

COMPLIANCE REGULATIONS

(as approved by the Trustees on 11 June 2024)

Contents

1	Purpose	3
2	Modifications	3
3	The Compliance Officer	3
4	Trustees' Duties	3
5	Compliance Officer's Duties	4
6	Cooperation with the Compliance Unit of Scottish Power UK plc and other compliance units or divisions within the Iberdrola Group	5
7	Resources	5
8	Access to information and external advice	5
9	Purpose of the Ethics Mailbox	6
10	Reports received	6
11	Initial review of report	6
12	Investigation of reports	7
13	Outcome	8
14	Protection of personal data	8

Compliance Regulations of Scottish Power Foundation

PURPOSE AND MODIFICATION

1 Purpose

- 1.1 The board of Trustees (**the “Trustees”**) of the Scottish Power Foundation (the **“Foundation”**) has approved these regulations (**the “Regulations”**) to set out the framework for the compliance related activity of the Foundation (the **“Compliance System”**).
- 1.2 The Compliance System comprises the regulations, formal procedures and material actions, that aim to ensure that the Foundation acts in accordance with ethical principles, internal regulations and in compliance with law, as well as prevent, manage and mitigate the risk of regulatory and ethical breaches that may be committed by the Foundation.

2 Modifications

- 2.1 Any amendment to these Regulations must be approved by the Trustees.

COMPLIANCE OFFICER

3 The Compliance Officer

- 3.1 The Trustees shall appoint an individual to the role of compliance officer of the Foundation (**the “Compliance Officer”**).
- 3.2 The Compliance Officer will work independently to the Trustees and will be responsible for the implementation and monitoring of the Compliance System, as established by the Foundation’s system of governance (**the “System of Governance”**).
- 3.3 The Compliance Officer shall be permitted such powers as reasonably required to carry out their duties.
- 3.4 The Trustees are responsible for the appointment and removal of the Compliance Officer.
- 3.5 The individual appointed to the role of Compliance Officer must have the necessary expertise, qualifications, and experience as deemed appropriate for such role.
- 3.6 The Compliance Officer shall carry out their duties in accordance with the principles of independence and effective management.
- 3.7 The Compliance Officer is not permitted to be a trustee of the Foundation.

4 Trustees’ Duties

- 4.1 Notwithstanding the duties and responsibilities of the Compliance Officer, the ultimate responsibility, particularly in relation to dealing with any issues that may arise, shall rest with the Trustees.

- 4.2 In particular, the Compliance Officer shall liaise with the Trustees in cases where it may be appropriate to submit a 'raise a concern form' with the Office of the Scottish Charity Regulator ("**OSCR**").

5 Compliance Officer's Duties

- 5.1 The key duties of the Compliance Officer are:

- a) To promote awareness of, and compliance with, the Foundation's policies (as amended from time to time), including the Good Governance Code, the Code of Ethics, and the Anti-Bribery and Corruption Policy.
- b) To monitor the compliance, operation and effectiveness of the Anti-Bribery and Corruption Policy, and oversee the introduction, rollout and fulfilment of the Foundation's bribery prevention activities.
- c) To cultivate a zero-tolerance culture towards unlawful acts and fraudulent situations, centred around responsible behaviour and the highest standard of ethical conduct, to be upheld by all members of Foundation staff (regardless of seniority or geographical location) ("**Foundation Personnel**") and Trustees.
- d) To review and monitor the internal procedures of the Foundation to ensure continued effectiveness in preventing inappropriate conduct and to identify any areas which may benefit from amendment in order to ensure that all procedures are effective in promoting the highest ethical standards.
- e) To manage any reports made to the ethics mailbox (the "Ethics Mailbox") and to take or coordinate the necessary steps in order to investigate any such reports and finally, to issue any decision made further to the investigation.
- f) To create and implement appropriate training, communications and awareness activity, to inform all Trustees and Foundation Personnel of the obligations and duties set out in the Foundation's policies, as amended from time to time, and the legal and regulatory obligations specifically applicable to their role.
- g) To maintain full and accurate records of Compliance System activity.
- h) To investigate any behaviour or conduct (whether or not reported via the Ethics Mailbox) which constitutes, or may constitute;
 - i. a breach of the Good Governance Code, the Code of Ethics or any other policy relevant to the Trustees or the Foundation Personnel;
 - ii. a criminal offence; or
 - iii. a serious administrative offence.

- i) To review the Anti-Bribery and Corruption Policy (at least once every two years) in order to evaluate the Foundation's compliance with this policy and to review the overall effectiveness of the policy at achieving its reasonable aims.
- 5.2 The Compliance Officer will be responsible for implementing and monitoring such procedures that they deem necessary to ensure Compliance with the Code of Ethics and prevent criminal activity and fraud within the Foundation.
- 5.3 In addition to the powers arising from the duties set out above the Compliance Officer shall be entitled to act in furtherance of any direction that may reasonably be given by the Trustees or by the Foundation's articles of association or by the other rules and regulations set out in the System of Governance.
- 6 Cooperation with the Compliance Unit of Scottish Power UK plc and other compliance units or divisions within the Iberdrola Group**
- 6.1 If required, the Compliance Officer shall cooperate with the Compliance Unit of Scottish Power UK plc, and if applicable, the Compliance Unit(s) of any other companies within the Iberdrola Group in the performance of its duties as required by law and/or by the System of Governance.
- 6.2 The Compliance Officer may draw up a protocol for cooperating with the Compliance Unit of Scottish Power UK plc.
- 6.3 If the Compliance Officer is required to cooperate with any other compliance unit or division in the companies of the Iberdrola Group, this will be facilitated by the Compliance Division of Iberdrola España S.A.U.

RESOURCES, ACCESS TO INFORMATION, ACCESS TO ADVICE

7 Resources

- 7.1 The Trustees will ensure that the Compliance Officer has access to such resources as required in order to independently and effectively carry out their duties.
- 7.2 The Compliance Officer may, if necessary, submit a request to the Trustees for budget to carry out its activities.

8 Access to information and external advice

- 8.1 The Compliance Officer, to the extent permitted by relevant legislation, shall have access to the information, documents and offices of the Trustees and Foundation Personnel, including any documentation of the bodies that manage, supervise and control the Foundation, for the purpose of carrying out their duties properly.
- 8.2 All Foundation Personnel and Trustees must provide access to such information and documentation as required by the Compliance Officer to carry out their duties.

- 8.3 The Compliance Officer may also seek, at the Foundation's expense, the advice or assistance of external professionals. Any reports or documentation prepared by external professionals must be addressed directly to the Compliance Officer.
- 8.4 Whenever possible the Compliance Officer shall undertake its activities transparently, reporting to the Trustees and any other relevant personnel when possible and appropriate as to the purpose and scope of the activities.

ETHICS MAILBOX

9 Purpose of the Ethics Mailbox

- 9.1 To promote legal and regulatory compliance and the highest standards of ethical conduct, the Foundation has established an Ethics Mailbox to allow for any concerns to be raised arising from the management and operation of the foundation.
- 9.2 The Ethics Mailbox is a confidential and transparent means of reporting:
- a) illegal behaviour or behaviour that is suspected of being illegal;
 - b) unethical behaviour; or
 - c) behaviour which contravenes the standards of conduct set out in the Good Governance Code, the Code of Ethics, or any other relevant policy.
- 9.3 The Ethics Mailbox is accessible via the Foundation website or the ScottishPower Employee Portal. Alternatively, reports can be made direct to the Compliance Officer.

10 Reports received

- 10.1 Any report made to the Ethics Mailbox shall be dealt with by the Compliance Officer.
- 10.2 The Compliance Officer must observe the rules and principles set out in the Code of Ethics when processing any report made to the Ethics Mailbox.
- 10.3 The Compliance Officer shall treat any report it receives concerning the Foundation in accordance with this section of the *Compliance Regulations* and as if it had been received via the Ethics Mailbox.
- 10.4 The Compliance Officer shall maintain a record of all reports received (whether via the Ethics Mailbox or otherwise) including details of any subsequent investigation process.

11 Initial review of report

- 11.1 When a report is received, the Compliance Officer shall determine whether or not to process it. The Compliance Officer shall respond to the individual who submitted the report with 7 working days to acknowledge receipt.
- 11.2 The Compliance Officer shall not process any report in which the conduct complained of is clearly unfounded or implausible or is not likely to constitute an act referred to in section 9.2.

- 11.3 In determining whether to process a particular report, the Compliance Officer may, at their sole discretion, request additional detail, documentation or data from the individual who submitted the report.
- 11.4 A decision to not process a report shall be reasoned, sufficiently documented and notified to the reporter within 5 working days of the decision, unless the reporter has not identified themselves or has declined to be informed of the outcome of their communication.
- 11.5 If a report relates to the Foundation and to another entity, whether it be Scottish Power UK Plc, or another entity within the Iberdrola Group, the Compliance Officer shall work with such other compliance units as necessary to appropriately manage and process that report.
- 11.6 The Compliance Officer shall inform the Board of Trustees of the existence of any reports that could have a material impact on the Foundation's financial statements or internal control.

12 Investigation of reports

- 12.1 The investigation and management of a report shall be carried out by the Compliance Officer.
- 12.2 The Compliance Officer is permitted to seek the advice and assistance of external advisors, if necessary.
- 12.3 If the report is directed against the Compliance Officer, they shall be excluded from the investigation process and the report will be dealt with by the Compliance Unit of Scottish Power UK plc.
- 12.4 The Compliance Officer shall check and confirm the accuracy of the information submitted in the report particularly the alleged conduct.
- 12.5 The Compliance Officer may take such action as appropriate to carry out its investigation and establish the applicable facts, including:
 - a) arranging meeting(s) for all affected parties and witnesses to set out the relevant detail of the report and provide an opportunity for those individuals to give their version of the facts and ask any questions about the investigation; and/or
 - b) undertaking any diligence as deemed necessary.
- 12.6 The Trustees and Foundation Personnel may be required to participate in the investigation process, as witnesses or otherwise, and are expected to do so in good faith.
- 12.7 The participation of witnesses and affected parties shall be treated as strictly confidential.
- 12.8 The maximum period for carrying out and completing the investigation shall not exceed three months from receipt of the report, except in cases of particular complexity in which case the period may be extended by up to a maximum of an additional three months.

- 12.9 The Compliance Officer shall conduct any investigation in accordance with the requirements of the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018, and shall inform individuals of the processing of their personal data.
- 12.10 At any time during the investigation, the Compliance Officer may seek the advice and cooperation of the professionals of the Group's companies, particularly Finance, Control and Legal for the purposes of determining the consequences and manner to proceed with respect to any report received.
- 12.11 The Foundation undertakes to not adopt, and to ensure that the Foundation Personnel and Trustees do not adopt, any form of retaliation, whether direct or indirect, including threats of or attempted retaliation, against a reporter, unless the report is false or such person has acted in bad faith.
- 12.12 The Compliance Officer shall carry out any investigation in accordance with the following principles:
- a) the right to privacy;
 - b) self-defence; and
 - c) the presumption of innocence of the people under investigation.

13 Outcome

- 13.1 The Compliance Officer shall issue a fully reasoned decision after concluding its investigation.
- 13.2 If the Compliance Officer concludes that there has been a breach of the Foundation's system of governance, unethical or illegal conduct committed by a member of Foundation Personnel, the matter will be transferred to the Foundation's Executive Director to take forward as regards appropriate and proportionate disciplinary measures, details of which shall then be reported to the Compliance Officer.
- 13.3 If the Compliance Officer concludes that there has been a breach of the Foundation's system of governance, unethical or illegal conduct committed by a Trustee, the matter will be transferred to the Board of Trustees, through the Secretary of the Board of Trustees, to apply any of the measures contemplated in the Articles of Association or the Good Governance Code.

14 Protection of personal data

- 14.1 Any action carried out by the Compliance Officer, or such other person from time to time, in furtherance of the procedures outlined in these Regulations shall be done in accordance with the provisions of the Foundation's Data Protection Policy in place at that time, together with the General Data Protection Regulations.