

Report of activities
for the 2024 financial year

Audit and compliance committee

12 January 2025



Table of contents



1. Introduction	4
2. Committee regulations	6
3. Composition and attendance	8
4. Activities	11
5. Appearances	17
6. Training	19
7. Conclusion	21

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



1. Introduction

Since its incorporation, the Audit and Compliance Committee of Iberdrola Energía Internacional, S.A.U. (**"Iberdrola Energía Internacional"** or the **"Company"**), has been carrying out the functions entrusted to it in the Company By-Laws, as well as in its own regulations, the Audit and Compliance Committee Regulations (the **"Regulations"**), the last amendment of which was approved by the Board of Directors at its meeting held on 18 July 2024, at the proposal of the Audit and Compliance Committee of 12 July 2024, mainly in order to incorporate the unification of the Company's Risks and Internal Audit divisions, resulting in a single Internal Audit and Risks Division, and to attribute to it the powers of the former departments, as detailed below.

In accordance with the provisions of article 5 of the Regulations, the Audit and Compliance Committee (hereinafter the **"Committee"**) must submit a Report on the activities undertaken in the previous year for Board approval within six months of the end of the financial year (the **"Report"**).

The Report shall be submitted to the Audit and Risk Supervision Committee of Iberdrola S.A.

In this regard, the chairman of Iberdrola, S.A.'s Audit and Risk Supervision Committee, in a communication sent to the chairwoman of this Committee on 28 January 2025, requests that the aforementioned Report be submitted to the Audit and Risk Supervision Committee no later than 13 February 2025.



2. Committee regulations

The Audit and Compliance Committee is governed by the provisions of the law, the By-Laws and its own Regulations.

The Committee follows the guidelines established in the “Corporate Governance Guidance and Principles for Unlisted Companies in Europe” and in the “Principles of Good Corporate Governance for Unlisted Companies”, as well as in other documents drawn up by other bodies or independent experts, as detailed in the report on the results of the assessment of the Committee’s performance during the 2024 financial year, carried out with the collaboration of Price Waterhouse Coopers Asesores de Negocios, S.L. (“**PwC Asesores**”).

As a result of the aforementioned assessment, no deviations from the regulations applicable to the Committee or other irregularities in its operation have been identified during the 2024 financial year that have been brought to the attention of the governing body in writing regarding matters within the competence of the Committee.



3. Composition and attendance



As of 31 December 2024, Iberdrola Energía Internacional's Committee has three members, all members of the Board of Directors, of which two belong to the category of independent directors.

Post	Name	Status	First appointment	Experience in accounting, financial and risk management
Chairperson	Ms. María Pla de la Rosa	External	No	Yes
Member	Mr. Francisco Bisbal	External	Yes	No
Member	Mr. David José Mesonero Molina	Proprietary	Yes	Yes

The position of secretary non-member of this Committee is held by Ms. Julia Durán Domínguez.

Notes:

- with effect from July 12, 2024, Mr. Brian Ager submitted his resignation as a director of the Company, thus also ceasing his position as a member of the Audit and Compliance Committee. In view of the above, the Company's Board of Directors agreed, at its meeting held on July 18, 2024, to appoint Mr. Francisco Bisbal Pons as the new member of the Audit and Compliance Committee; and
- with effect from 16 December 2024, Mr. Gerardo Codes Calatrava submitted his resignation as a director of the Company, thus also ceasing to hold his position as a member of the Audit and Compliance Committee. In view of the above, the Company's Board of Directors agreed, at its extraordinary meeting held on December 19, 2024, to appoint Mr. David Mesonero Molina as the new member of the Audit and Compliance Committee.



During the 2024 financial year, the Committee held **six** meetings in person or by means of teleconference, with various rooms made available at the offices of the Iberdrola Group in Madrid, Bilbao, and Brussels, and has carried out **two** procedures for the adoption of resolutions in writing and without a meeting. After the call to each of the meetings or, as appropriate, to the procedure for adoption of agreements in writing without a meeting, the Committee members were furnished with all the information necessary to adequately prepare the topics for consideration. Below are details of the meetings or procedures referred to:

Date	Place where the meeting was held, or deemed to be held
24 January 2024	Bilbao (written and without meeting)
7 February 2024	Bilbao (remote)
11 March 2024	Bilbao (remote)
15 April 2024	Bilbao (remote)
11 June 2024	Bilbao (written and without meeting)
10-12 July 2024	Bilbao (remote)
10 October 2024	Bilbao (remote)
5 December 2024	Madrid (On-site)

The percentage of attendance of each of the members of the Committee at the meetings held during the 2024 financial year is shown below:

Member	Meetings attended
Ms. María Pla de la Rosa	100 %
Mr. Brian Ager	100 % (the four sessions in which he served as a member until his resignation on July 12, 2024)
Mr. Gerardo Codes Calatrava	100 %
D. Francisco Bisbal Pons	100% (the two sessions in which he served as a member after his appointment by the Board of Directors on July 18, 2024)

Note:

- since the appointment of Mr. David Mesonero Molina by the Board of Directors on December 19, 2024 (replacing Mr. Codes Calatrava) no meeting of the Audit and Compliance Committee has been held.

4. Activities

■ **Activities undertaken with regard to economic-financial information and internal control:**

- The preparation and integrity of the Company's financial information were closely supervised during 2024. The Committee made sure that the interim information presented to the Board of Directors was prepared using the same accounting criteria as for the annual financial reports.
- On 7 February 2024 the Committee prepared a report for the Board of Directors about the economic-financial information for the year 2023. The Committee subsequently prepared corresponding reports about the quarterly and half-yearly financial information in accordance with the provisions of article 3.2.d.(iii). of the Audit and Compliance Committee Regulations.
- On 11 March 2024 the Committee prepared a report for the Board of Directors regarding the Company's annual accounts for 2023.

■ **Activities undertaken with regard to non-financial information and internal control:**

- On 7 February 2024, based on the available internal information sources, the process of preparation and presentation of the non-financial information of the Company and its subsidiaries for the 2023 financial year and the clarity and completeness of its content was supervised, and the corresponding report was submitted to the Audit and Risk Supervision Committee of Iberdrola, S.A.

■ **Activities undertaken with regard to systems for risk control and management:**

- **Review of the Comprehensive Risk Control and Management System:** In the meetings of 7 February, 11 March and 10 July, respectively, the Committee decided unanimously to issue the following reports for subsequent submission to the Board of Directors:
 - (i) Risk Report on the systems for risk control and management at the close of 2023;
 - (ii) Report on the implementation of the guidelines on risk limits and specification of the application of the risks policy of the renewable business in the Iberdrola Energía Internacional Group; and
 - (iii) Report on the systems for risk control and management in the first half of 2024.

These reports were in turn made available to the chairman of the Audit and Risk Supervision Committee of Iberdrola, S.A.

- **Risks arising from litigation:** in accordance with the provisions of article 3.2.b.(vi) of the Regulations of the Audit and Compliance Committee Regulations, the Company's Legal Services director attended the Committee's meeting on 10 October, to report on the status of claims affecting the Company and its group of companies during 2024, and on the principal disputes faced by the Company and its subsidiaries.

■ **Activities undertaken with regard to Internal Audit function:**

- The Committee fulfilled its supervisory role with regard to the Internal Audit function by regular presentations given by the director of Internal Audit and Risks at the Committee's meetings, based on the Internal Audit function's annual activities plan and the monitoring reports for the activities contained in it. During the 2024 financial period, the Committee supervised the work done by the Company's Internal Audit Division at the meetings held on 7 February, 11 March, 15 April, 10 July and 10 October.

- At its meeting on 11 March, the Committee assessed the performance of the former head of Internal Audit (currently the head of Internal Audit and Risks) in relation to the financial year 2023 and submitted its conclusions to the Board of Directors.
- At the meeting of 10 July 2024, the Committee submitted to the Board of Directors a proposal to amend the Regulations of the Audit and Compliance Committee as a result of the unification of the Internal Audit and Risks functions approved by the Board of Directors on 17 April 2024. Additionally, certain technical adjustments of order and systematization were introduced, certain references were removed and one new competence of the Committee was introduced, which will be reported on later.
- At the last session in 2024, held on 5 December, the head of Internal Audit and Risks presented the annual activities plan of the Internal Audit function for 2025, as well as the budget of this function for that year. The plan was approved by the Committee and the budget was submitted to the Board of Directors for approval. It is in this plan that the tasks to be undertaken by Internal Audit and Risks Division in relation with the Internal Audit function during the year are established and the necessary resources for their execution estimated.

■ Activities undertaking in relation to the Risk function:

- The Committee has supervised the activity of the Risk function developed by the Internal Audit and Risks Division through the regular presentations made by the head of Risks or the head of Internal Audit and Risks at the Committee meetings on the basis of the annual activity plan and the risk monitoring reports.

During the 2024 financial period, the Committee supervised the work done by the company's Risks function at the meetings held on 7 February, 11 March, 10 July and 5 December.

- At the Committee meeting held on 5 December 2024, the head of Internal Audit and Risks presented the annual plan of activities of the Risk function to be carried out during the 2025 financial year, as well as the associated financial budget. The plan was approved by the Committee and the budget was submitted to the Board of Directors for approval. It is in this plan that the tasks to be undertaken by the Risks function during the year are established and the necessary resources for their execution are estimated.
- At the meeting of 10 July 2024, the Committee submitted to the Board of Directors a proposal to amend the Regulations of the Audit and Compliance Committee that affects the Risk function in the terms set out in the previous section.

■ Activities undertaken with regard to the accounts audit:

The Committee fulfilled its role with regard to the auditing of accounts through the following activities:

- Pursuant to article 3.2.c.(iii) of the Regulations, the Committee issued the Report on the independence of the auditors for the 2023 financial year at the meeting held on 7 February 2024. In this report the Committee concluded that the auditor of the Company's accounts carried out his auditing independently.

- In compliance with article 3.2.c.(ii) of the Regulations, at the meeting held on 11 March, the Company's auditor, KPMG Auditores S.L. ("KPMG"), appeared to explain the conclusions of the audit work on the accounts for the year, confirming that it intended to issue a favourable, unqualified opinion. In addition, at the meeting of 10 July, the auditor appeared to report on the matters of interest brought to light during the course of the audit work and to present the Memorandum of internal control recommendations resulting from the audit of the financial information for 2023.
- On 11 June 2024, the Committee issued, by means of a procedure for the adoption of resolutions in writing and without a meeting: (i) the proposal related to the audit of the individual financial statements of Iberdrola Energía Internacional and the consolidated financial statements of the Company with its subsidiaries, both corresponding to the financial year 2024, as well as for the review of the consolidation reporting of Iberdrola, S.A., as of December 31, 2024; this proposal was duly submitted to the Board of Directors for approval in accordance with the provisions of the Regulations; and (ii) a proposal to the Board of Directors on the amendment of the scope and audit fees of Iberdrola Energía Internacional's accounts for the 2023 financial year, due to the formulation of the Company's consolidated annual accounts with its subsidiaries, replacing the consolidated annual accounts of its wholly-owned subsidiary Iberdrola Renovables Internacional, S.A.U. The Commission also took note of the update of the fees of the audit firm of the Iberdrola Energía Internacional Group at a global scale.
- Pursuant to article 3.2.c.(iv) of the Regulations, the Committee analysed the requests for authorisation of the engagement of KPMG for the provision of certain services other than or related to the audit of accounts. The Committee issued favourable reports regarding the aforementioned engagements, resolving to submit them to the Board of Directors of the Company for information purposes and to the Audit and Risk Supervision Committee of Iberdrola, S.A. for approval (if applicable), at the meetings held on 7 February, 10 July, 10 October and 5 December 2024.
- Finally, at the meeting of 5 December, a representative of KPMG attended to present the work plan for the audit of the annual accounts for the 2024 financial year.

■ **Activities carried out with regard to related party transactions:**

- Pursuant to article 3.2.g.(iii) and (iv) of the Regulations, at the meeting held on 11 March the Committee issued and submitted to the Board of Directors the Report on related-party transactions and delegated related-party transactions entered into during the 2023 financial year. This report highlights that during the 2023 financial year, the Committee has not received any communication on the existence of situations of conflict of interest affecting directors, members of senior management or persons related to them, on which it should issue an opinion. Likewise, annual declarations were issued by the members of the Board of Directors and senior management on related-party transactions, informing that such situations do not exist. As a result of this, no conflicts of interest or related party transactions or delegated related party transactions were recorded during the 2023 financial year.

■ **Activities carried out in relation to the Compliance Unit:**

- The Committee fulfilled its functions with regard to these matters through regular presentations given by the Compliance officer at the Committee's meetings about the basis of the Compliance Unit's annual activities plan. Specifically, the Company's Compliance officer appeared at five of the six in-person Committee meetings held during the year.

- In exercise of the powers attributed by the Committee in article 3.2.f. (iii) of the Regulations, at the meeting held on 11 March 2024, the Committee evaluated compliance with the annual plan of activities for the 2023 financial year –which was duly adjusted at the meeting of October 16, 2023, to reflect the constitution of the Company's Compliance Unit– and the performance of the Compliance function, including the performance of the Compliance officer, and submitted its conclusions to the Board of Directors.
- At the meetings held on February 7 and July 10, 2024, the Commission took note of the update of the Company's Crime Prevention Program, in the terms reported by the Compliance officer.
- At the meeting of April 15, 2024, the Committee took note of the Annual Report on the Effectiveness of the Company's Compliance System and the Annual Report on the Effectiveness of the Company's Compliance System and those of its subsidiaries in 2023, issued by the Compliance Unit, as well as on the external audits of the Company's Crime Prevention Programs and of its subsidiaries.
- At the meeting of 10 July 2024, the Committee validated an extraordinary increase in the budget of the Compliance Unit for the financial year 2024 and agreed to submit it to the Board of Directors for final approval.
- At the aforementioned meeting, the Committee submitted to the Board of Directors the aforementioned proposal to amend the Regulations of the Audit and Compliance Committee, in which, among other purposes, references to the relations between the Compliance Unit and the Internal Audit and Risk Division with the units or divisions of other companies of the Group were deleted (since such relations are regulated in their own regulations).
- At the meeting of 10 October, the Committee took note of the first edition of the Transparency Report on the compliance systems of Iberdrola Energía Internacional, S.A.U. and its subsidiaries for the 2023 financial year approved by the Compliance Unit.
- At the last meeting of the 2024 financial year, held on 5 December, the Committee approved the Compliance Unit's activity plan to be carried out during the 2025 financial year and validated and submitted the budget for that year to the Board of Directors, all in accordance with the provisions of article 3.2.f). ii. of its Regulations.

■ **Activities carried out in relation to cybersecurity:**

- The Committee monitored the Company's activity in the area of cybersecurity risk protection, through the appearances of the Corporate Security director at the meetings of 11 March, 10 July, and 5 December 2024, in exercise of the functions attributed to the Committee in article 3.2.b.(vii) of its Regulations.

■ **Other Committee responsibilities and matters:**

- At the meeting held on 7 February, the Committee submitted to the Board of Directors of the Company a Report on the degree of compliance with the Corporate Tax Policy and the tax criteria applied during 2023 financial year. Said report was also forwarded to the Audit and Risk Supervision Committee of Iberdrola, S.A.
- At the meeting held on 7 February, it issued the Report on the general bases to which transactions between Iberdrola Energía Internacional, S.A.U. and its subsidiaries and the other companies forming part of the Iberdrola Group must conform, and agreed to submit it to the Board of Directors.

- In accordance with the provisions of paragraphs (ii) and (iii) of article 3.2.h of its Regulations, on 10 July 2024 the Committee issued its Report on the monitoring of special purpose entities domiciled in tax havens. Said report highlights that: (i) Iberdrola Energía Internacional does not (at said date) hold any direct or indirect participation in companies or entities that are domiciled in countries or territories that are considered tax havens or territories included in the European Union's blacklist of non-cooperating jurisdictions; and that (ii) the Company's Board of Directors has not received any request for the incorporation and/or acquisition of any company that meets the characteristics of special purpose companies or those domiciled in tax countries by any company of the Iberdrola Energía Internacional group.

■ **New tasks assigned to the Committee during the year:**

- During the 2024 financial year, the Board of Directors approved an amendment, on 18 July 2024, at the proposal of the Committee, to the Regulations of the Audit and Compliance Committee, within the framework of which a new function of the Committee was incorporated, consisting of the committee submitting a report to the Board of Directors prior to the execution of structural operations/transactions affecting the Company.
- Likewise, within the framework of this modification, as previously reported, the unification of the functions of Internal Audit and Risks is reflected in the Regulations, so that the competences of the Committee that it previously exercised with respect to the former Risks Division and the former Internal Audit Division – which it now exercises in relation to the Internal Audit and Risks Division –, have been reorganized and systematized.
- Finally, the result of the assessment of the functioning of the Committee during the 2024 financial year, carried out in collaboration with PwC Asesores, has not led to any significant changes in its functions, organisation or procedures.

5. Appearances

During the 2024 financial year, the heads of the following functions or bodies (officers of the Company or of any other company of the Iberdrola Group) appeared before the Committee, either on a regular or one-off basis:

Function/body	Regular	Annual
Administration and Control	✓	
Internal Audit	✓	
Risks	✓	
Non-Financial Information		✓
Legal Services		✓
Tax		✓
Compliance Unit (director)	✓	
Compliance Unit (external chairman)		✓
Cybersecurity	✓	

The person responsible for the Company's Internal Audit and Risks Division appeared before the Committee at the meetings of 7 February, 11 March, 15 April, 10 July, 10 October and 5 December 2024.

Representatives of the Company's auditor, KPMG, appeared before the Committee at the meetings of 7 February, 11 March, 10 July and 5 December 2024.

During the 2024 financial year, no conflicts of interest with external advisers, experts or consultants have been identified.

6. Training

The Committee has a training plan, the content of which comprises training sessions held at the Committee meetings. This year 2024, three training sessions have been held on the following issues:

Date	Training sessions
11 March 2024	Digitalisation and Artificial Intelligence: the new European regulation
15 April 2024	Diversity of legal and cultural systems and their impact on the Compliance System
10 October 2024	Accounting updates



7. Conclusion

Pursuant to the guidelines approved by the Board of Directors of Iberdrola, S.A., which were subsequently endorsed by the Board of Directors of the Company, the Committee, with the advice of PwC Asesores, has assessed its performance during the 2024 financial year, and the results of such financial year are set forth in a report which concludes that the Committee: (i) complies with all of the indicators analysed derived from internal regulations; and (ii) is aligned with the future trend established based on the Good Governance documents for unlisted companies¹, as well as those considered relevant by the parent company for the assessment of this Committee.

As a consequence, it can be concluded that in the 2024 financial year, the Iberdrola Energía Internacional Audit and Compliance Committee satisfactorily performed the functions entrusted to it in its Regulations, supervising the activity of the areas under its scope of action and submitting the relevant reports to the Board of Directors of the Company and to the Audit and Risk Supervision Committee of Iberdrola, S.A.

This Report was submitted to the Board of Directors by the Audit and Compliance Committee on 12 February 2024 and approved by the Board on 19 February 2024.

1. "Corporate Governance Guidance and Principles for Unlisted Companies in Europe" and "Good Corporate Governance Principles for Unlisted Companies"

