Company. In addition to these audits, Iberdrola also commissions specialised consultants to verify the origin and traceability of certain supplies that are critical from a human rights point of view. In this area, the Company has implemented a number of measures to ensure sustainability in the solar module supply chain, which are described in section [Supply chain](#) of this report.

Similarly, to monitor the human rights risks that may exist in its supply chain, Iberdrola regularly analyses purchases made in countries that are considered to be at risk in a range of issues, such as forced labour or any type of modern slavery, freedom of association and collective bargaining, and child labour.

Finally, in order to reinforce the training of its suppliers, the Company provides them with various resources, such as the online awareness module on human rights and business, plans to improve their score and sustainability programmes.

Iberdrola has also intensified its efforts to promote strict compliance with its [Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group](#) among suppliers potentially

exposed to certain risks. Thus, among other cases, after identifying the potential risk of forced labour in the value chain relating to photovoltaic technology, Iberdrola has successfully required the **inclusion of specific clauses to mitigate the risks of forced labour or modern slavery** for all suppliers exposed to these risks with which it has signed a supply contract. Furthermore, the necessary clauses have been included in PV panel supply contracts to allow for the right to conduct social, sustainability and traceability audits of both module manufacturers and third parties that are part of their supply chains to ensure the quality and traceability of the components.

The **Iberdrola Group also actively participates, along with the manufacturers themselves**, in the main industry-led initiatives, such as *Solar Power Europe* and *WindEurope*, with the aim of establishing common standards and tools that allow objective evidence to be obtained that human rights have been respected throughout the process of manufacturing the equipment used in these projects.

In 2024, the Company also set up a multidisciplinary working group to monitor the risk of forced labour in the solar panel supply chain, with the aim of further assessing the risk, interpreting legislative developments and defining the measures needed to strengthen the Company's due diligence in this area.

## External recognitions/awards regarding human rights

As a result of the work carried out to date in this area, Iberdrola is in a **leader** in the sector, as recognised by sustainability indices such as the **Dow Jones Sustainability Index** and the **Renewable Energy & Human Rights Benchmark**.

## Main developments and next steps

With the **aim of continuously improving its human rights management**, the Company is working in several areas in line with the new regulatory requirements. These are mainly focused on **strengthening the social perspective at the project level** and reinforcing due diligence in the supply chain, among others:

- **Ongoing review of due diligence processes** to ensure that they are in line with the main international standards and meet the requirements of emerging human rights legislation, including the Corporate Sustainability Due Diligence Directive (CS3D).
- **Updating the human rights risk map** to cover new risk categories based on the monitoring performed, including, among others, the risk associated with sourcing certain critical raw materials in the supply chain for responsible procurement.

- **Strengthening supply chain due diligence** throughout the supplier selection, sourcing and follow-up cycle, including pre-qualification audits.
- **Strengthening the social dimension in decision-making** in corporate transactions.
- **Employee awareness-raising and training on human rights and due diligence.**
- **Development of digital tools** to structure and support management. This will allow improvements to be made to the management of social impacts on communities in the surrounding areas of the facilities and the documentation of the information gathered in the consultation processes.

## Human rights and just transition

The transition to a low-emission production model is accompanied by a package of policies and measures in different jurisdictions, and particularly in Europe. These aim for an **equitable and socially just transition that generates prosperity** for society as a whole, adequately protecting workers and generating quality jobs.

Industrial sectors in general are not without their human rights challenges. Inadequate planning processes can have a range of impacts, both on the labour rights of employees and workers in the value chain, and on the livelihoods and subsistence, environmental or property rights of the local communities they host, whether through the closure of facilities or the development of new projects. These impacts can be particularly severe where these groups have specific vulnerabilities, such as indigenous or vulnerable communities.

Iberdrola promotes an orderly, just and inclusive transition through economic and industrial development of the communities where the Group does business, and its due diligence processes. It also contributes to universal access to cost-effective and competitive energy. The principles are described in the Group's [\*Ethical and Basic Principles of Governance and Sustainability\*](#), and are expanded upon in the [\*Sustainable Development Policy\*](#), the [\*Stakeholder Engagement Policy\*](#) and the [\*Policy on Respect for Human Rights\*](#).

To this end, the Company deploys resources, tools and projects that seek to maximise the social and economic opportunities of climate action, while managing the potential impacts on its own employees, workers in the value chain, communities and customers. Engaging stakeholders and maintaining an active dialogue with each stakeholder is key to ensuring respect for human rights in the context of a just transition.

## Our people

The people who make up Iberdrola are the key to the Company’s ability to continue to be a global leader, capable of tackling the challenges of the energy transition through the implementation of its ambitious investment plan for the years ahead.

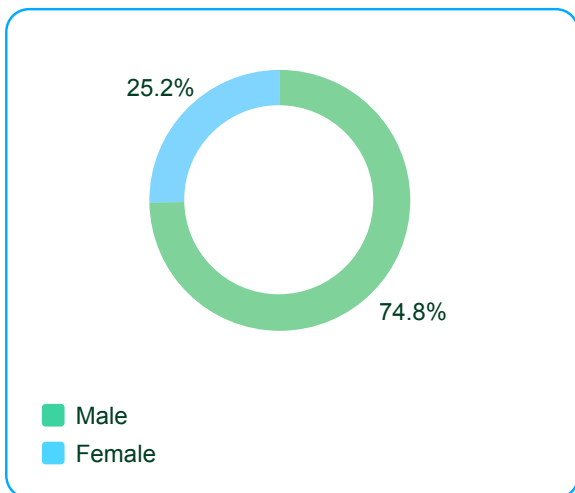
The Company is committed to **promoting a healthy professional environment**, supporting the creation of **stable, quality jobs** and strengthening a culture based on **non-discrimination, equal opportunities and the promotion of diverse talent and inclusion**, so that its business objectives can be achieved efficiently and sustainably. To achieve this, its people management approach is based on the following pillars:

### Commitment to creating quality jobs

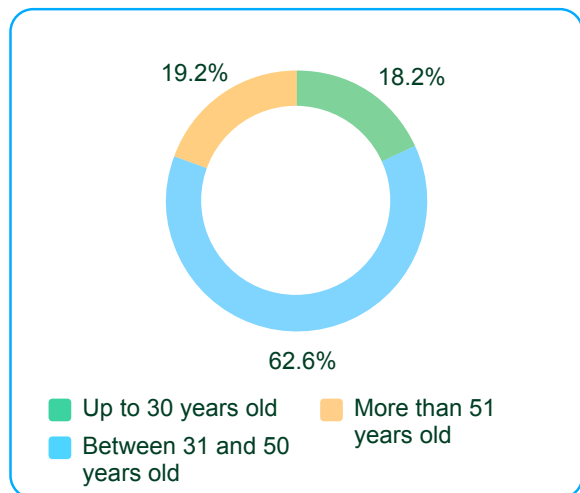
Iberdrola is a global leader in **creating quality jobs**, having hired an average of more than 4,000 employees each year since 2017, and plans to hire around 10,000 new employees between 2024 and 2026.

At the end of 2024, the Company had 42,208 employees of different nationalities, genders, ages and abilities:

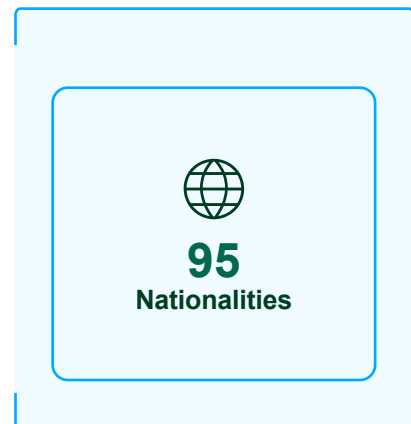
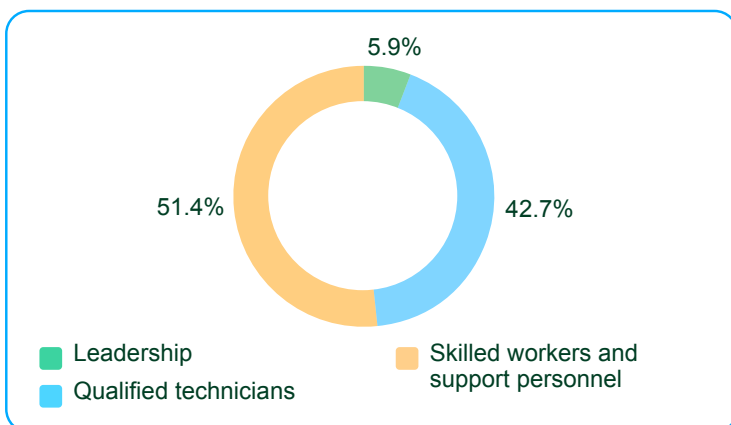
Workforce by gender



Workforce by age group



Workforce by professional category



## Developing the talent pool for a just and sustainable transition

In a context of competition to attract talent for the energy transition, effective and inclusive **initiatives** must be **promoted** to ensure that the **skills required by the labour market are developed**, matching people's aspirations and skills with the opportunities presented by the green transition.

This is reflected in the Company's **domestic and international internship programmes**, which this year involved 1,054 students, as well as its collaborations and partnerships with universities and its presence at a wide range of employment forums and events, bringing the Company closer to the talent pool of tomorrow. At the same time, the Group has strengthened its international graduate programme with the dual aim of providing a unique employment opportunity for local talent and ensuring a pipeline of global leaders to meet the challenges of the future.

Furthermore, Iberdrola maintains its strong commitment to **postgraduate training** through **more than 1,000 scholarships awarded** since 2017 in fields with prospects and impact on the business, especially in STEM, with a particular emphasis on the participation of female talent, and strengthened with powerful local and global development programmes.

As part of its external commitment to sustainability, a just energy transition and social contribution, the Iberdrola Group has reinforced and consolidated, at the international level, the launch in 2023 of **Global Green Employment (GGE)**, its digital platform for training and visibility, at the global level, of the supply of and demand for new sustainable profiles in the industry, becoming the main global benchmark **for green employment guidance, training and opportunities**.

## Improving the employee experience

The Company also firmly believes that innovation and digitalisation are key levers for the transformation of human resources management, putting them at the service of its professionals and enabling it to provide a responsive and value-added solution to both the needs and aspirations of its teams and its business strategy, regardless of where the business is located.

A global strategy focused on improving the employee experience has therefore been implemented. One of the key pillars of this strategy is to listen to employees to gain an understanding of their needs and thus take any measures necessary in the cases identified.

This is exemplified by the various surveys and listening pulses conducted directly with employees through various channels. These surveys, managed by an external provider, guarantee the confidentiality of the data. Throughout 2024, the Group carried out listening pulses at various points in the lifecycle from onboarding to offboarding, which enabled us to analyse and identify good practices to be maintained, as well as opportunities for improvement, which we translated into action plans.

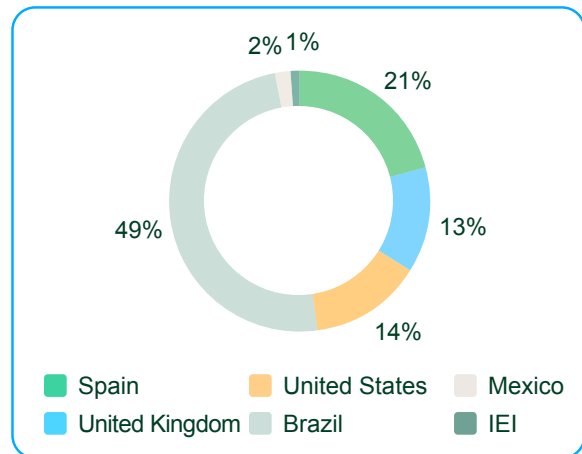
This is without losing sight of the commitment to **professional development**, which in 2024 has become the driving force and focus of the People Review model, in which people participate, both in the evaluation of their own contribution to the Company's objectives, and in taking the initiative to propose their professional growth. This is reflected in a strategy of continuous and collaborative development based on experience, which includes a training model (Keep Learning) within which knowledge management initiatives have continued to be promoted, such as the 20 masterclasses given by internal experts or the 3 new knowledge communities created, which consolidate the C3 BreakingSilos Project and the culture of sharing strategic knowledge throughout the Company. Added to this is the commitment to sustainable skills training, to which more than 70% of total training hours were allocated in 2024.



In 2024 Iberdrola became one of the global benchmark companies in talent management, obtaining TOP Employer certification at a global level, making it **one of the best places to work and develop professionally**, and the only energy company in the world to achieve this.

The Company also promotes internal mobility, both domestically and internationally, thanks to the Global Mobility and Talent Committee, which makes it possible to align individuals' aspirations and skills with international business needs and objectives.

Hours of training by country



Equal opportunities and inclusion

With a workforce of more than 42,000 people belonging to 95 nationalities and 4 different generations, Iberdrola continues to be an example of diversity.

To make the most of all this potential and ensure a respectful working environment free of any kind of discrimination, the Group has specific policies and mechanisms to guide conduct in this area, including: the *Code of Conduct for Directors, Professionals and Suppliers*, the *Board of Directors Composition and Member Selection Policy*, the *Sustainable Human Capital Management and Anti-Harassment Policy*.

The equal opportunities and inclusion strategy is implemented both globally and locally, respecting the specific characteristics and legal requirements of each geographical area where the Group operates.

The pillars of conduct include promoting an inclusive culture, promoting diverse talent, customer service with a personalised perspective and promoting social contribution, which encompasses the actions of the various Group Foundations and the volunteer programme, among others.

With the aim of increasing the representation of women in the electricity sector, women in positions of responsibility at the Company has reached 35%, with the percentage of women in key positions increasing by 28.9% compared to the previous year.

The Company has also increased the number of people with disabilities in the workforce by 26 % (compared to the end of 2023) and has made progress regarding physical and digital accessibility.

The Group also consolidated its Global Stakeholder Engagement Model, based on principles such as inclusivity, relevance, responsiveness and impact and, from a social perspective, has launched initiatives focused on supply chains, while continuing to support women's empowerment through sport and volunteering activities.

As a result of the progress made, the workforce has recognised diversity management as a brand attribute and the Company has received the TOP Employer certificate —which endorses its commitment to the well-being of the workforce— and the EDGE Move certificate —for its commitment to gender equality—, and has improved its ranking in the Top 100 companies in gender equality according to Equileap.

Through the Corporate Volunteering programme, Iberdrola employees participate in actions aimed at improving the quality of life and integration of vulnerable groups. There are also projects that promote the social and labour inclusion of women who are victims of gender violence and/or severe exclusion, women with disabilities, training in STEM subjects for girls and young women, and training and employability of vulnerable youth. The 2nd Edition of the International Volunteers of the Year Awards was held in 2024.

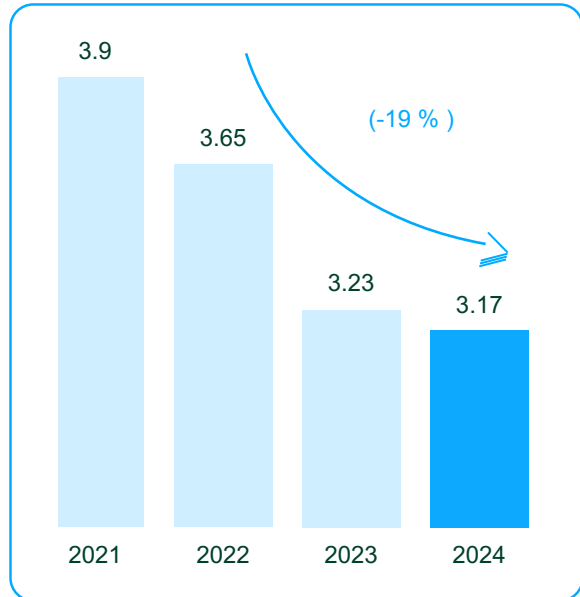
Occupational safety, health and well-being

In recognising the importance of occupational safety, health and well-being, Iberdrola takes the actions necessary to provide safe and healthy conditions so as to prevent injuries and promote work-related physical, social, mental and emotional health, appropriate to the purpose, size and context of each organisation and to the specific nature of the risks, thereby contributing to compliance with the third and eighth Sustainable Development Goals (SDGs) approved by the United Nations (UN).

The safety, health and well-being of people is a priority for Iberdrola, and this is reflected in the various tools and initiatives that the Company continually implements and updates: *occupational safety, health and well-being risk guidelines and limits*, Occupational Health and Safety Management Systems, preventive programmes, training and awareness-raising activities in which employees participate, and targets that are established in collaboration with suppliers, customers and government authorities.

The Company is actively working to steadily improve its accident rates, and is committed to their gradual reduction and to monitoring the performance of its own employees and suppliers.

Rate of work-related injuries (own personnel) <sup>(1)</sup>



Iberdrola is also firmly committed to the well-being of people and the preservation of the planet, and this is set out in both its purpose and in corporate policies. The Global Well-Being Plan has therefore been created, with a holistic approach to promote the multidimensional nature of employee well-being, through the following actions:

- Promote a culture of well-being.
- Reach all the Company’s groups.
- Set in motion the driving force for positive change to increase the quality of life of employees.
- Develop more dynamic and personalised programmes (locations, ages, gender, etc.), offering services targeted at all employees.

(1) Rate of recordable work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [1,000,000]

## Support to local communities

Iberdrola promotes the **social dividend** of its operations by implementing numerous actions and projects. These are performed by the Company, subsidiaries or investees in their respective areas of activity, or by the Group's foundations in the case of sponsorship and patronage activities.

The contribution by the Group companies to local communities in 2024 can be quantified from various points of view. In addition to the fiscal impact (see chapter [Fiscal responsibility](#)), and the creation of employment and economic activity, Iberdrola contributes with non-profit contributions, and contributions that promote entrepreneurship and innovation, as described below:

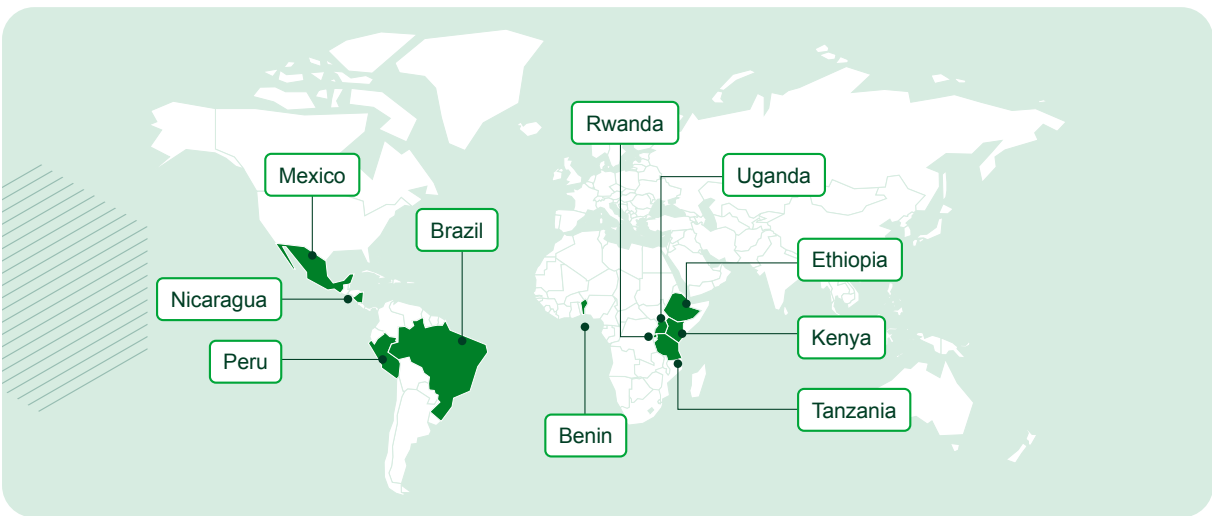
- **Contribution of EUR 56.7 million to the community**, measured according to the Business for Societal Impact (**B4SI**) international standard, in the countries in which Iberdrola operates. This amount exceeds 1% of net profit for the year.
- **Volunteer activities.** A total of **22,783 volunteers** took part in volunteering activities, with the aim of channelling employees' spirit of solidarity and motivating their participation in social projects aimed at integrating vulnerable groups, improving the environment and sustainable development.
- **Support for entrepreneurs: More than EUR 200 million invested** in venture capital for new initiatives of high technological value through PERSEO, the Company's programme for open innovation with start-ups.
- Access to electricity, Electricity for All Programme, which, due to its significance, is described below:



### Progress on the “Electricity for All” programme

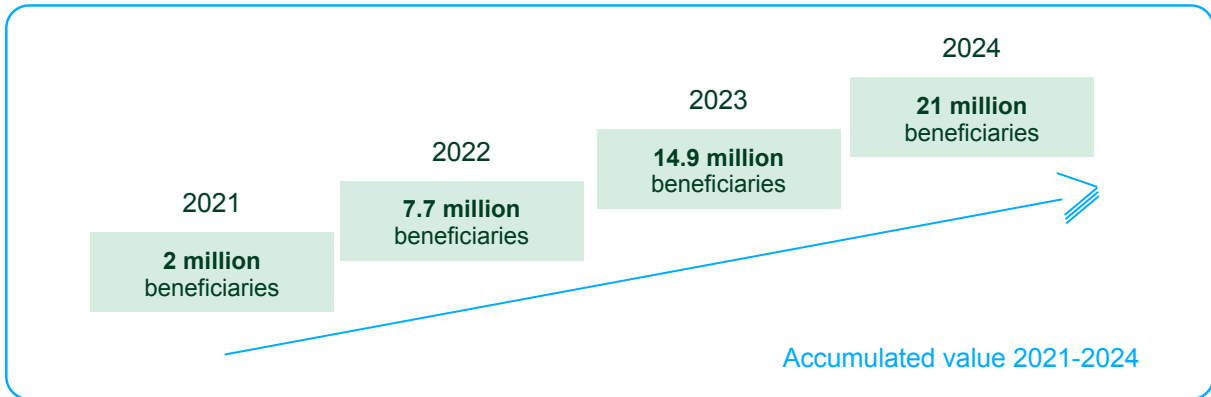
The “Electricity for All” programme is Iberdrola’s response to the need to expand universal access to modern forms of energy, with environmentally sustainable, financially affordable and socially inclusive models. The purpose of this initiative, which began in 2015, **is to ensure access to electricity in emerging and developing countries, and for vulnerable people in developed countries.**

Within the framework of this programme, Iberdrola has set the **goal of providing electricity to 16 million people** who are currently without electricity by 2030. The programme reached **13.8 million users by year-end 2024.**

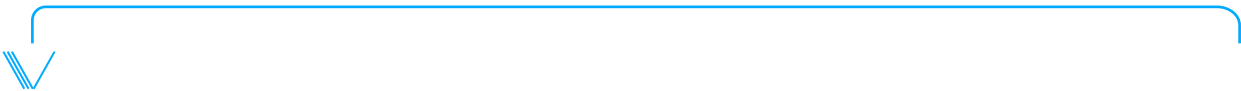


Main activities of the foundations of the Iberdrola Group in 2024

Iberdrola Group foundations renew their social commitment every year.



The Iberdrola Group also channels its social, cultural, and environmental commitment through five foundations: Fundación Iberdrola España, Fundación Iberdrola México, Neoenergia Institute in Brazil, the Avangrid Foundation in the United States, and the ScottishPower Foundation in the United Kingdom. These foundations share a common mission: to promote sustainable development, the energy transition, and social progress. Their broad lines of conduct include:



**Biodiversity and climate change**

Efforts have been stepped up to **protect the environment and enhance biodiversity**, contributing to the fight against climate change. Achievements in 2024 include:

- | Continuation of the tagging of birds in Spain through the MIGRA programme in collaboration with SEO/BirdLife.
- | Reintroduction of 12 species of osprey in the Valencian Community together with the MIGRES Foundation.
- | Reforestation of 49.5 hectares at the General Menacho Base as part of the Iberdrola Defence Forest plan, which will absorb more than 30,000 tonnes of CO<sub>2</sub>.

**ScottishPower Foundation**

Restoration of seagrass and oyster beds with the WWF.

**Avangrid Foundation**

Protection of habitats and birdlife in New England, in collaboration with the National Fish & Wildlife Foundation.

**Fundación Iberdrola México**

Preservation of the Fernandez Canyon and mangroves.

**Neoenergia Institute**

CORALIZAR project (coral restoration) and Flyways Brasil (protection of wading birds).



**Art and culture**

The main objective is to **protect and safeguard artistic and cultural heritage**, promoting its preservation, restoration and contributing to local development.

**Lighting projects**

In 2024, the main lighting projects included:

- | Palau de la Música (Valencia).
- | Quadruple lock of the Canal de Castilla (Frómista).
- | Bridge of San Antón (Cuenca).
- | Oaxaca Cathedral (Mexico).

Several lighting projects that will be inaugurated in 2025 have been announced, such as the Lisbon City Hall, Malaga Cathedral and Valladolid City Hall. An important new development is the **ILUMINA Project**, a cross-border effort between Portugal and Spain with Interreg funds, which seeks to boost tourism by providing lighting for historical sites on the border between Alentejo and Extremadura.

**Restoration projects**

In terms of restorations, the **Atlantic Romanesque Plan** continued in Zamora, with work on the churches of Santa María la Real de la Hiniesta and Castroverde de Campos. In addition, the travelling exhibition “The Prado in the Streets” concluded its tour of Andalusia and began a new round in the Valencian Community. In Brazil, the Neoenergia Institute providing lighting for the Senhora Santana Church in Rio de Contas, Bahia.



**Training area**

In the area of training, education is the driving force for social and personal change.

**Scholarship programme**

In 2024, **educational efforts were expanded through scholarships**, directly benefiting more than 80 people. Collaborations included restoration scholarships at the Prado Museum and the Bilbao Fine Arts Museum.

**STEM women**

Work was carried out together with institutions such as ICAI, Fundación Carolina, Fulbright and Empieza por Educar, among others, with a particular emphasis on the inclusion of women in STEM careers. This approach supports the ecological transition by training talent for the energy sector, with a commitment to training as a means of personal and social improvement.



**Social area**

Through the annual **Future with Energy** social aid programme, Fundación Iberdrola allocated more than EUR 1.5 million in 2024 to finance 43 projects, benefiting more than 192,000 people. These initiatives are aimed at:

- | Children and young people.
- | Those with disabilities and addictions.
- | Women, training and employment as key tools to promote personal autonomy and independence.

## Fiscal responsibility

Iberdrola has a *Corporate Tax Policy* that establishes the basis for determining the Company's tax strategy, based on excellence and commitment to the application of good tax practices, within the framework of the Group's corporate and governance structure.

The **tax strategy** is based on three fundamental pillars: **compliance with tax obligations, ongoing cooperation with the tax authorities**, and **transparency**, seeking to ensure appropriate coordination of the tax practices applied by Group companies, all within the framework of achieving the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.

The tax strategy at Group level is implemented and coordinated as follows:

### Main principles of conduct

The Company's compliance with its tax obligations and its relations with the tax authorities are governed, in addition to that established in the Group's *Ethical and Basic Principles of Governance and Sustainability*, by main principles of conduct such as ensuring compliance with tax regulations in all countries and territories in which it has a presence, paying any taxes due, preventing and reducing significant tax risks, fostering a relationship with the tax authorities that is governed by the principles of legality, transparency, loyalty, trust, professionalism, collaboration, reciprocity and good faith, and providing information to management bodies of the main tax implications of the transactions or matters submitted for their approval, when they are a significant decision-making factor.

### Good Tax practices

By application of the main principles of conduct, the Company adopts and promotes the following good tax practices, which include the following:

- a. Not to use artificial structures unrelated to the Company's own activities for the sole purpose of reducing its tax burden.
- b. To avoid opaque structures for tax purposes.
- c. Not to directly or indirectly create or acquire companies resident in countries or territories considered to be tax havens under Spanish law or that are included on the EU blacklist of non-cooperative jurisdictions, with the sole exception of those cases in which it is obliged to do so in the course of an indirect acquisition in which such company is part of a group of companies being acquired.
- d. To cooperate with the competent tax authorities in detecting and seeking solutions to fraudulent tax practices of which the Company is aware.
- e. To provide any tax-related information and documentation requested by the tax authorities in the exercise of their powers.
- f. To make the whistleblowing channels envisaged by law available to anyone who wishes to report any conduct that may involve any wrongdoing or conduct contrary to law or to the Group's *Ethical and Basic Principles of Governance and Sustainability*, and, therefore, tax-related activities.

## Tax governance and risk management

### Implementation and coordination of the tax strategy within the Group

The various Group companies are responsible for implementing and monitoring the tax strategy established by the Company's Board of Directors, in accordance with the corporate and governance structure defined in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* and, in particular, in the *Foundations for the Definition and Coordination of the Iberdrola Group*.

Accordingly:

- a. The Company's Board of Directors, through its chairman and chief executive officer, with the technical support of the Operating Committee and the management team, together with its corresponding support committees, where appropriate, promotes the supervision, organisation, coordination and monitoring (control through the Board and its committees) of the principles of conduct and good tax practices set out in the *Corporate Tax Policy* by the companies comprising the Group.
- b. The country subholding companies assume their own responsibilities with respect to compliance with tax obligations and in relation to implementing the global tax strategy established at the Group level in their respective countries, territories, or businesses.
- c. In addition to being responsible for compliance with their tax obligations, the head of business companies endeavour to ensure compliance with these principles and good practices by the Group companies through which they carry out their respective businesses.

### Risk management and compliance

Iberdrola seeks to prevent and reduce significant tax risks. It therefore has a robust tax risk prevention model in line with best tax governance practices, which is duly monitored and updated. It also has a tax compliance management system certified in accordance with the UNE 19602 Standard.

The Group does not have any investees domiciled in countries or territories considered to be tax havens under Spanish law or in territories included in the European Union's blacklist of non-cooperative tax jurisdictions.

### Stakeholder engagement in tax matters

The Annual Corporate Governance Report includes the level of effective compliance by the Company with the Code of Good Tax Practices, and with other codes or recommendations of similar content from other jurisdictions to which the Group companies have adhered, and reports on the functioning of the tax risk control systems.

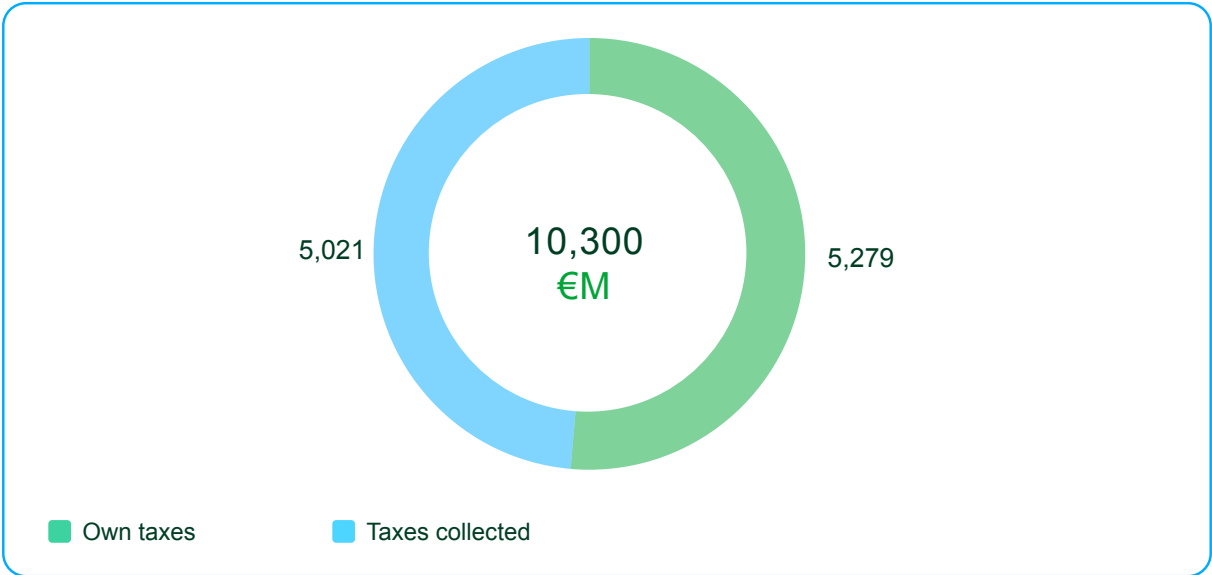
In addition, the Company undertakes to disclose the most relevant information on the performance of the Group companies in tax matters and their tax contribution to support public expenditure in the main countries and territories in which they operate, ensuring that the information is clear, useful and truthful, all within the framework of

its commitment to transparency in relations and communication with its stakeholders.

Among other measures, Iberdrola has voluntarily prepared the “Report on Tax Transparency of the Iberdrola Group. Our commitment to society” since 2019, which sets out all significant issues from a tax standpoint and its tax contribution.

In addition, Iberdrola makes specific whistleblowing channels available to its main 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.

Iberdrola’s tax contribution in 2024 (€M)



**Tax contribution of €10,300 million in 2024, an increase of 7,6 % over the previous financial year.**



## Corporate reputation

What the various Iberdrola Group companies do, what they communicate, and how they involve their stakeholders, leads to opinions, attitudes and behaviours by these stakeholders that shape the companies' reputation. Therefore, the Iberdrola Group takes its reputation into consideration.

**Reputation is an intangible asset of great value**, which influences aspects as important as the recruitment and retention of talent, commercial relations with customers, valuation in the capital markets, and integration within communities and, therefore, affects both long-term sustainability and corporate resilience.

Reputation is managed and measured with a two-fold objective:

- To drive opportunities and favourable behaviour of stakeholders towards the Company.
- To minimise and mitigate the reputational risks associated with its business activities.

Reputation management is performed by all of Iberdrola's areas and businesses, with two important elements standing out:

- **Proactive management of stakeholders** through the application of the Global Stakeholder Engagement Model, which allows for the ascertainment of expectations, needs and impacts, the analysis of risks (including reputational risks), and the establishment of specific action plans, as explained at the beginning of this section.
- The **communication plans**, sustainability targets and numerous specific activities of Iberdrola's areas and businesses, focused on each of the Company's six stakeholder groups.

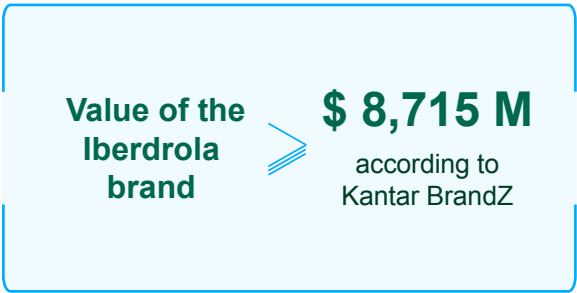
Reputation is monitored and measured through: variables from reputational rankings, surveys and various sustainability indices, among others.

Iberdrola annually reviews and updates its *Corporate Reputation Policy* and the Reputational Risk Guidelines and Limits, which are the main benchmarks for controlling and managing this risk. The Company also has internal procedures in place to respond to potential reputational crises and risks, a Global Reputation Working Group, internal communication campaigns and employee training initiatives.

## The brand

Iberdrola manages the brand so that it conveys the essence of the Group's purpose and reflects the Company's strategy and commitment to sustainability. This consolidates a brand with international visibility and relevance, strengthening communication and alignment under a single brand positioning strategy in all countries in which the Group operates.

In 2024, the brand evolved to better reflect the Company's commitment to the planet and its commitment to digitalisation. As a result, the **brand identity became more sustainable**, with a logo designed to reduce energy consumption by 50%. An identity that maintains its essence by reinforcing the association with the values of sustainability.



As a result of all the above activities, based on the firm commitment to increasingly engage its stakeholders in all of the Company's activities and operations, Iberdrola is one of the most highly valued Spanish brands.

Ethics, transparency and good governance

- Governance and Sustainability System
- Corporate governance
- Comprehensive Risk Control and Management System
- Risks
- Internal audit
- Ethics and integrity
- Cybersecurity and information privacy



## Governance and Sustainability System

The Company's Governance and Sustainability System constitutes its own internal regulation that establishes its identity and ensures the realisation of its purpose and values and the achievement of its social dividend and corporate purposes.

This set of regulations has evolved with reality, anticipating and adapting to new needs, but always maintaining Iberdrola's genuine commitment to sustainability as set out in the rules and policies that make up the *Governance and Sustainability System*, the contents of which are published on the corporate website and are arranged in the following structure:

- General introduction, Purpose and Values of the Iberdrola Group and Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group (Preliminary book).
- By-Laws and Corporate Organisation, Regulations for the General Shareholders' Meeting, rules of the corporate decisionmaking bodies and internal committees, and Foundations for the Definition and Coordination of the Iberdrola Group (First book).
- Corporate policies on transparency and good governance, human and social capital, natural capital and the sustainable value chain (Second book).
- Internal Audit, Risk and Compliance standards, including the Code of Conduct for Directors, Professionals and Suppliers (Third book).

The Board of Directors is responsible for approving and updating the Company's policies and the guidelines for the Iberdrola Group, establishing rules, principles and guidelines that serve as the basis for its regulatory development by the other companies of the Iberdrola Group, through their respective governance and sustainability systems.

Specifically, the *Purpose and Values of the Iberdrola Group* form the corporate ideology that determines the orientation and organisation of the Company and the other companies of the Group, guiding their strategy and directing their activities, initiatives and decisions as structural principles of the internal organisation of the Group companies.

Accordingly, the *Ethical and Basic Principles of Governance* and Sustainability of the Iberdrola Group serve as the basis for the rules of the Company and of the other companies of the Group, promoting the sustainable creation of value for its shareholders and also considering its other stakeholders.

The Governance and Sustainability System therefore contributes to shaping the identity and essence of the companies of the Iberdrola Group taken as a whole, in line with a firm commitment to sustainability and the most demanding ethical principles, in order to promote the construction of an electric, efficient, healthy and accessible energy model, in line with the highest standards and requirements in terms of transparency and good governance, human and social capital, and natural capital, with due regard for the value chain, internal audit, risks, corporate control and compliance.

This structure of the Governance and Sustainability System allows the legal systems of all the companies that make up the Iberdrola Group to be consistent, while respecting the autonomy of the respective management bodies and, in particular, the special framework of enhanced autonomy of the listed country subholding companies that may form part of the Iberdrola Group.

## Corporate governance

The composition of the Board of Directors is a key element of good corporate governance, as it affects its effectiveness and influences the quality of its decisions and its ability to effectively promote the corporate interest.

Accordingly, the Company encourages the Board to have an independent, plural and balanced composition, with the staggered replacement of its members on a regular basis, so that their complementary nature reflects the social and cultural reality of Iberdrola, and enriches discussions and the resolutions passed by the Board of Directors and its committees, through the contribution of multiple points of view on the matters within their purview:

### Composition of the Board of Directors<sup>(1)</sup>

Position	Director	Status	Date of last appointment	End of term	Committees
Chairman	José Ignacio Sánchez Galán (Salamanca, Spain, 1950)	Executive	28-04-2023	28-04-2027	Chair of the Executive Committee
Chief Executive Officer	Armando Martínez Martínez (Miranda de Ebro, Spain, 1968)	Executive	28-04-2023	28-04-2027	Member of the Executive Committee
First Vice-Chair	Juan Manuel González Serna (Madrid, Spain, 1955)	Independent	18-06-2021	18-06-2025	Member of the Executive Committee Chair of the Remuneration Committee
Second Vice-Chair	Anthony L. Gardner (Washington D.C., US, 1963)	Independent	17-06-2022	17-06-2026	Member of the Executive Committee Member of the Appointments Committee
Lead independent director	Ángel Jesús Acebes Paniagua (Ávila, Spain, 1958)	Independent	18-06-2021	18-06-2025	Member of the Executive Committee Chair of the Appointments Committee
Member	Íñigo Víctor de Oriol Ibarra (Madrid, Spain, 1962)	Other external	17-05-2024	17-05-2028	Member of the Remuneration Committee
Member	Manuel Moreu Munaiz (Pontevedra, Spain, 1953)	Independent	28-04-2023	28-04-2027	Member of the Executive Committee Member of the Remuneration Committee

(1) Secretary (non-director): Santiago Martínez Garrido  
Deputy secretary (non-director): Ainara de Elejoste Echebarria  
Counsel to the Board: Rafael Sebastián Quetglas

Position	Director	Status	Date of last appointment	End of term	Committees
Member	Xabier Sagredo Ormaza (Portugalete, Spain, 1972)	Independent	28-04-2023	28-04-2027	Chair of the Audit and Risk Supervision Committee
Member	Sara de la Rica Goiricelaya (Bilbao, Spain, 1963)	Independent	28-04-2023	28-04-2027	Chair of the Sustainable Development Committee
Member	Nicola Mary Brewer (Taplow, United Kingdom, 1957)	Independent	17-05-2024	17-05-2028	Member of the Sustainable Development Committee
Member	Regina Helena Jorge Nunes (São Paulo, Brazil, 1965)	Independent	17-05-2024	17-05-2028	Member of the Audit and Risk Supervision Committee
Member	María Ángeles Alcalá Díaz (Albacete, Spain, 1962)	Independent	17-06-2022	17-06-2026	Member of the Audit and Risk Supervision Committee
Member	Isabel García Tejerina (Valladolid, Spain, 1968)	Independent	17-06-2022	17-06-2026	Member of the Sustainable Development Committee
Member	Ana Colonques García-Planas (Vila-real, Spain, 1982)	Independent	17-12-2024	General Shareholders' Meeting 2025	Member of the Appointments Committee

The director, Ms Ana Colonques García-Planas, was appointed by the Board of Directors on an interim basis and, therefore, her appointment is subject to ratification by the General Shareholders' Meeting to be held within the first six months of 2025, in accordance with Section 244 of the Companies Act.

## Corporate and governance structure

The Iberdrola Group is structured on three levels: the *holding* company, Iberdrola, S.A., which holds equity interests in the country subholding companies and is responsible for strategic supervision, organisation and coordination at the Group level; the country subholding companies, which group together the equity interests in the head of business or country companies and strengthen the functions in the territories, countries, or businesses corresponding to each one; and the head of business or country companies, which assume executive responsibilities on a decentralised basis, have the autonomy necessary to carry out the day-to-day administration and effective management of their businesses, and

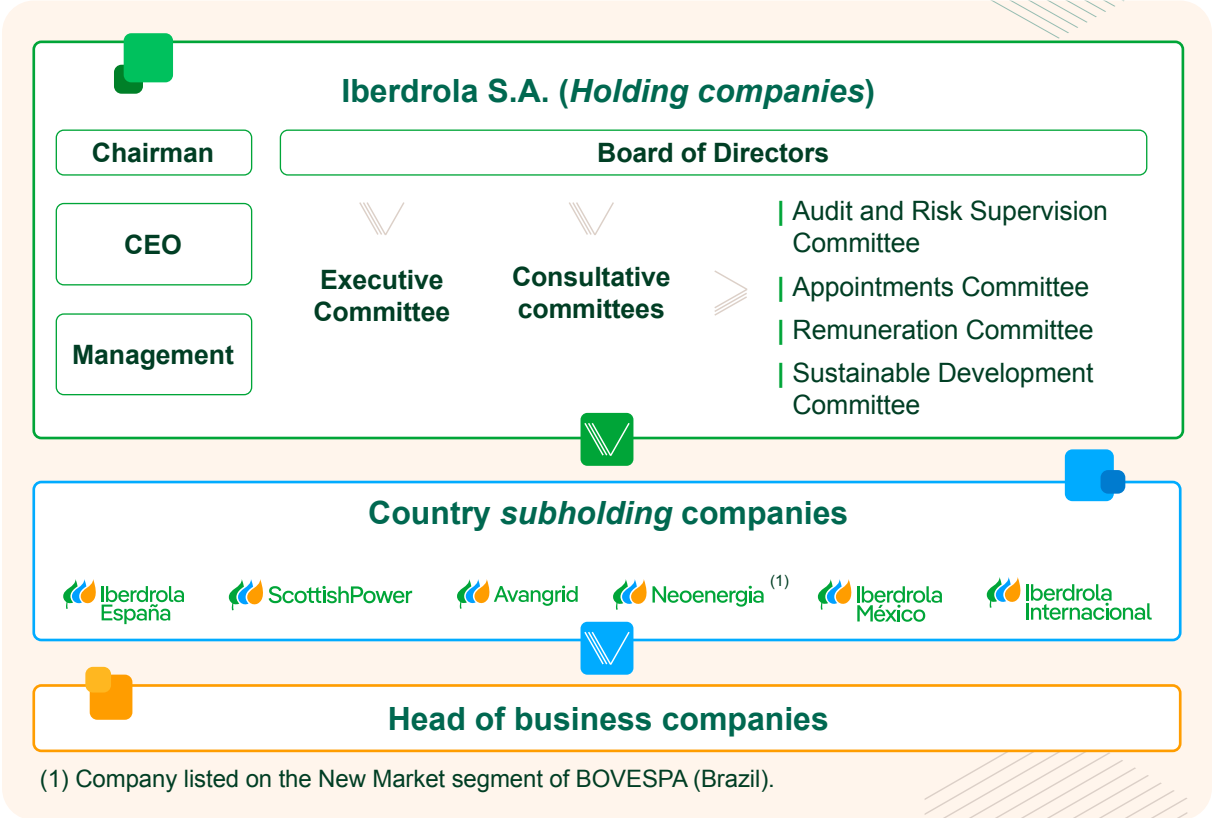
are responsible for the day-to-day control of the businesses. The Iberdrola Group thus combines a decentralised structure inspired by the principle of subsidiarity and respect for the autonomy of its Group companies, with the necessary strategic coordination and an effective system of checks and balances:

- The Board of Directors of Iberdrola, S.A. focuses its activities on strategic definition at the Group level and on organisational, coordination, and supervisory functions. The Board is made up of 14 directors: 2 executive (14%) and 12 external (86%).

- The duties of the executive chairman and the chief executive officer are separate. Therefore, the executive chairman assumes all duties not expressly assigned by the Board of Directors to the chief executive officer, who coordinates the management of the businesses of the Group companies, as the person with overall responsibility for all of them, with the most senior functions in this area and within the framework of the Company’s role in the corporate and governance structure of the Group.
- Independent directors make up 79% of total members, and include two vice-chairs, the lead independent director and the chairs of all the consultative committees.
- The Board of Directors promotes the creation and operation of cross-functional committees to support and advise the management team that are linked to strategic functions. In particular, the Operating Committee is responsible for providing technical support to the chairman of the Board of Directors and the chief executive officer on the function of organisation, coordination and supervision at the Group level in order to facilitate the implementation of the Business Model.
- The country subholding companies strengthen organisation, coordination and supervision through the dissemination, implementation

and supervision of the policies, strategies, and general guidelines at the Group level in accordance with the characteristics, needs and particular circumstances of their respective territories, countries or businesses. One of their main functions is to centralise the provision of common services to their head of business companies, in accordance with criteria of operational efficiency and in full compliance with that set out in applicable legislation and, in particular, with the regulations on the separation of activities. These companies therefore have their own boards of directors, chief executive officers, external directors, and audit and compliance committees, in addition to internal audit divisions and compliance units, and, if applicable, management and support committees for their management team. Specifically, the country subholding company Neoennergia, S.A. has a special framework of enhanced autonomy in areas regarding regulatory matters, related-party transactions and management.

- The head of business or country companies also have their respective boards of directors and specific management bodies; they may also have their own audit committees, internal audit areas and compliance units or divisions.



(1) Company listed on the New Market segment of BOVESPA (Brazil).

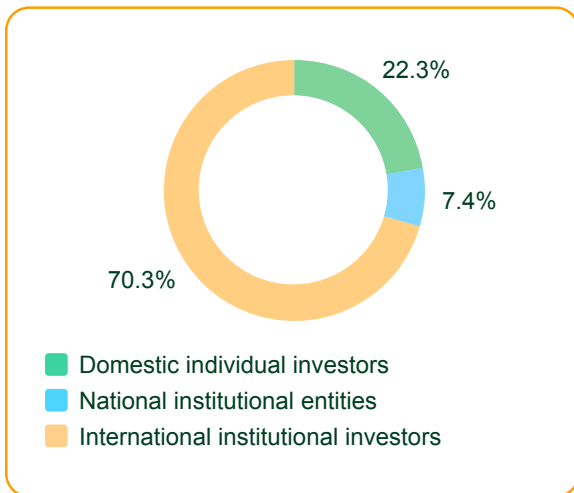
### Ownership structure

Iberdrola, S.A. has shareholders around the world, none of whom have a controlling interest.

**Iberdrola has more than 500,000 shareholders worldwide**

**Investment funds, pension funds and other international institutional shareholders represent more than 70% of the share capital.**

Shareholder structure at year-end 2024 <sup>(1)</sup>



### Iberdrola at the forefront of governance and sustainability

The **Board of Directors of Iberdrola, S.A. prepares and updates on an ongoing basis the Governance and Sustainability System**, which governs its own management and conduct, and seeks to ensure the realisation of the purpose and values and of the corporate purpose, and the achievement of the corporate interest and the social dividend, all within the common framework of its firm commitment to sustainability. Since 2021, it has been approving and updating the Climate Action Plan, which was created with the aim of achieving neutrality in greenhouse gas emission.

### Strategy

The key elements defining the governance and sustainability strategy of Iberdrola, S.A. are:

- A system for the separation of functions, checks and balances, and controls.
- Ongoing shareholder engagement, not just at the General Shareholders' Meeting.
- Active listening to the legitimate interests of the stakeholders.
- Social dividend and respect for human rights.
- Environmental performance
- Zero tolerance of corruption and fraud.
- Prudent and balanced management of risks.
- Transparency.

(1) Shareholder structure at year-end 2024. Data taken from the [Annual Corporate Governance Report 2024](#), published in February 2025

**Continuous improvement of the corporate governance rules and practices**

For corporate governance matters, the Company takes as a reference the *Good Governance Code of Listed Companies*, revised by the CNMV in June 2020, and the practices generally recognised in international markets.

Leadership in governance
Independence: 86% external directors and 79% independent directors, including the two vice-chairs, the lead independent director and the chairs of all the consultative committees.
Separation of functions and checks and balances: the executive chairman is separate from the chief executive officer, two vice-chairs, and the lead independent director and chair of the Appointments Committee.
Succession plans for the executive chairman, chief executive officer and non-executive directors.
Gender balance: Each gender representing 50% of external directors and no gender with a representation of less than 43% of all directors.
Annual evaluation of the governance bodies by an independent expert.

Work on sustainable development and corporate reputation
Ongoing update of Governance and Sustainability System.
Review of the compliance system
Monitoring and updating the Group's strategy and performance.
Monitoring the Climate Action Plan and the Biodiversity Plan
Monitoring of human rights management and the creation of value for Stakeholders
Monitoring of brand value and corporate reputation.
Monitoring of cyber risks, updating of cybersecurity strategy and analysis of the Company's cyber-resilience.
Management of human capital, with a focus on the development, promotion and retention of the management team's talent.
Active listening and monitoring of sustainability issues raised by investors and proxy advisors, including presence on sustainability indices.



### Commitment to shareholders and investors

The Iberdrola Group operates an industrial and financial model based on sustainable and balanced growth, focused on the businesses of smart grids, renewables, efficient storage and the development of new businesses arising from the energy transition, with a focus on achieving goals that combine financial, environmental and social results. The Company’s framework for relations with shareholders is based on transparency, encouraging their informed and responsible participation at the General Meeting and incorporating the most advanced corporate governance practices, particularly as regards their involvement in the Company.

- The *Shareholder Engagement Policy*, which this year celebrates its tenth anniversary, aims to encourage the continued and ongoing involvement of the Company’s shareholders in corporate life. In particular,

this interaction is not limited to attending the General Shareholders’ Meeting, but rather the Company encourages continuous interaction, aiming for effective, continued, constructive, sustainable and ongoing shareholder involvement in corporate life throughout the year, contributing to maintaining lasting and stable relationships and aligning the interests of shareholders and those of the Company, in order to ensure the achievement of the purpose and realisation of the corporate values. This policy enables the Company to adopt and promote the main principles of conduct to foster the effective, ongoing, constructive and sustainable involvement of its shareholders in corporate life based on transparency, participation, proactive and constant interaction, active listening, respect, innovation and continuous improvement.

- The company encourages shareholders’ participation throughout the year, especially at the General Shareholders’ Meeting.



### Ongoing and proactive contact with our shareholders.

## Remuneration policy

The *Director Remuneration Policy* approved at the General Shareholders' Meeting on 17 May 2024, with 95.64% voting in favour, establishes the framework governing the remuneration of directors and officers.

### Principles of the policy:

#### For directors:

In their capacity as such:

- Transparency.
- Equal opportunities.
- Alignment with the remuneration policy for the Company's professionals.
- Competitiveness for the creation of value.
- Remuneration system without variable remuneration.

#### For officers:

- Neutrality in variable remuneration for the creation of value.
- Commitment to shareholder interests and to long-term sustainability.
- Proportionality with risk measures in the remuneration systems, establishing maximum limits to any variable remuneration and appropriate mechanisms for the Company to be able to cancel (malus clause) or obtain reimbursement for (clawback clause) the variable components of the remuneration.

### Remuneration system:

The remuneration system for directors and officers applicable in 2024 is a sustainable, non-short-term remuneration system that maintains a reasonable balance between the various elements that make up the remuneration, reflecting an appropriate assumption of risk that contributes to attracting, retaining, motivating and developing the best talent, as detailed below.

#### Directors in their capacity as such:

The remuneration system includes:

- Fixed remuneration and attendance bonuses.
- Benefits.
- Non-compete commitment.
- A shareholding policy commitment is established for at least an amount equivalent to 20% of annual fixed remuneration for each year of their term of office for a cumulative period of four years.

#### Officers:

The principles of the Policy are applied through a remuneration mix that includes:

- Fixed remuneration: commensurate with the responsibilities and functions performed.
- Short-term variable remuneration
  - Linked to the achievement of predetermined, specific, measurable, challenging and clear

quantitative and qualitative strategic objectives, aligned with the Purpose and Values, the achievement of the business strategy, and the long-term interests and sustainability of the Company, including financial, operational and sustainability objectives.

- Long-term variable remuneration (strategic bonus)
  - Linked to the creation of value for stakeholders, and to the sustainable achievement of the Group's strategic objectives and the maximisation of its social dividend and shareholder return.
  - Plans with a typical duration of six years, (three assessment and three settlement), granted every three years.
  - A shareholding policy is established whereby ownership of the shares received cannot be transferred for a period of four years unless an equivalent amount of at least twice the fixed remuneration is maintained.

Officers and other professionals of the Iberdrola Group assigned to divisions or areas that report functionally to the Audit and Risk Supervision Committee or the Sustainable Development Committee do not participate in annual variable remuneration systems, nor are they beneficiaries of the long-term incentive.

## Main activities of the Board of Directors and its Committees

### Key topics in 2024

The main focus areas for the Board of Directors in 2024 were as follows:

- Updating of the Strategic Plan for the 2024-2026 period, which structured the objectives into 5 thematic sustainability priorities (i) promoting electricity as a clean, autonomous, local, stable, safe and competitive energy source; (ii) protecting nature and promoting the efficient use of resources; (iii) sustainable value chain; (iv) strengthening human and social capital; and (v) a culture of ethics, transparency and good governance.
- Corporate transactions and strategic alliances entered into by companies of the Iberdrola Group.
- From October onwards, monitoring of the impact of the Valencia DANA and the recovery of supply.
- Acknowledgement of compliance with the shareholding policy commitments envisaged in the *Director Remuneration Policy* approved by the General Shareholders' Meeting in 2024.
- Appointment of the independent assurance provider responsible for verifying the statement of non-financial information - sustainability report for 2024.
- Review and continuous improvement of the Governance and Sustainability System.

These and the other key issues handled by the Board of Directors and its committees throughout 2024 are set out in the annual corporate governance report for 2024.

### Training of the Governance Bodies

The directors receive continuous training regarding significant issues relating to the companies of the Iberdrola Group and their businesses, and to the environment in which they operate, which are supplemented by reports, articles and other information of interest, all of which are made available to the directors through the directors' website, which has a specific section and a blog dedicated to training.

In addition to training materials and sessions for all directors, each of the consultative committees also has specific training plans in the areas within their purview.

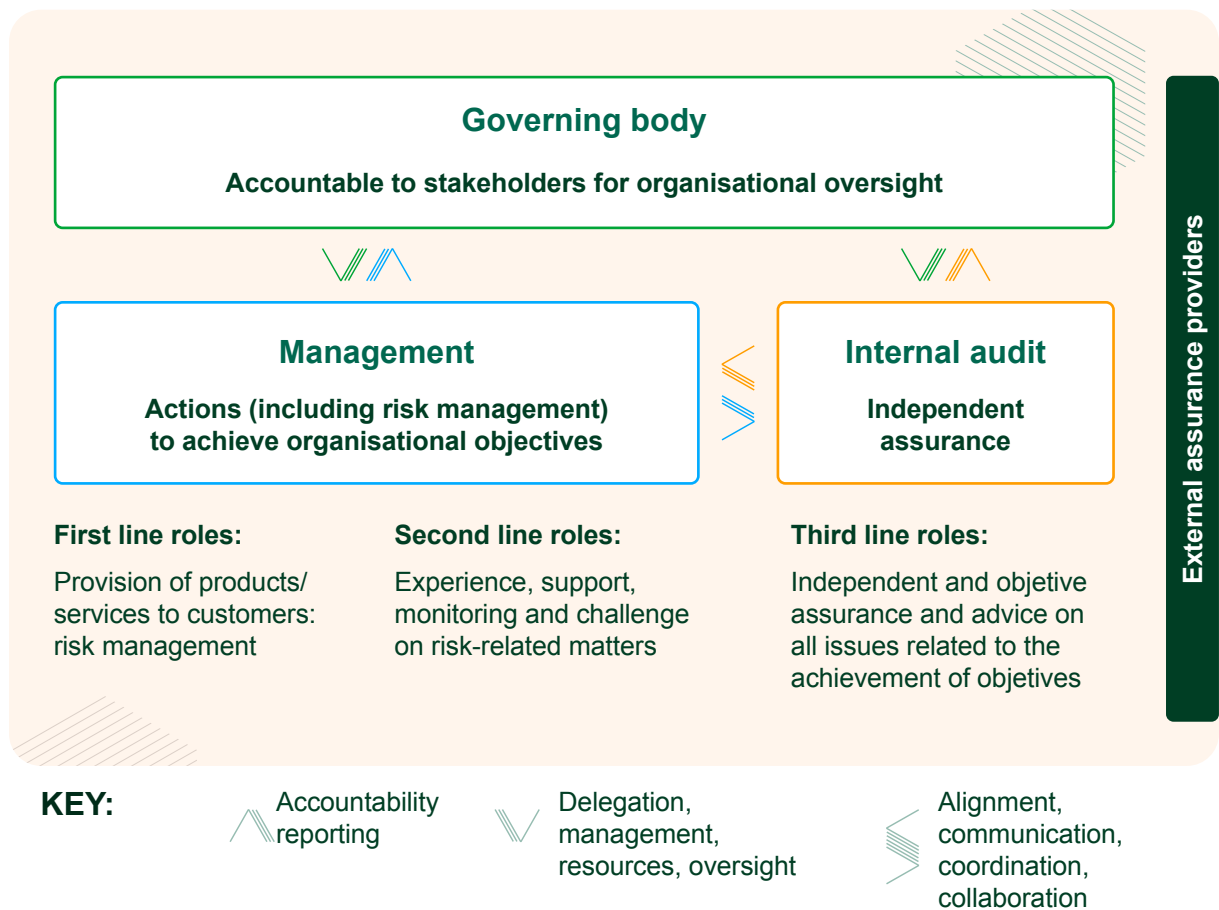
The [Annual Corporate Governance Report 2024](#) includes a specific section on the activities and content of the training carried out over the past year.

## Comprehensive Risk Control and Management System

### A principles-based model

As defined in the General Risk Control and Management Foundations approved by the Board of Directors of Iberdrola, S.A., the Comprehensive Risk Control and Management System (“the System”) **constitutes the global model implemented to identify, assess, control and manage the significant risks** faced by the Company and the other companies of the Group.

The System is designed in accordance with international best practices in control and enterprise risk management, specifically, it is based on the control methodological framework defined by COSO (Committee of Sponsoring Organizations of the Treadway Commission, May 2013) and is structured in accordance with the Three Lines Model published on 20 July 2020 by the Institute of Internal Auditors, which provides a comprehensive view of how the different parts of the organisation interact in an effective and aligned manner with each other and with the interests of the stakeholders, contributing to the creation and protection of value.



Based on the document “The IIA’s Three Lines Model 2020. An update of the Three Lines of Defense” IIA 2020.

The Comprehensive Risk Control and Management System is designed and operates so as to include the following principles:

### Governance functions

The Company's Board of Directors is assisted by the Audit and Risk Supervision Committee, which, within the framework of its competencies as a consultative body, monitors and reports on the effectiveness of the risk control and management system.

Iberdrola's Board of Directors ensures that appropriate structures and processes are in place for effective governance.

- Ensures that organisational objectives and activities are aligned with the prioritised interests of the stakeholders.
- Delegates responsibility and provides resources to management to achieve the objectives of the organisation while ensuring legal, regulatory and ethical expectations are met.
- Establishes and oversees an independent, objective and competent internal audit function to provide clarity and confidence on progress toward the achievement of objectives.

### Clear roles and responsibilities

Management responsibility for achieving organisational objectives lies with both first and second line functions. The management team and the professionals of Iberdrola and its Group are the direct managers of the Company's risks. Company management is therefore responsible for maintaining effective control and implementing procedures to control risks on a continuous basis.

In this regard, the Group's General Risk Control and Management Foundations establish an appropriate allocation of functions and responsibilities at the operational and supervisory level for the various relevant risks and threats, as well as procedures, methodologies and tools to support the System in which the various corporate and business areas participate. The participants in the System are:

- The corporate and business areas, which are primarily responsible for identifying, managing and controlling the risks that affect their area of responsibility ("**first-line owners of the risks or functions**")
- The areas responsible for defining, implementing, deploying and supervising the rules and policies of the [Company's Governance and Sustainability System](#) and the governance and sustainability systems of the other companies of the Group, as well as any Guidelines that may be approved in implementing the Foundations, insofar as they contain control frameworks relating to certain overarching risks for which main principles of conduct have been approved ("**second-line specialist areas or functions**").

The main second-line specialist areas according to their areas of responsibility are: (i) the Group's **Control Division**, in its responsibilities relating to internal control and risk management systems related to the financial reporting process (Internal Control over Financial Reporting System, ICFRS), with the SAP environment; (ii) the **Corporate Sustainability Division**, in its responsibilities for internal risk management and control systems related to the sustainability reporting process, reputational risk, human rights impact risk and stakeholder relations; and (iii) the **Compliance Unit**, which is responsible for proactively overseeing the effective operation of the Compliance System.

In addition to the above, there are other organisations which, within the scope of their responsibilities, perform important expert functions related to internal control and supervision, including: the Environment Division, the Personnel and Organisation Division, the Corporate Security Division, the Purchasing and Insurance Division, and the Legal and Tax Division.

- The **Risk Division**, which reports to the Internal Audit and Risk Division, is an independent function responsible for leading the design and implementation of the Comprehensive Risk Control and Management System to identify and manage the relevant risks faced by the Group companies.

### Involvement of Management, Risk Committee

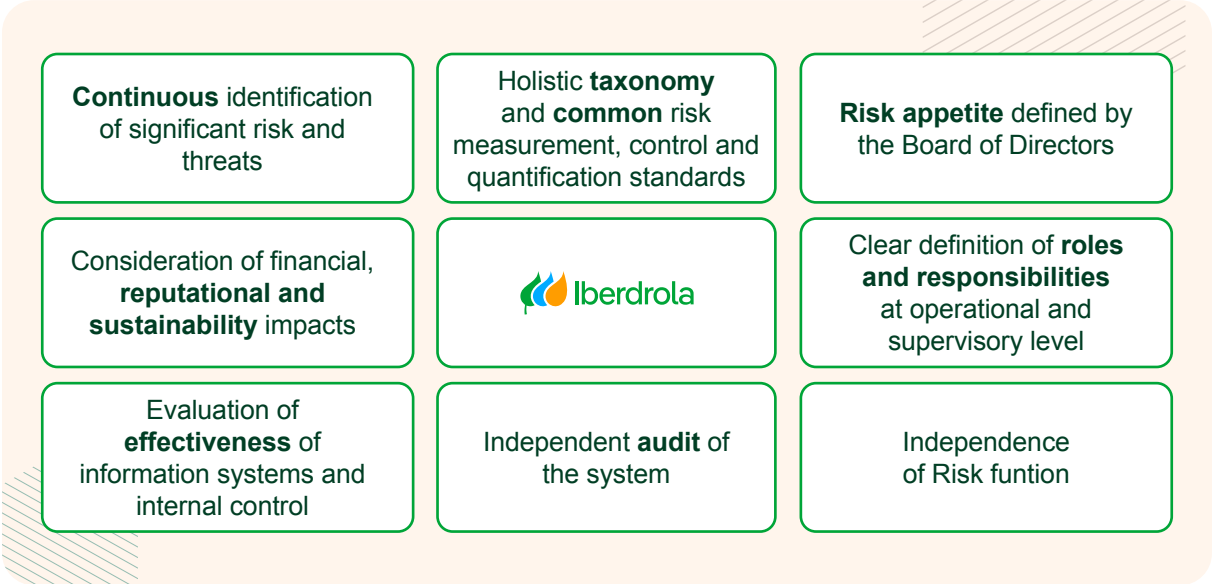
As a sign of management’s commitment to risk control and management and in order to facilitate the implementation and effective functioning of the System, the Risk Committee was created as an internal and permanent cross-functional body, comprising representatives of the Company’s various corporate and business areas. The functions of the Risk Committee include overseeing that: (i) the main risks are adequately identified and managed within the risk appetite established by the Board of Directors; and (ii) that the information and internal control systems implemented to manage and control the risks are functioning properly.

### Independent Internal Audit

The Internal Audit Division, as an independent third line, is responsible for proactively ensuring the proper operation of the internal control, risk management and governance systems, systematically auditing the roles of the first and second lines in the performance of their respective management and control duties. For more information on internal audit activities, see the [Internal audit](#) section.












### External assurance providers

Regulators establish requirements to strengthen the organisations’ controls and perform an independent oversight role. The powers of the ARSC and the ACC include striving to preserve the independence of the statutory auditors and/or verifiers of sustainability reports.



## Risks

### Main risk factors and mitigation measures

Price and demand risks			
<b>Changes in the price of electricity</b>	The main variable affecting the results of generation activities as regards market prices is the price of electricity, which is closely correlated with the price of the gas needed to produce that electricity and with the cost of the applicable emission allowances.		
	The Group's generation assets sell their energy through various mechanisms, depending on the regulations and type of electricity market existing in each country. For new investments, incentives are available for selling at regulated rates or signing fixed-price PPAs. The remaining market exposure is transferred to the customers business in the countries where it is present for integrated management.		
	Offsetting at-risk positions between wholesale and retail activities greatly reduces the Group's market risk; the remaining risk is mitigated by trading in the physical buy/sell markets as well as in derivatives.		
	<i>Potential impact of a 5% change in the price of electricity and/or of energy commodities and CO<sub>2</sub> on open positions</i>	<b>Spain</b>	 Production and Customers risk integrated
		<b>United Kingdom</b>	 For its wind farms without CfDs
		<b>Mexico</b>	 Production and Customers risk integrated
		<b>Brazil</b>	 Production and Customers risk integrated
<b>United States</b>		 For wind farms exposed to the market	
<b>International</b>		 For wind farms exposed to the market	
<b>Change in demand</b>	Production and Customers: moderate short-term impact, given the nature of the generation facilities and the structure of the long-term power purchase agreements. Grids: no impact, except for the Brazilian subsidiaries in between tariff periods.	 <i>Potential impact of 1% reduction in Spain, Mexico and the United Kingdom.</i>	
Resource risks			
<b>Change in hydroelectric resources - Spain</b>	In the medium-to-long term, humid years are offset by dry years. The storage capacity of reservoirs and the Group's portfolio of power plants mitigate the level of volatility during the year.	<i>Lower hydroelectric production - Spain</i>	 <b>Production and Customers Business</b>
<b>Change in wind resources - Group</b>	Mitigated thanks to the high number of facilities in operation and the geographic dispersion thereof. In the medium-to-long term, years with more wind are offset by years with less wind.	<i>Lower wind output - Group</i>	 <b>Production and Customers Business</b>
Financial risks			
<b>Change in interest rates</b>	The Iberdrola Group maintains a fixed-rate and variable-rate debt structure, based on the structure of its revenues and the sensitivity thereof to changes in interest rates.	<i>Potential impact on financial expenditure up by +50 bps</i>	 <b>Group financial expenditure</b>
<b>Change in exchange rates</b>	This risk is mitigated by taking on debt and realising all its financial flows in the functional currency corresponding to each company, whenever possible and economically efficient, and by managing its open positions with derivatives. The risk associated with the translation of results from subsidiaries is closed out annually.	<i>Potential impact on financial expenditure of +10% change in currency</i>	 <b>Group financial expenditure</b>
Other risks			
<b>Credit risk</b>	Main sources: amounts outstanding (customers, suppliers, banks, partners, etc.) and cost of replacement. Customers: cost of late payments/defaults has been kept to levels near 1% of total invoicing. Grids: in Spain and in the United Kingdom there is no retail sale of energy, in the United States and Brazil mechanisms are in place to recover late payments through the tariffs.		
<b>Operational risk</b>	These risks are mitigated by making the necessary investments, applying operation and maintenance procedures and programmes (supported by quality systems), planning appropriate training and skills development for staff, and finally by obtaining appropriate casualty and civil liability insurance.		
<b>Regulatory and political risk</b>	Group companies are subject to laws and regulations on tariffs and other regulatory aspects of their activities in the countries in which they do business. The introduction of new laws/regulations or amendments to existing ones could adversely affect operations, annual results and the financial value of the businesses of the Group.		
<b>Climate change risk</b>	This includes transition risks (primarily regulatory and market risks) and physical risks (an increase in extreme climate events, increase in temperatures, rise in sea level, changes in rainfall patterns, etc.). Iberdrola believes that it is well positioned with respect to this risk, given the nature of its current businesses, its main goals for growth, and its ability to adapt. For more information, see the Statement of Non-Financial Information 2024 and Note 6 to the financial statements in the Annual Financial Report 2024.		

Annual impact:  < €15 M  €15 M - €50 M  > €50 M

## Internal audit

**Internal Audit is an internal and independent unit that oversees the proper functioning of the internal control and risk management systems.**

The primary function of the Internal Audit Division, which reports to the Internal Audit and Risk Division, is to independently and objectively provide assurance and advisory services to add value and improve the Company's operations, providing a systematic and disciplined approach to assess and improve the effectiveness of the Group's risk management, internal control and governance processes.

Internal Audit conduct is governed by that set out in the [Basic Internal Audit Regulations](#) of IBERDROLA, S.A. (the "Basic Regulations"), which form part of the Company's Governance and Sustainability System. The Basic Regulations, available on the corporate website, regulate, among other aspects, the nature, organisation, competencies, resources, activities, powers and duties of the members of the Internal Audit function, as well as its framework of relations within the Group.

### Internal Audit independence

The independence of the Internal Audit function from executive responsibilities of management is essential to ensure its objectivity, authority and credibility. To ensure its independence, the director of the Internal Audit and Risk Area reports hierarchically to the chairman of the Board of Directors and functionally to Iberdrola's Audit and Risk Supervision Committee (ARSC). Likewise, there are Audit and Compliance Committees (ACC) and Internal Audit divisions at the various country subholding companies, with which there are internal coordination mechanisms, working under the same methodological and quality framework defined in accordance with that set out in the International Professional Practices Framework approved by the Institute of Internal Auditors.

In addition, the independence of the Internal Audit function at Iberdrola this is established by: accountability to the Board of Directors; unfettered access to people, resources and data needed to complete its work; and freedom from bias or interference in the provision of audit services.

### Internal Audit activities

The annual activity plans of Iberdrola's Internal Audit Division and the Internal Audit divisions of the Group are prepared taking into account the Company's main risks, from a perspective coordinated with other assurance functions, and provide an independent view of the workings and effectiveness of the risk management and internal control systems in place in the Group. All of this is in line with the requirements set by the ARSC and the respective ACCs of the country subholding companies, including the following lines of work:

- Oversee the comprehensive system and risk control established at Group level, and its adequacy to ensure compliance with risk guidelines and limits.
- Monitor the effective functioning of the internal control over financial reporting system (ICFRS) and internal control over sustainability information system (ICSIS) to prepare and present the Group's financial and sustainability information, as well as other information that must be disclosed on a regular basis as a listed company.
- Perform audits of the internal control systems of the Company's Compliance System, which aims to prevent, manage and mitigate the risk of regulatory and ethical breaches.
- Oversee the mechanisms for the implementation of environmental, social and corporate governance policies, among others.



In addition, the Internal Audit Division assists the Committee in carrying out its functions, in particular with regard to overseeing the effectiveness of the internal control and risk management system, relations with the auditor and supervising the process of preparing the corresponding financial and sustainability information.

**Commitment to professional and quality standards**

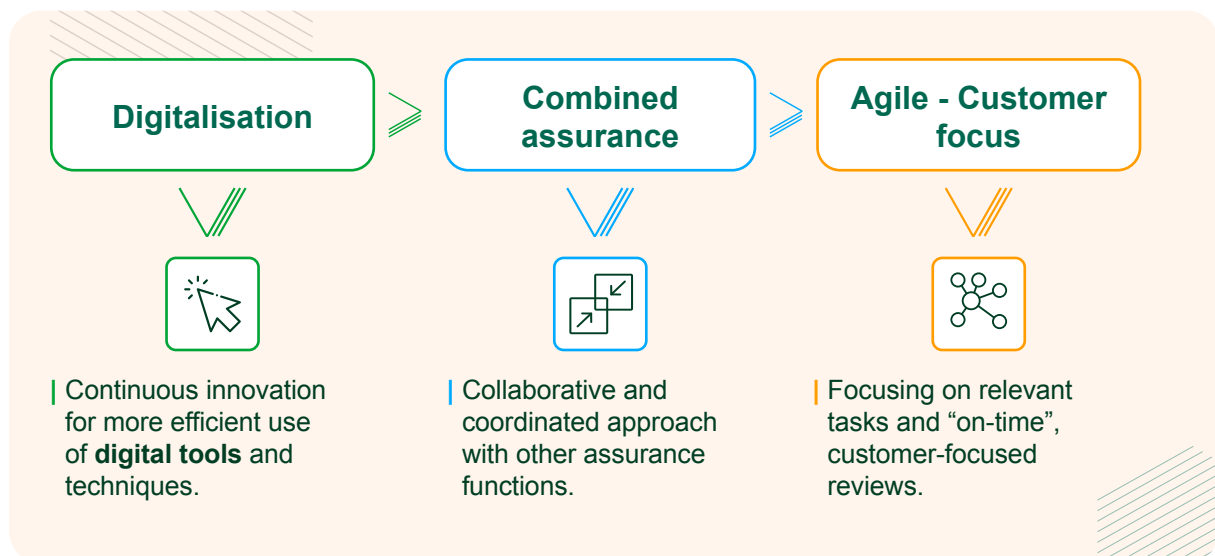
The conduct of the Internal Audit function is aligned with the International Professional Practices Framework of Internal Auditing approved by the Institute of Internal Auditors (IIA), which contains, among other aspects: (i) the definition of internal auditing; (ii) the International Standards for the Professional Practice of Internal Auditing in force at any given time; and (iii) the Internal Code of Ethics. This International Framework guides the professional practice of the internal audit profession throughout the Group, as a guarantee of our commitment to quality and professional practice.

The commitment to compliance with these International Standards is embodied in the fact that the Company maintains the most relevant international certifications issued by the Institute of Internal Auditors, the Quality Assurance certification, which guarantees that the Internal Audit function applies the highest quality standards and works in accordance with the International Standards for the Professional Practice of Internal Auditing.

The members of Internal Audit have the most relevant professional certifications, which accredit the knowledge and experience of the teams and their ongoing training, most notably including: Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), Certified Fraud Examiner (CFE), Certified in Risk Management Assurance (CRMA), among others.

As part of its commitment to continuous improvement and efficiency in operations, the Internal Audit function has established a strategic plan designed so that its activities are carried out in such a way as to contribute to the achievement of the organisation’s objectives. This plan is based around three strategic pillars: 1) Digitalisation: through continuous innovation and promoting the use of tools and techniques based on data analytics and artificial intelligence, 2) Integrated assurance: through a collaborative and coordinated approach with other internal and external assurance functions, and 3) Agile - Customer focus: improving communication, time management, promotion of advisory and support services in key projects, etc.

In 2024, Iberdrola’s Internal Audit Division was awarded in the Transforma category in the first year that the awards were given by the Institute of Internal Auditors for Confidence in the Value of Internal Audit, for its digital tool DIANA (Data Intelligence Analytics for Audit). The tool, based on artificial intelligence, aims to monitor possible incidents in SAP transactions and communicates with users via Teams. This system has led to a tangible improvement in its processes, communication and operational efficiency.

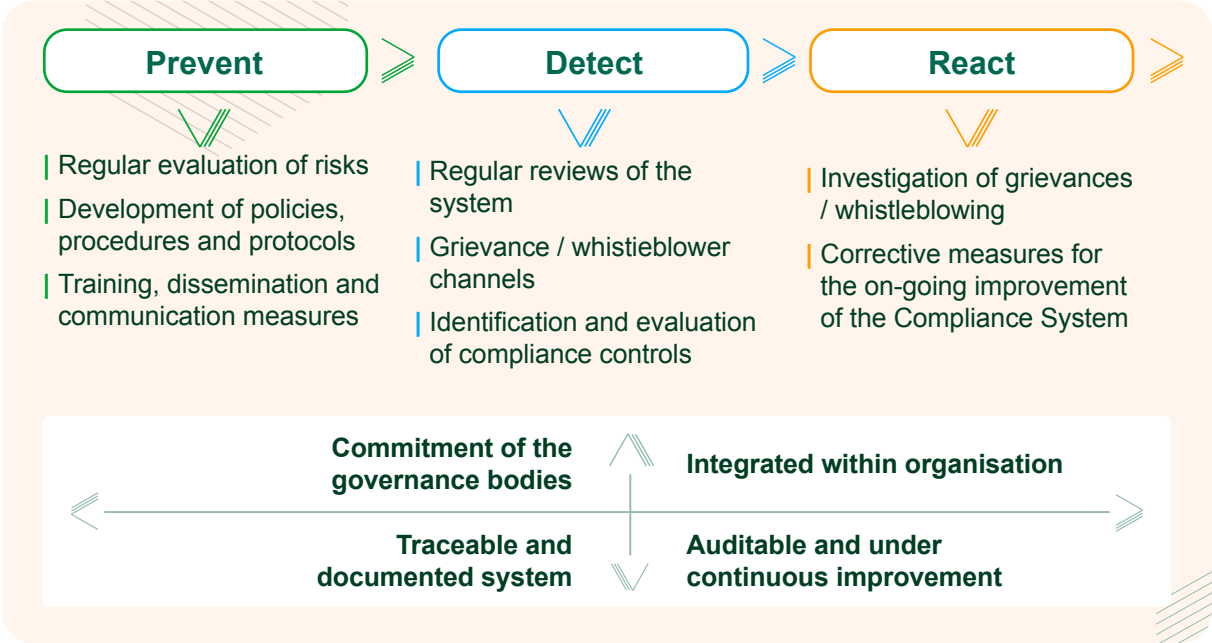


# Ethics and integrity

## Compliance System

Iberdrola has a Compliance System, which includes the rules, formal procedures and substantive activities that are intended to ensure that the Company acts in accordance with ethical principles, the law, and internal rules, particularly the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group, to contribute to the full realisation of the Purpose and Values of the Iberdrola Group and the corporate interest, and to prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by its directors, professionals or suppliers within the organisation.

The Compliance System is under continuous review to incorporate the best international practices and trends in this field and the regulatory requirements at any given time, and ensures the dissemination, implementation and monitoring of the principles of conduct set out in this Compliance and Internal Reporting and Whistleblower Protection System Policy.



The fundamental elements of the Compliance System are, on the one hand, its crime prevention programme and, on the other hand, the internal reporting system, which is comprised of, among other things, various channels suitable for reporting potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System.

Iberdrola, S.A. and the other companies of the Group regularly submit their respective compliance systems to an audit by an independent expert. Both the holding company and the country *subholding* companies have publicly committed to maintaining and updating this external validation over time.

### Main areas of the System

- | Regular and continuous identification and assessment of the compliance risks of each of the corporate functions and businesses
- | Development and implementation of specific regulations and controls to minimise the risk of crime, specifically fraud and corruption
- | Implementation and improvement of Crime Prevention Programmes developed in accordance with the Spanish Criminal Code
- | Conduct to ensure compliance with regulations on market abuse and separation of activities
- | Training and communication activities aimed at all professionals
- | Continuous monitoring of the system through appearances before the respective governing bodies, regular audits and reviews by Internal Audit and independent third parties
- | Management of information channels

The Company’s Compliance Unit (the “Unit”) proactively and autonomously oversees the implementation and effectiveness of its Compliance System, without prejudice to the responsibilities corresponding to its other bodies and divisions.

Accordingly, the country subholding companies and the head of business companies have their own compliance systems, the application and effectiveness of which must be proactively and autonomously monitored by their respective compliance units, without prejudice to the appropriate coordination carried out at all levels of the Group.

The Unit and the compliance units of the country subholding companies and of the head of business

companies, which are configured in accordance with the highest standards of independence and transparency, have the necessary autonomy and capacity for initiative and control and have the appropriate material and human resources to perform their duties.

The Unit has powers with respect to the effectiveness of the Compliance System and related to the internal reporting and whistleblower protection system, the prevention of crimes, corruption and fraud, the securities market, the separation of activities, and all other powers that may be assigned to the Unit by the Sustainable Development Committee or the Company’s Board of Directors or that are assigned through the Governance and Sustainability System.

### Principal recognitions

**Iberdrola has the Compliance Leader Verification certification** from the Ethisphere Institute, which it first obtained in 2018 and renewed in 2023, awarded by the **Ethisphere Institute to companies that demonstrate the implementation of an ethical culture and a robust and effective Compliance System.**

**Iberdrola** has been **chosen** for the eleventh consecutive year as **one of the most ethical companies in the world**, according to the **World’s Most Ethical Companies 2024** ranking prepared by the Ethisphere Institute, thus recognising the ethical leadership and conduct of the organisation.

In **2024**, Iberdrola renewed the **certifications** provided by **AENOR** in 2017: **UNE-ISO 37001** on **anti-bribery management systems** and **UNE 19601** on **criminal compliance management systems.**

**As was the case in 2023, in 2024 Iberdrola, S.A. obtained first place in the Ibex 35 ranking of transparency and good governance in ethics and compliance** developed by the **Haz y Cumplen** foundation.

**In 2024, Iberdrola, S.A.** was recognised as a finalist in the **“Best use of disruptive technologies in the field compliance”** category in the 5th year of the Compliance Awards of the *Expansión* newspaper. In previous years, it was awarded **“Most innovative company in the field of compliance”** (2023) and **“Company with best compliance practices”** (2019).

## Cybersecurity and information privacy

Iberdrola, as a leading company in innovation, digitalisation and smart grids, attaches **strategic importance to cybersecurity**, which is essential to develop and provide increasingly secure services and operations in all the geographical areas in which it operates and in an increasingly complex ecosystem and landscape posing various threats.

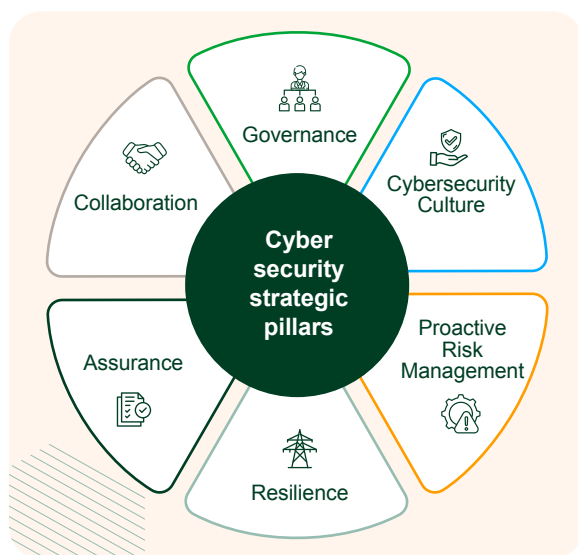
The commitment and involvement of the **Group’s senior management** —who aware of the **importance of leading the digital transformation in the energy sector**, in which **appropriate management of cybersecurity risks is essential**— is declared through a document detailing the **Cybersecurity Risk Guidelines**, which are reviewed, updated and approved on an annual basis by the Board of Directors. These guidelines promote a strong cybersecurity culture and contribute to strengthening capabilities for protection, detection, prevention, defence and response to potential attacks or incidents.

### Cybersecurity and information privacy objectives

-   Protecting our critical infrastructure
-   Ensuring energy supply reliability and quality
-   Protecting the data of our customers and other stakeholders
-   Guaranteeing the integrity and confidentiality of financial and business information
-   Protecting the brand and reputation of the Iberdrola Group

1. Establish a global **governance** system with standard rules and criteria, assign roles, functions, responsibilities and integrated coordination mechanisms for decision-making.
2. Develop awareness and **culture** and provide cybersecurity skills and knowledge at all levels of the Company.
3. **Proactive risk management** through the implementation of comprehensive risk management plans (robust assessment and threat intelligence), focusing on the protection of confidential information and business-critical processes and infrastructure.
4. **Cyber resilience** by developing robust capabilities to detect, protect against, resist, respond to and recover from cybersecurity threats and incidents, minimising the impact on business objectives and the continuity of essential services.
5. **Monitoring and assurance** mechanisms for critical and high-risk cyberinfrastructure to proactively manage risks and vulnerabilities; and ensure compliance with applicable internal and external standards.
6. **Collaboration** with regulators and government agencies, product and service providers, other companies and ecosystem agents to strengthen systemic resilience.

The Company has established a **global cyber security strategy**, which focuses on integrating cybersecurity into business operations and decision making and is based on six pillars:



## Organisational structure and coordination and decision-making bodies

The Group has set up an **organisational structure** to lead the implementation of the strategy, consisting of **cybersecurity officers or CISOs** (Chief Information Security Officers), **at both the global and local level (Group, subholding companies)** and within each business and corporate area (**BISOs**) with clearly established roles and functions.

The cybersecurity strategy is integrated into the Group's strategic, tactical and operational decision-making through coordination and decision-making bodies:

- **Global and local cybersecurity committees**, chaired by the corresponding CISOs and representing all businesses and areas, in which cybersecurity standards, frameworks and models are shared, discussed and approved.
- **A committee** made up of the **Group's CEO, the global CEOs of the businesses and the CEOs of all subholding companies**, which meets on a quarterly basis to hear, decide and promote specific cybersecurity initiatives and plans in their respective areas of responsibility linked to the Group's strategic plans.

In addition, the Audit and Risk Supervision Committees and the Boards of Directors of both the *holding company* and each of the Group's subholding companies are regularly informed of the cybersecurity risks identified by the Group, and any changes to the strategy and mitigation plans.

Furthermore, Iberdrola pays special attention to ensuring the privacy of the personal information of the Group's stakeholders. The Company therefore has a *Personal Data Protection Policy* approved by the Board of Directors and that is in line with the European General Data Protection Regulation (GDPR). In addition, in recent years a data protection management system has been developed and implemented to ensure systematic compliance over time with the GDPR, the **Binding Corporate Rules (BCRs)** and the personal data protection laws of each of the countries in which the Group has a presence.

Responsibility for the protection of personal data lies with the businesses and corporate functions, organisations that process this data, under the coordination and supervision of the **Data Protection Officer**, with the support of the Legal Services.

For more information, see the [Consolidated Statement of Non-Financial Information \(SNFI\) and Sustainability Report](#) published on Iberdrola's corporate website.

## About this report

- About this report
- Iberdrola's public information
- Glossary of terms and abbreviations



## About this report

### Integrated Report

- This report has been prepared taking into consideration the separate annual financial statements of Iberdrola, S.A. and the consolidated financial statements of Iberdrola, S.A. and its subsidiaries prepared by the Board of Directors, audited and pending approval by the shareholders of Iberdrola, S.A. at the General Shareholders' Meeting.
- To prepare the report, a multi-disciplinary team made up of corporate businesses and areas was created in order to provide a complete view of the group of companies making up the Iberdrola Group, their business model, the challenges and risks they face, and their social, environmental, financial and governance performance. The participating organisations guarantee the integrity of the information included.
- The main operating and financial figures were also approved by the Company's Board of Directors at the meeting held on 25 February 2025, after a favourable report from the Sustainable Development Committee and the Audit and Risk Supervision Committee..

### Material aspects

- Iberdrola, S.A. has channels of communication and dialogue with its stakeholders, developed in accordance with the principles of the AA1000 Assurance Standard, as described in detail in the [Stakeholder Engagement Policy](#) and in the [Consolidated Statement of Non-Financial Information \(SNFI\) and Sustainability Report](#).
- The Company performed a double materiality analysis that brings to light particularly sensitive financial, environmental, social and corporate governance issues related to the businesses in the various communities and geographical areas in which the companies of the Iberdrola Group operate.

### Information boundaries

- The information presented relates to Iberdrola, S.A. and its subsidiaries and investees. The corresponding information boundaries are defined in the consolidated financial statements of Iberdrola, S.A. and its subsidiaries and in the [Consolidated Statement of Non-Financial Information \(SNFI\) and Sustainability Report](#).

### Group performance

The Group's performance in recent years has been influenced by certain external corporate transactions, which the reader should take into account in order to properly interpret this report. These transactions are described in the Iberdrola Group's public information, the following being particularly noteworthy:

- In Brazil, the inclusion of all the businesses that the Group had through Elektro Holding, S.A. within Neoenergia, S.A., which thus became the Iberdrola Group's country subholding company in Brazil (August 2017), the initial public offering of Neoenergia, S.A. (July 2019) and the award at public auction of 100% of the share capital of the Brazilian Company CEB Distribuição, S.A. to a wholly-owned subsidiary of Neoenergia, S.A. (December 2020).
- In Mexico, an agreement was entered into in 2023 for the sale of 13 power plants with an installed capacity of 8,539 MW, of which 99% comprise gas-fired combined cycle plants and 87% are plants operating under the Independent Power Producer regime, contracted with the CFE. The transaction was carried out in 2024.
- In Australia, the acquisition of 98% of the share capital of Infigen Energy Limited and Infigen Energy RE Limited by Iberdrola Renewables Australia Pty Ltd (October 2020).

- The following transactions, among others, were completed during 2024:
  - United Kingdom: the transaction to acquire 100% of Electricity North West Limited (ENW), a British electricity distribution company, was completed.
  - Iberdrola's acquisition of 18.4% of the share capital of its subsidiary Avangrid held by minority shareholders and the subsequent delisting of Avangrid's shares.
  - Agreement with Norges Bank Investment for the joint investment of EUR 2 billion in Spain and Portugal over the next 3 years.
  - Senior bond issue for EUR 2.15 billion, the largest issue in its history to date, to fund growth in the UK.
  - Takeover bid by the subsidiary Neoenergia for 6.89% of the share capital of the subsidiary Neoenergia Cosern.
  - A green loan for EUR 700 million taken out with the European Investment Bank.
  - Sale of Iberdrola's business in Romania for EUR 88 million.
  - Iberdrola, ICO, Sabadell and HSBC took out a green syndicated loan for EUR 500 million with coverage through Cesce.
  - First green bond issue by a Spanish company for AUD 750 million.
  - Placement of USD 525 million in green bonds through the subsidiary Avangrid in the United States.
  - A loan of EUR 500 million was taken out with the EIB in order to expand smart grids in Spain.

### Exclusion of liability

- The purpose of the Integrated Report 2025 (the document) is to provide a detailed explanation of the Group's activities in 2024 and its future outlook, at all times linking the operating and financial parameters to Iberdrola's contribution to sustainability. As a result, this document cannot be disclosed, made public or used by any other individual or legal entity for a purpose other than as stated above except with the express written consent of Iberdrola, S.A.
- Iberdrola, S.A. does not assume any liability for the content of the document if it is used for a purpose other than the one described above.
- The document has been subject to a process of internal review. Although it has not been subject to a process of independent external assurance, a significant portion of the information contained herein relating to 2024 and to previous years comes from the Annual Financial Reports and the Statements of Non-Financial Information - Sustainability Report, all of which have been the subject of an external audit or assurance. All other information comes mainly from other reports or public presentations. However, there is no express or implied guarantee as to the impartiality, accuracy, completeness or correctness of the information or the opinions and statements expressed in this document.
- Neither Iberdrola, S.A. nor its subsidiaries or other companies of the Iberdrola Group or the companies in which Iberdrola S.A. has an interest (investees) assume any liability, regardless of any negligence or any other circumstance, for any loss or damage that might arise from any use of this document or the contents hereof.
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## Important information

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, and its implementing regulations.

Neither does this document represent an offer to purchase, sell or exchange offer or the solicitation of an offer to purchase, sell or exchange securities, or for the solicitation of any vote or approval in any other jurisdiction.

The shares of Iberdrola, S.A. may not be offered or sold in the United States of America except pursuant to registration as provided for in the Securities Act of 1933 or pursuant to a valid exemption from the duty to register.

The shares of Iberdrola, S.A. may not be offered or sold in Brazil, unless Iberdrola, S.A. is registered as a foreign issuer of negotiable securities and a public offer is registered for the securities that its shares represent (depository receipts), in accordance with the provisions of the Securities Market Act 1976 (Federal Law number 6,385 of 7 December 1976, in its current form), or pursuant to an exemption from registration of the offer.

This document and the information contained herein have been prepared and are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRS), this Report includes certain Alternative Performance Measures (“APMs”) for the purpose of that set out in Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 and as defined in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415en). The APMs are financial performance measures prepared on the basis of financial information regarding Iberdrola, S.A. and the companies of its Group but are not defined or described in the applicable financial reporting framework. These APMs are used to contribute to a better understanding of the financial performance of Iberdrola, S.A., but they should only be considered as additional information and in no case do they replace the financial information prepared in accordance with the IFRS. In addition, the way in which Iberdrola, S.A. defines and calculates these APMs may differ from that of other entities using similar measures, meaning that they may not be comparable. Finally, it should be taken into account that some of the APMs used in this Report have not been audited. For more information on these issues, including their definition and a reconciliation between the relevant management indicators and the consolidated financial information prepared in accordance with the IFRS, see the relevant information included in the Report and the information available on the corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

This document does not contain, and the information included herein does not constitute, an announcement, statement or notice regarding the profits of Neoenergia, S.A. (“Neoenergia”) or its financial results. Neither Neoenergia nor its subsidiaries assume any liability whatsoever for the information contained in this document. For information on Neoenergia’s financial results, see the investor relations section of its corporate website (<https://ri.neoenergia.com/>) and the website of the Brazilian National Securities Market Commission (Comissão de Valores Mobiliários, CVM) ([www.cvm.gov.br](http://www.cvm.gov.br)).

## Forward-looking statements

- This document contains forward-looking information and statements about Iberdrola, S.A. Such statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, investments, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.
- Although Iberdrola, S.A. believes that the expectations reflected in such statements are reasonable, investors and holders of Iberdrola S.A.’s shares are cautioned that forward-looking information and statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the control of Iberdrola, S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents filed by Iberdrola, S.A. with the National Securities Market Commission and which are available to the public.
- Forward-looking statements speak only as of the date on which they were made, are not guarantees of future performance, and have not been reviewed by the auditors of Iberdrola, S.A. You are cautioned not to place undue reliance on the forward-looking statements. All the forward-looking statements made by Iberdrola, S.A. or any of its directors, officers, employees or representatives are expressly qualified by the foregoing cautionary statements. The forward-looking statements included in this document are based on information available on the date of approval of this communication. Except as required by applicable law, Iberdrola, S.A. undertakes no obligation to publicly update any statements or revise forward-looking information, whether as a result of new information, future events or otherwise.
- Iberdrola, S.A. undertakes to use its best endeavours to meet its goal of achieving carbon neutrality for its Scopes 1 and 2 by 2030. It will align its strategy, investments, activities and public positioning accordingly. Additionally, Iberdrola, S.A. also commits to face the energy transition by ensuring the creation of value for its shareholders, employees, customers, suppliers and the communities in which it does business. Iberdrola, S.A. therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as the value of Iberdrola, S.A., quality of supply, social/labour conditions, and a fair transition. These commitments are aspirational in nature.

## Iberdrola's public information

Iberdrola provides its stakeholders with all relevant information regarding the Company's performance in a systematic and accessible manner.

### Annual information

#### [Annual Financial Report](#)

Prepared in accordance with International Financial Reporting Standards (IFRS) and audited.

#### [Annual Corporate Governance Report](#)

Prepared in accordance with the model of the Spanish National Securities Market Commission (CNMV).

#### [Annual Director Remuneration Report](#)

Prepared according to the form provided by the National Securities Market Commission of Spain.

#### [Consolidated Statement of Non-Financial Information \(SNFI\) and Sustainability Report](#)

Prepared in accordance with Law 11/2018, of 28 December, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (CSRD), and ESRS standards, and externally verified.

### Additional information

- [Digital integrated annual report](#)
- [Quarterly Results Report](#)
- [Presentation of results](#)
- [IBE Watch Fact Sheet](#)
- [Quarterly Shareholder Bulletin](#)
- [Greenhouse Gas Report](#)
- [Biodiversity Report](#)
- [Report on Tax Transparency of the Iberdrola Group](#)
- [Compliance System Transparency Report](#)



Access the annual reports for financial year 2024 and supplementary documentation regarding the Iberdrola Group by scanning the corresponding QR code using your smart phone or tablet.

## Glossary of terms and abbreviations

Term	Definition
<b>ACC</b>	Audit and Compliance Committee
<b>AENOR</b>	Spanish Association for Standardisation and Certification (Asociación Española de Normalización y Certificación)
<b>AI</b>	Artificial intelligence
<b>ANEEL</b>	National Electrical Energy Agency (Agência Nacional de Energia Elétrica), Brazil
<b>APMs</b>	Alternative Performance Measures
<b>ARSC</b>	Audit and Risk Supervision Committee
<b>BISOs</b>	Business Information Security Officer
<b>BP</b>	British Petroleum
<b>CAIDI</b>	Customer Average Interruption Duration Index.
<b>CAPEX</b>	Capital Expenditures
<b>CEO</b>	Chief Executive Officer
<b>CfD</b>	Contract for Difference
<b>CISO</b>	Chief Information Security Officer
<b>CNMV</b>	National Securities Market Commission (Comisión Nacional del Mercado de Valores), Spain
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>COP</b>	Conference of the Parties
<b>DANA</b>	Isolated high altitude depression
<b>DEC</b>	Equivalent Frequency of Interruption by Consumer Unit
<b>DSO</b>	Distribution System Operator
<b>EBIT</b>	Earnings Before Interest and Taxes
<b>EBITDA</b>	Earnings Before Interests, Taxes, Depreciations and Amortizations
<b>EIB</b>	European Investment Bank
<b>EIS</b>	Environmental Impact Statement
<b>EMEA</b>	Europe, the Middle East and Africa
<b>ENW</b>	Energy North West
<b>EPS</b>	Earnings Per Share
<b>FEC</b>	Equivalent Frequency of Interruption by Consumer Unit.
<b>FEM</b>	Finite element method
<b>GBP</b>	Green Bond Principles
<b>GWh</b>	Gigawatt hour
<b>HVDC</b>	High-Voltage Direct Current

Term	Definition
<b>i-DE</b>	Iberdrola Distribución Eléctrica
<b>ICFRS</b>	Internal Control over Financial Reporting System
<b>IEI</b>	Iberdrola Energía Internacional
<b>ISO</b>	International Organization for Standardization
<b>kg</b>	Kilogram
<b>Km</b>	kilometre
<b>KPI</b>	Key Performance Indicator
<b>MW</b>	Megawatt
<b>NIEPI</b>	Installed Capacity Equivalent Interrupt Number
<b>Nm<sup>3</sup></b>	Normal cubic meter
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OPEX</b>	Operating Expenses
<b>PBT</b>	Profit Before Tax
<b>PER</b>	Price-to-Earnings Ratio
<b>R&amp;D</b>	Research and Development
<b>RAB</b>	Regulatory Asset Base
<b>RIIO</b>	Revenue=Incentives+Innovation+Outputs. (T2 for transport, ED2 for distribution)
<b>S.A.</b>	Public Limited Company (Sociedad Anónima)
<b>SAIFI</b>	System Average Interruptions Frequency Index
<b>SHs</b>	Stakeholders
<b>SNFI</b>	Statement of Non-Financial Information
<b>SP</b>	ScottishPower
<b>STEM</b>	Science, Technology, Engineering & Mathematics
<b>TIEPI</b>	Installed Capacity Equivalent Interrupt Time
<b>UN</b>	United Nations
<b>UNE</b>	Spanish Association for Standardisation (a Spanish standard)
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>US</b>	United States of America
<b>VHF</b>	Very High Frequency
<b>WEO</b>	World Energy Outlook

Integrated Report 2025

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**Imagine, innovate, create, build, make it happen and ... continue.**

**Continue, in order to keep growing.**

**Building** new pathways has made us the world's leading innovative electric company. A sustainable company, with distinctive **growth**, because our work leaves a positive legacy for society and for the planet: growing through an energy model that protects nature, creates value for shareholders and generates progress and well-being for society, improving the present and the future for current and future generations.

**This is the path by which we will continue to grow.**

**Keep growing, keep building a better world.**