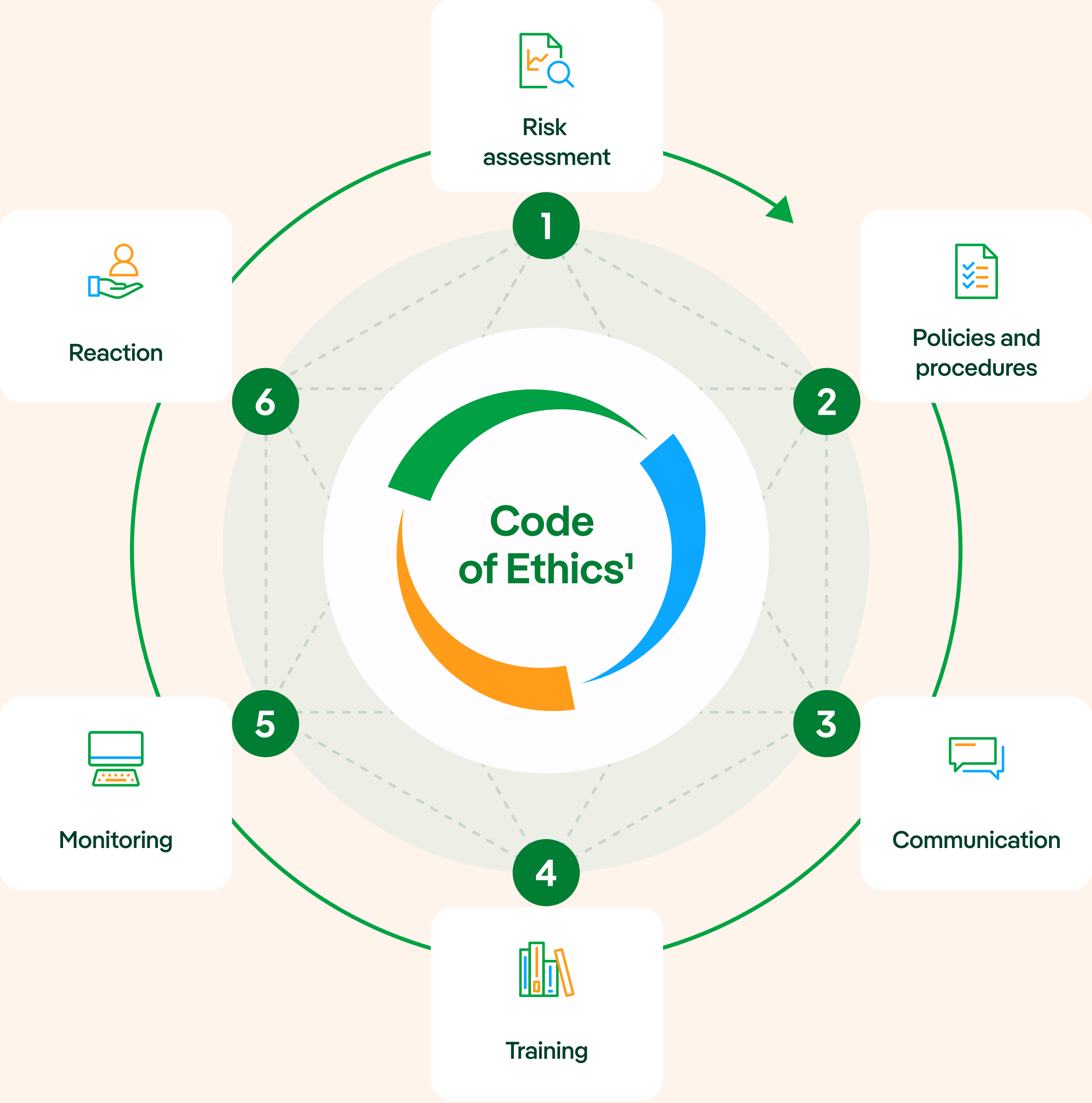


Code of Conduct for Directors, Professionals and Suppliers



¹ Code of Conduct for Directors, Professionals and Suppliers

1 Risk assessment

One of the main parts of the Compliance System is the existence of a process of regular and continuous identification and assessment of compliance risks in each of the corporate functions and in the group's businesses, including the risks of committing crime or irregular conduct associated with the activities carried out by the organisation. The assessment includes the evaluation of the likelihood of the materialisation of each risk and the impact that such materialisation would have, as well as the effectiveness of the controls aimed at mitigating them.

2 Policies and protocols

The organisation has the necessary internal regulations and controls in place to prevent and mitigate the risks identified, as well as providing professionals with guidelines for appropriate and expected conduct.

The compliance systems of the companies of the Group are structured on the basis of: (i) regulations approved by the Board of Directors of Iberdrola, S.A. (as an integral part of its Governance and Sustainability System); (ii) regulations approved by its own management body; and (iii) supplementary regulations developed and approved by each compliance unit through the powers given to it by its respective Regulations.

The regulations are updated periodically and are monitored by the compliance units to assess their preventive potential.

3 Communication

Dissemination and communication of ethical principles is another essential element of the Compliance System. The main objectives, as established in the Global Communication Plan, are as follows:

- Ensure that professionals perceive the value that the compliance actions represent for them on a personal level.
- Raise awareness among professionals of the most relevant risks associated with their professional activity and the regulations or recommendations to minimise them.
- Promote the participation of professionals in the Compliance activities that require it.
- Encourage the participation of executives and middle management in transmitting the compliance culture to their teams.

For communication, the different tools and channels available are used, selecting the most effective ones according to each case.

4 Training

Training is one of the cornerstones of the compliance function and of the knowledge of and compliance with the Code of Conduct by all professionals in the Group's companies. The training strategy is based on global training initiatives for the professionals of the Group's companies on compliance issues of a general nature and applicable to the majority of the workforce. Additionally it develops specific training plans aimed at certain groups of professionals specific compliance risks have been identified for.

5 Monitoring

The governing bodies of the Group companies are responsible for monitoring the effective implementation of the Compliance System in their respective companies.

The monitoring activities are aimed at establishing detection and control mechanisms to verify the effectiveness of the preventive measures implemented, as well as to enable continuous improvement of the compliance systems.

The key to detecting irregular conduct is the internal reporting channels established at Iberdrola and its Group.

The Group's internal reporting channels are tools made available to all shareholders, directors, professionals, suppliers, and other third parties as determined by law to report conduct that may involve the commission of any irregularity or any unlawful act or act contrary to law or to the Governance and Sustainability System.

In all cases, the Group is firmly and expressly committed to prohibiting retaliation against those who make use of those internal channels, except in cases of bad faith.

In addition, compliance systems are subject to regular audits and reviews by Internal Audit and independent third parties, and action plans are put into place to adopt the proposed recommendations.

6 Response and remediation plan

Internal reporting channels are an essential source of information for identifying improvements in compliance systems and additional prevention and control mechanisms.

In addition, as a result of audits and periodic reviews of compliance systems, action plans are established to adopt the proposed recommendations.