Introduction to the Corporate Policies

1. Iberdrola’s Corporate Governance System is its own internal framework of rules, and is established, in the exercise of the corporate autonomy that the law supports, to ensure through its rules the preservation of its identity and philosophy, the achievement of its goals and objectives, and the realisation of its purpose and values.

2. An essential piece of Iberdrola’s Corporate Governance System are the corporate policies, which establish, within the framework of the law and the By-Laws, guidelines for conduct, directions and standardised solutions for questions that are recurring or of special importance in the administration and management of the company, as well as for the best implementation of the Purpose and Values of the Iberdrola group, channelling the behaviour of shareholders, directors and other professionals as well as relations with all of the Stakeholders.

3. As a result of this function of threading together and shaping ideas and values into modes, patterns and standards of conduct, the corporate policies play a fundamental driving role in the Corporate Governance System. In fact, the corporate policies are a rationalisation of management decisions within different fields and issues that require them due to the nature thereof, and to that same extent entail a positive limitation of the required discretion that the directors and professionals of Iberdrola must have in the performance of their duties.

   At the same time, as a result thereof they also define secure guidelines for conduct, which, if adhered to, can lead to the prima facie presumption of conformance and suitability of the corresponding actions to the purpose, the values and the corporate interest of Iberdrola, to the realisation and fulfilment of which they contribute.

4. The approval of the corporate policies is entrusted, pursuant to applicable law and with the exceptions contained in the Director Remuneration Policy and the Statutory Auditor Contracting and Relations Policy, to the Board of Directors, with the participation of specialised committees, particularly the Audit and Risk Supervision Committee and the Sustainable Development Committee, all without prejudice to the power of the shareholders acting at a General Shareholders’ Meeting, who are ultimately responsible for the approval or rejection of corporate management.

5. Like the rest of the Corporate Governance System, albeit with greater intensity given their nature, the corporate policies are subject to a process of constant review, because this work of giving shape to ideas, values and principles in guidelines or protocols of conduct can and should be subject to ongoing attention in order to adjust them to the changing circumstances within which Iberdrola works as a comprehensive enterprise with three dimensions: business, corporate and institutional. The Company has in place, uses and promotes multiple channels and pathways of dialogue with all of its Stakeholders for these purposes.

6. Iberdrola’s corporate policies, which currently number more than forty, are structured into three distinct categories (corporate governance and regulatory compliance, corporate risks and risks specific to the various businesses of the Group, and sustainable development), and bind all those who act with it or are related thereto, to the extent applicable to them.

In Bilbao, on 21 July 2020
The Board of Directors of Iberdrola, S.A.