

SCOTTISHPOWER INNOVATION 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 that innovation is a strategic variable that affects all the business and activities of the Company, the Board of Directors hereby approves this *ScottishPower Innovation 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 wager on innovation is a priority for promoting sustainability, efficiency and competitiveness, and for keeping the Company at the forefront of developing the new products, services and business models that are transforming the industry.

The Company sees innovation as an open and decentralised process. It is decentralised because it is carried out independently in each business unit, but consistently with support and coordination provided by the Company’s Innovation, Environment and Quality Division (or by such division as assumes the powers thereof at any time). It is open because the Company considers itself to be a technology driver and, as such, its vocation is to involve all of its technology suppliers, including universities, technology centres and equipment manufacturers, in its innovation process.

1. Scope of Application

This *Policy* applies to the Company. Without prejudice to the foregoing, it includes basic principles that, in the area of innovation, 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 innovation contained in this *Policy*.

2. Purpose

The purpose of this *Policy* is to establish the main principles of conduct that must govern in the definition and dissemination of the innovation strategy that allows the Company and the other companies of the SP Group to continue to be leaders in the energy sector, leading the transition towards a healthier and more accessible energy model, based on electricity.

3. Main Principles of Conduct

The Company adopts and promotes the following principles of conduct in relation to the innovation strategy:

- a) Lead innovation focused on energy efficiency and enabling greater electrification of demand.
- b) Promote research, development and innovation (R&D) activities, focusing on efficiency aimed at the ongoing optimisation of the businesses, management of facilities and equipment lifespans, reduction of operation and maintenance costs, decrease in environmental impact, as well as the development of new products and services to satisfy the needs of the customers.
- c) Drive the digital transformation of the businesses of the Group's companies in order to improve the efficiency of its processes, the operation and maintenance of its assets and to increase the availability of its generation plants.
- d) Keep the SP Group at the forefront of new technologies and disruptive business models, by encouraging a "culture of innovation" that pervades the entire organisation and promotes motivating work environments that favour and reward the generation of ideas and innovative practices by professionals, accepting risk implicit therein and recognising creative contributions.
- e) Promote the creation of innovative ecosystems based on the attraction of outside talent and the exploration of new pathways for collaboration, in order to obtain knowledge and design new solutions that allow for the sustainable creation of value.
- f) Incentivise innovative ecosystems and encourage innovation in collaboration with start-ups, entrepreneurs and suppliers in order to develop new disruptive and sustainable business models, and favour the exchange of knowledge and have a knock-on effect among them.

- g) Foster partnerships and alliances with the academic, intellectual and technology world, by means of links that make it possible to multiply innovative capacity and collaborate on the dissemination of knowledge.
- h) Achieve innovations that foster sustainable growth, the efficient management of resources and a reduction in environmental impact, contributing with all of the foregoing to the social and economic development of the places in which the Company does business.
- i) Engage in projects in the area of universalisation of energy services based on models that are environmentally sustainable and economically feasible.
- j) Incorporate innovation into all of the Company's training by means of courses and specific programmes to develop skills relating to creativity.
- k) Implement an innovation management system that includes the establishment of annual targets and goals as part of an ongoing improvement procedure, managing the Company's human and intellectual capital as a major pillar of the entire creative and innovation process.
- l) Safeguard innovation in technological, commercial, industrial, scientific, organisational and financial fields, among others, encouraging fair competition among companies within the framework of a social market economy, which is a key factor for long-term sustainable development, and particularly information or knowledge considered (or that could be considered) to be a trade secret in view of the importance of the protection thereof, insofar as it provides an actual or potential competitive advantage and hence adds significant business value for the Company.
- m) Promote internal talent and stimulate an environment of creative thought, implementing a culture of innovation at all levels, that facilitates the successful handling of the challenge of incorporating new technologies.
- n) Promote a system of technological monitoring and prospecting to identify opportunities and challenges for the businesses and detect the need for innovation in processes or services, all in order to act in advance of technological changes and the new needs and risks of the market.
- o) Circulate internally the knowledge gained, so that all professionals are familiar with the best practices applicable to their activity in the search for efficiency and effectiveness in the processes of the Company.
- p) Protect the results of the innovation process, managing intellectual and industrial property suitably and ethically, which shall in every case entail respect for the intellectual and industrial property rights of third parties.

- q) Support innovations that provide added value for users and boost the satisfaction of Iberdrola's people, shareholders and the financial community, customers and other Stakeholders of the Company.

4. Implementation and Monitoring

For the implementation and monitoring of the provisions of this *Policy*, the Board of Directors is assisted by the Innovation Division of the CEO Office (or such division as assumes the powers thereof at any time) which shall act in coordination with the Innovation, Environment and Quality Division of Iberdrola, S.A. (or such division as assumes the powers thereof at any time).

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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 Retail Holdings Limited on 25 June 2025.