

Policy on Competition Law Compliance

ScottishPower Compliance Unit

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Version Control

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1. Introduction

This Policy addresses UK 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”), Scottish Power Limited (“ScottishPower”) and all its group companies (“ScottishPower Group”) to very significant sanctions, including fines of up to ten percent of worldwide turnover.

Pursuant to the provisions of the Iberdrola Purpose and Values of the Iberdrola group and Code of Ethics, ScottishPower and the ScottishPower Group assume the responsibility for avoiding: (1) abusive conduct where its businesses are dominant; and (2) involvement in anti-competitive agreements. For such purposes, ScottishPower’s Board of Directors, which is responsible for formulating the strategy and approving the Corporate Policies of ScottishPower and the ScottishPower Group and for organising the internal control systems, has approved this Scottish Power Competition Law Compliance Policy (the “Policy”).

ScottishPower has approved this Policy in compliance with the Iberdrola Corporate Governance and Sustainability System. This system permits ScottishPower to adopt, develop and adapt the policies, rules and principles contained in the Iberdrola Code of Ethics, to the particular nature of each ScottishPower Group business or jurisdiction, reporting them to the Iberdrola Compliance Unit. The Iberdrola Code of Ethics emphasises the critical importance of compliance with Competition Law, and it follows that this Policy is entirely consistent with these principles.

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 Group’s firm objective to comply with UK Competition Law.

The Policy is a commitment to:

- 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.



3. Scope

This Policy shall apply to all directors, officers, and employees of ScottishPower and the ScottishPower Group. Employees who manage ScottishPower Group suppliers are responsible for ensuring that the suppliers are aware of this Policy.

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 and SP Distribution plc 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 UK Competition Law, regardless of their place of registration. The ScottishPower Group 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 ScottishPower Group 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 Iberdrola Corporate Governance and Sustainability System including the ‘Purpose and Values of the Iberdrola Group’ and ‘Code of Ethics’. 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 compliance with UK Competition Law, the ScottishPower Group 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 UK Competition Law.

- d) 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 ScottishPower Group 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 Iberdrola’s Corporate Governance System or the commission by a Professional of the ScottishPower Group of an act contrary to the law or to the rules of the Iberdrola Code of Ethics.
- 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 UK Competition Law in the context of any activity carried out for or on behalf of the ScottishPower Group.

7. Control Evaluation and Review

The ScottishPower Compliance Unit is responsible for the implementation of the Competition Law Policy and Manual. Scottish Power’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 10 December 2024.



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.
- Code of Ethics.
- 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 concerns relating to a breach of this Policy should be reported to your Business/Corporate Legal Director. The key legal contacts for this programme are:

Name	Position	Contact Details
Alternatively, we offer an external third party Speaking Out service, through SpeakUp.	Online at: http://www.speakupfeedback.eu/web/scottishpower/gb By calling: 0800-169-3502 ScottishPower Access Code (for both services): 45042	

In addition, ScottishPower maintains independent reporting channels for anyone concerned about conduct which does not comply with the Code of Ethics or Code of Conduct and Disciplinary Rules. *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](#)).*