

Policy on Competition Law Compliance

ScottishPower Compliance Unit

Prepared:

ScottishPower
Compliance Unit

Reviewed:

ScottishPower
Chief Compliance Officer

Approved:

Scottish Power Limited
Board of Directors



Index

1. Introduction	3
2. Purpose	3
4. What are Anti-Competitive Agreements	4
5. What is Abusive Conduct by Dominant Businesses	4
6. Principles of Conduct	5
7. Control Evaluation and Review	6
8. Further Information and Guidance	6
9. Reporting a Concern	7

Version Control

Version	Author	Purpose	Date
1.0	SP Legal	First draft version updating existing Policy Doc.	September 2019
1.1	SP Compliance Division	Review of Policy document in line with Competition Protocol.	April 2021
2.0	SP Compliance Division	Final approved version following Legal review and update of content.	June 2021
2.1	SP Compliance Division	Annual review and update of content, alignment to new brand	June 2023
3.0	SP Compliance Division	Final approved version following Legal review and update of content	July 2023
3.1	SP Compliance Unit	Annual review and update of content.	November 2024
4.0	SP Compliance Unit	Final approved version following Legal review and update of content	December 2024
5.0	SP Compliance Unit	Updates approved by SPL Board to adapt policy to wider governance reform	May 2025



1. Introduction

The Board of Directors of Scottish Power Limited (the “Company”) has the power to design, review and update the Company’s Governance and Sustainability System on an ongoing basis. In particular, the Board of Directors has the power to approve and update policies which contain the guidelines governing the conduct of the Company as a whole, and to set the standards expected for the policies that the other companies within the group of companies controlled by the Company (the “ScottishPower Group”) may choose to approve in the exercise of their autonomy.

This Policy addresses Competition Law compliance. Anti-competitive agreements and abusive conduct by dominant businesses harms consumers, stifles economic growth and undermines the Rule of Law, causing serious harm to the economy and to society. Breaches of Competition Law can be criminal and can lead to the imprisonment of directors, officers and employees or can expose Iberdrola, S.A. (“Iberdrola”) and the companies of the ScottishPower Group (including the Company) to very significant sanctions, including fines of up to ten percent of worldwide turnover.

Pursuant to the provisions of the *Purpose and Values of the Iberdrola Group*, the Company assumes responsibility for maintaining a commitment to free, fair and effective competition and avoiding: (1) abusive conduct where its businesses are dominant; and (2) involvement in anti-competitive agreements. For such purposes, the Company’s Board of Directors, which is responsible for formulating the strategy of ScottishPower and the ScottishPower Group and for organising the internal control systems, has approved this Scottish Power Competition Law Compliance Policy (the “Policy”).

This Policy which further develops and adapts the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*, which emphasise the critical importance of fair competition and compliance with Competition Law.

2. Purpose

This Policy is intended to convey to all officers and employees of the ScottishPower Group, as well as to third parties establishing relations with the ScottishPower Group, an unambiguous message of opposition to anti-competitive agreements and abusive conduct by dominant undertakings in all of their manifestations, and the Company’s firm objective to comply with UK Competition Law.

The Policy is a commitment to:

- The maintenance of effective, fair and free competition across all of the Company’s activities
- Unwavering vigilance against anti-competitive agreements and abusive conduct by dominant entities.
- Maintaining effective mechanisms for communication and awareness-raising among employees.



- Developing a corporate culture of ethics and honesty.

The Company is also committed to promoting the principles of this Policy appropriately in relation to its activities with third parties, including any joint ventures or other entities in which the ScottishPower Group assumes management of the entity, to ensure appropriate alignment with the requirements of Competition Law.

3. Scope

This *Policy* applies to the Company. Without prejudice to the foregoing, it includes basic principles that complement those contained in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* and, to this extent, must inform the actions and standards of the other companies of the ScottishPower Group in this area in the exercise of their powers and in accordance with their autonomy.

Furthermore, this Policy applies to all directors, officers, and employees of the Company and the ScottishPower Group. Employees who manage ScottishPower Group suppliers are responsible for ensuring that the suppliers are aware of this Policy. The Policy also applies to any individuals acting as Company representatives in any capacity in relation to the Company's activities.

The companies of the ScottishPower Group other than the Company may, based on their corporate autonomy, establish their own policies on competition law compliance. In such cases, this *Policy* shall not apply to the directors, officers, employees, suppliers and representatives of the relevant ScottishPower Group company.

4. What are Anti-Competitive Agreements

UK law prohibits anti-competitive agreements. These are agreements, arrangements or concerted practices which have the effect or intended effect of preventing, restricting or distorting competition; for example, agreements to fix prices, limit production, not sell below a particular price and to share markets or customers. Agreements with long exclusivity periods can also breach this law.

5. What is Abusive Conduct by Dominant Businesses

A dominant business has a high market share and may even have a monopoly, where they have significant market power. It should be assumed that SP Transmission plc, SP Manweb plc, SP Distribution plc and Electricity North West Limited are dominant.

Dominant businesses are prohibited from behaving in a way that abuses that dominant position. Some key examples of abusive conduct include refusing to supply or allow access to infrastructure, discriminatory and/or predatory pricing.



6. Principles of Conduct

The principles governing this Policy are:

- a) All ScottishPower Group companies must comply with applicable Competition Law, regardless of their place of registration, and must seek to compete freely and fairly in the marketplaces in which they operate. The Company does not tolerate, permit, or become involved in any kind of anti-competitive agreements or abusive conduct by dominant undertakings when conducting its activities.
- b) The Company fosters a preventive culture based on the principle of 'zero tolerance' towards anti-competitive agreements and abusive conduct by dominant undertakings. This 'zero tolerance' principle is of an absolute and primary nature and prohibits the conduct of business or transactions which are a breach of Competition Law. It also prohibits such conduct or agreements if they are otherwise unlawful or contrary to the principles set out in the Company's Governance and Sustainability System including the *Purpose and Values of the Iberdrola Group* and the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*. No director, officer, or employee of the ScottishPower Group ("Professionals") shall in any circumstances fail to comply with this Policy. A breach of this Policy shall entitle the ScottishPower Group to take appropriate disciplinary action.
- c) To achieve real and effective competition, the development of a competitive environment and to ensure compliance with applicable Competition Law, the Company has a detailed Competition Law Compliance Programme, captured in the "ScottishPower Competition Law Compliance Manual" and this Policy (collectively the "Manual"). All Professionals of the ScottishPower Group are required to familiarise themselves and comply with that Manual, which sets out the Policy in detail and provides practical guidance about Competition Law compliance and the specific expectations of the Company in meeting this Policy.
- d) All Professionals must ensure that they reflect the requirements of this Policy in their dealings with third parties, including through maintaining appropriate conduct at industry meetings and an express prohibition on sharing any information with third parties that may be anti-competitive in nature, including but not limited to information on pricing, tenders or any transactions. All Professionals must consult with their Business Legal Director, or the ScottishPower Group Legal Function if there are any queries or concerns about this Policy.
- e) All Professionals must participate in appropriate training programmes that are provided by ScottishPower.
- f) The Company promotes a transparent environment, maintaining appropriate internal channels to favour the communication of possible breaches, including the Ethics Mailboxes, which allow Professionals, suppliers, and shareholders of the ScottishPower Group to communicate conduct that may entail a breach of the Company's Governance



and Sustainability System or the commission by a Professional of an act contrary to the law or ScottishPower policy.

- g) The ScottishPower Group's relationship with its suppliers is based on legality, efficiency, and transparency. Ethical and responsible behaviour is one of the pillars of the ScottishPower Group's conduct. No supplier of the ScottishPower Group shall: (i) offer in any way, or (ii) act in any way, which could breach applicable Competition Law in the context of any activity carried out for or on behalf of the ScottishPower Group.
- h) The Company will provide the assistance or co-operation required by Competition Authorities in carrying out their duties, including in any investigation into behaviour which may constitute a breach of applicable Competition Law.

7. Control Evaluation and Review

The ScottishPower Compliance Unit is responsible for the implementation of the Competition Law Policy and Manual. ScottishPower's Chief Compliance Officer is responsible for this Policy and will report to the Scottish Power Limited Audit and Compliance Committee on compliance against this policy as appropriate.

The ScottishPower Group Legal Function is responsible for any legal advice or guidance provided within the scope of this Policy, along with the content of the Competition Law Compliance Manual. No changes will be proposed to this Policy or Manual without the express permission of the ScottishPower Group Legal Function.

The ScottishPower Compliance Unit shall ensure that the contents of this Policy are reviewed in accordance with the frequency set out in the Compliance Policy Management Framework, working with the ScottishPower Group Legal Function to ensure that the policy reflects the recommendations and best international practices in effect, and shall seek approval from the Secretary to the Board and General Counsel prior to proposing any changes.

Following this review and approval from the Secretary to the Board and General Counsel, those proposed changes will be proposed to the Board of Directors.

This Policy was approved by the Board of Directors on 6 May 2025.

8. Further Information and Guidance

The following supplementary policies are available for ScottishPower employees on the SP Compliance Unit area of the ScottishPower Employee Portal (Iberdrola Group > Our areas and businesses > SP Compliance Unit):

- Competition Law Compliance Manual.
- ScottishPower Code of Conduct and Disciplinary Rules.
- ScottishPower Policy on Anti-Bribery and Corruption.
- ScottishPower Speaking Out Toolkit.



9. Reporting a Concern

The Company takes a zero-tolerance approach to non-compliant and non-ethical behaviour with laws and regulations with which the Company must comply. We are committed to a programme to counter the risk of the ScottishPower Group being involved in breaches of Competition Law.

Any Professional with concerns relating to a breach of this Policy should report this to their Business/Corporate Legal Director.

In addition, ScottishPower maintains independent reporting channels for anyone concerned about conduct which does not comply with ScottishPower policy or the ScottishPower Code of Conduct and Disciplinary Rules. You can:

Access our Speaking Out Channel on the ScottishPower website	Speaking Out Channel - ScottishPower https://www.scottishpower.com/pages/speaking_out_channel.aspx
---	---

Please refer to the ScottishPower Speaking Out Toolkit for further information on the Speaking Out process and the protections for anyone making such reports. The Speaking Out Toolkit is available for ScottishPower employees on the SP Compliance Unit area of the ScottishPower Employee Portal ([Iberdrola Group > Our areas and businesses > SP Compliance Unit](#)).

* * *

This *Policy* was approved by the Board of Directors of Scottish Power Limited on 6 May 2025 and adopted by the Board of Directors of Scottish Power Energy Networks Holdings Limited on 24 June 2025.