



# Competition Law Compliance Policy



20 June 2023

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The Board of Directors of IBERDROLA S.A. (the “**Company**”) has the power to design, evaluate and continuously revise the Governance and Sustainability System, and specifically to prepare and update the various corporate policies, which set out the guidelines for conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”), in a sustained manner over time.

In fulfilling these responsibilities, within the framework of the law and the *By-Laws* and the guidelines for conduct that take shape in the *Purpose and Values of the Iberdrola Group*, as well as pursuant to the unquestionable commitment at the Group level to fostering free competition in favour of consumers and users and to comply with legal provisions in this area, the Board of Directors hereby approves this *Competition Law Compliance Policy* (the “**Policy**”).

## ■ 1. Purpose

The purpose of this *Policy* is to establish the general framework and the principles of conduct that must govern the Company and the other companies of the Group in the various markets, areas of activity and industries in which they carry out their business and in their relationships and agreements with third parties, strengthening and consolidating both the culture of regulatory compliance as well as free competition, to the extent that all of this contributes to an efficient reallocation of productive resources, more efficient techniques and higher-quality products and services, with a resulting increase in the well-being of consumers and society as a whole.

The *Policy* expressly declares the firm commitment of the Group’s companies to maintaining effective competition in the markets in which they participate, in which they shall act in accordance with applicable regulatory provisions. For this reason, any type of practice that is collusive, abusive, restrictive or anticompetitive or that is aimed at hindering the action of the authorities entrusted with the supervision of these markets is categorically rejected. Both the Company and the other companies of the Group, as well as their directors and their professionals, shall actively cooperate with all of them, assisting them in the performance of their duties.

## ■ 2. Scope of Application

This *Policy* applies at the Company and at all companies making up the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the lawfully established limits.

Without prejudice to the provisions of the preceding paragraph, the listed country subholding companies and their subsidiaries, pursuant to their own special framework of strengthened autonomy, may approve their corresponding competition law compliance policy applicable to each of said companies and to their subsidiaries to comply with the requirements deriving from their status as a listed company. In any event, such policy must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

Members of the management bodies and of the management team and professionals of the Company and of the other companies of the Group who are also subject to other policies, rules or principles, whether applicable to a particular industry or deriving from the laws of the territories or countries in which said companies do business, shall also be bound thereby, and the corresponding measures of coordination shall be established in order for said policies, rules or principles to be consistent with those set forth in this *Policy*.

The application of this *Policy* also takes into account the multinational nature of the Group and the particularities of the different jurisdictions in which the companies thereof are present, which affects both the substantive content of competition law and the potential consequences and sanctions deriving from non-compliance therewith.

Furthermore, all persons acting as representatives of the Company and of the other companies of the Group at companies and entities not belonging thereto shall comply with the provisions of this *Policy* and shall promote, to the extent possible, the application of the principles hereof at said companies and entities.

This *Policy* shall also apply, to the extent relevant, to joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company or another company of the Group assumes the management thereof, and in other cases, to the extent possible, promoting the application of the principles hereof.

## ■ 3. Main Principles of Conduct

To achieve these goals and in line with the commitment to foster free competition in favour of consumers and users, the Company and the other companies of the Group adopt and promote the following main principles of conduct that must inform all of their activities:

- a. Foster a preventive culture based on the principle of “zero tolerance” towards anti-competitive practices.
- b. Establish the appropriate controls and preventive measures (including, without limitation, through the internal rules and procedures approved for this purpose) for the identification, control, mitigation and prevention of conduct that is contrary to competition law, as well as identified risks.

Specifically, and based on the provisions of this *Policy*, it is expected that specific protocols in various areas of competition law will be prepared to provide the professionals of the Group’s companies with additional tools and guidelines for conduct in very specific situations of potential risk, and particularly rules for: (i) conduct within the framework of industry associations for representatives of the Company and other companies of the Group who attend meetings and participate in activities; and (ii) action, in the event of inspection by the competition authorities, to facilitate the inspection.

- c. Compete freely and fairly in the marketplace.





- d. Focus their activity on the aim of contributing to the achievement of real and effective competition between companies operating in the different economic sectors, respecting the limits of conduct established by legal provisions in order to preserve, guarantee and foster a competitive environment.
- e. Avoid all types of contact with their competitors the purpose or effect of which is to coordinate their market practices or restrict competition through practices such as directly or indirectly fixing prices or other market conditions or the sharing of markets or customers.

In particular, they shall refrain from any form of conduct that falls under the category of a cartel, and especially from the sharing of markets or customers in the context of public tenders to which the companies of the Group may submit bids (such as submitting courtesy or cover bids, refraining from participating in certain tenders, rotating winning bids or participating in collective boycotts).

- f. Not engage in interactions with competitors aimed at exchanging anti-competitive information, particularly if it concerns strategic information relating to future prices or quantities) and refrain from entering into agreements or participating in concerted practices with competitors that restrict competition.

In this regard, representatives of the Group's companies who are attending industry association meetings shall exercise particular care and caution to avoid exchanging commercially sensitive information with other competitors or reach any anti-competitive verbal agreement therewith during the course of such meetings or participating in other types of conversations or communications from which the existence of anti-competitive agreements or concerted practices could be inferred.

- g. Analyse and assess with particular caution from a competition perspective such agreements as the Company or the Group's other companies may enter into with other companies operating at different levels of the production or distribution chain.
- h. In the event that any company of the Group has a dominant position in the markets in which it operates, adopt guidelines for conduct in its relationships with competitors, customers, suppliers and end users, as well as take specific precautions to prevent it from taking advantage of its position to impose abusive conditions on other market operators (whether by exploiting the other party (such as suppliers or customers) by means of financially abusive terms and conditions, by abuse of exclusivity, by expelling or harming the position of competitors in the market, or by any other means).
- i. Before entering into any transaction that might constitute a concentration (including, among others, those capable of significantly affecting the maintenance of effective competition), analyse the transaction to determine whether it: (i) might be considered to be a concentration; (ii) should be subject to prior notification to the competent authorities; or (iii) requires that execution or implementation be suspended until clearance has been obtained from the competition authorities in the relevant jurisdictions.
- j. Foster the use of the channels activated in the internal communication system provided for in the *Compliance and Internal Reporting and Whistleblower Protection System Policy* to report or denounce potentially improper conduct or acts that are potentially illegal or contrary to law or to the Governance and Sustainability System in terms of competition issues that concern or affect the scope of the companies of the Group's activities, their suppliers, or their interests and image.
- k. Encourage suppliers to comply with the competition policies, rules and procedures established within the Group's boundary.
- l. Strengthen and develop a culture of compliance with competition law and commitment to promoting free and fair competition, reinforcing the awareness of its professionals concerning the significance of this matter and particularly involving the members of the management team in this work, given that this is a particularly fast-changing area with significant implications for the daily activity of the Group's companies.
- m. Implement appropriate competition law training programmes and communication plans for the professionals of the Company and the other companies of the Group that are effective, comprehensive and adjusted to the specific business of each company to promote greater awareness of the significance and potential implications of this matter, at the same time as providing the necessary tools and knowledge to identify potential risks and adopt the necessary mitigation measures with sufficient frequency to ensure that their knowledge of the subject matter of this *Policy* is up-to-date.
- n. Provide all the assistance and cooperation that the competition authorities may require in the performance of their duties, and particularly for the investigation of any conduct that may constitute a violation of the legal provisions on competition.

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This *Policy* was initially approved by the Board of Directors on 20 June 2023.



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