

SCOTTISHPOWER BIODIVERSITY POLICY

6 May 2025

The Board of Directors of Scottish Power Limited (the “**Company**”) has the power to design, assess and continuously revise the Company’s Governance and Sustainability System, and specifically to approve and update policies, which contain the guidelines governing the conduct of the Company, and furthermore, to the extent applicable, inform the policies that the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**SP Group**”), decide to approve in the exercise of their autonomy.

In exercising these powers, within the framework of legal regulations, the *Articles of Association* and the *Purpose and Values of the Iberdrola Group*, and aware of its commitment to the environment generally and to the preservation of biodiversity in the territories in which the companies of the SP Group do business, the Board of Directors hereby approves this *ScottishPower Biodiversity Policy* (the “**Policy**”), which respects, further develops and adapts the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* with respect to the Company.

The degradation of ecosystems and decline of biological diversity pose environmental, economic and social risks. The Company is aware of the inter-relationships between its activities and biodiversity and identifies the potential material adverse impacts thereof on ecosystems and species throughout the lifecycle of its facilities.

1. Scope of Application

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

To the extent applicable, these principles must also inform the conduct of the foundations linked to the SP Group.

For companies that do not form part of the SP Group but in which the Company holds an interest, as well as for joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other entities in which it assumes management, the Company shall also promote the alignment of its regulations with the basic principles regarding biodiversity contained in this *Policy*.

2. Purpose

The purpose of this *Policy* is to establish a framework for articulating the Company’s strategy and business model in a manner consistent with its commitment to protect and foster biodiversity such that it contributes to a nature-positive community.

This *Policy* is aligned with the expectations of the Company’s Stakeholders, which are set forth in the 2022 Kunming-Montreal Global Biodiversity Framework targets.

3. Main Principles of Conduct

To implement its commitment to biodiversity, the Company adopts and promotes the following principles, which apply to its activities and businesses:

- a) Integrate biodiversity into its internal processes of strategic planning and operational decision-making and promote it in the other companies of the Group to:
 - (i) reach a positive impact on biodiversity in its own activities;
 - (ii) assume a leadership role in the conservation and promotion of biodiversity within their sector of activity, whether directly or through the establishment of partnerships with other players; and
 - (iii) contribute to and drive the culture shift required for “*Living in Harmony with Nature*” (the 2050 vision from the *United Nations (UN) Convention on Biological Diversity*).
- b) Identify, quantify and assess the impacts, dependencies, risks and opportunities of its activities and its value chain during the life cycle of the facilities, taking into account that the actual value chains are configured globally and that not all of their links have sufficient traceability measures, and the perspectives of its Stakeholders.
- c) Evaluate and align its activities with the Do No Significant Harm biodiversity requirement established by the European taxonomy.
- d) Apply the mitigation and conservation hierarchy (avoid, minimise, restore and compensate as a last resort) to the management of impacts and dependencies in the phases of infrastructure projects in accordance with a nature-positive vision.
- e) Avoid, to the extent possible, locating new infrastructure projects in spaces that are protected due to their ecological, biological, cultural or landscape value or in areas catalogued as having high value for biodiversity when the value of those areas would be affected, unless there are no viable alternative solutions.
- f) Avoid, to the extent possible, deforestation associated with its activities and promote the principle of no net deforestation in its value chain.
- g) Manage and compensate the negative impacts produced on the environment, giving priority to the like-for-like principle and to nature-based solutions, facilitating the connectivity of populations and encouraging the development of special protection or private conservation areas.
- h) Develop plans for monitoring flora and fauna, especially protected or vulnerable species, so that the interaction of infrastructure with the environment can be continuously assessed.
- i) Integrate biodiversity within the SP Group-level environmental management system, along with the circular economy and climate action, in order to evaluate, analyse, manage and reduce risks regarding natural capital, as well as improving the

management of resources and optimising investments and costs, establishing goals, indicators and standards for the control, monitoring and audit thereof.

- j) Identify and establish management plans for invasive species that pose a risk to ecosystems and species at sites where it does business.
- k) Participate in carrying out research, conservation, education and awareness-raising projects, cooperating with government agencies, non-governmental organisations, communities and other Stakeholders on biodiversity issues.
- l) Disseminate biodiversity awareness and training among its professionals, subcontracted personnel and the personnel of its suppliers.
- m) Promote the application of traceability mechanisms and systems for the certification of compliance with sustainability criteria or standards regarding the products, components and raw materials that are directly or indirectly supplied to the Company, particularly those with potentially or actually significant relative impacts on biodiversity and ecosystems throughout the value chain.
- n) Continue to develop due diligence processes for biodiversity-related incident, risk and opportunity management systems following the priority lines of action included in the following section of this *Policy*.
- o) Continue to identify actions and opportunities to address the impacts, dependencies and risks related to biodiversity in its direct activities and promote the identification thereof in the value chain, in collaboration with its Stakeholders, and taking into account that current value chains are configured globally and that not all their links have sufficient traceability mechanisms.
- p) Transparently report on the activities of the Company and, if applicable, those of the companies of the SP Group as a whole, regarding biodiversity, regularly publishing a report on this topic.

4. Priority Lines of Action

Biodiversity has a leading role in the Iberdrola Group-level strategy, for which reason the Company establishes the following four priority lines of action to apply the main principles of conduct set out in this *Policy* and in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*:

- a) Measure: continuously identify, quantify and assess the biodiversity-related impacts and dependencies of natural capital activities during the life cycle of the facilities, through the promotion of research and improving understanding of the ecosystems of the environments of the territories in which the companies of the SP Group operate.
- b) Act: protect biodiversity and make sustainable use of natural capital by adopting a hierarchy of conservation and mitigation, taking into account the needs and expectations of the corresponding Stakeholders, integrating best practices during the life cycle in the management thereof and promoting actions for the regeneration and conservation of natural heritage.

- c) Transform: promote change through the establishment of partnerships with the corresponding Stakeholders, participating in collaborative projects to improve biodiversity, protection and respect for animals, raising awareness of the importance of biodiversity protection and conservation through training, internal and external education, awards, publications, as well as through sponsorship and internal and external communication of the impact of the activities of the SP Group's companies in this area.

5. Implementation and Monitoring

For the implementation and monitoring of the provisions of this *Policy*, the Board of Directors is assisted by the Sustainability & Climate Change Team of the CEO Office (or such division as assumes the powers thereof at any time), which shall coordinate with the corresponding divisions of Iberdrola S.A., further developing the procedures required for such purpose.

* * *

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.