Introduction to the Purpose and Values of the Iberdrola group and to its Code of Ethics

1. The Corporate Governance System constitutes the internal framework of rules for Iberdrola and its group, established, in exercise of the corporate autonomy that the law supports, to ensure through its rules the achievement of its business and corporate ends and goals, as well as the preservation of its own institutional identity.

2. The Corporate Governance System, as a whole, and particularly the By-Laws, which were approved by the shareholders acting at a General Shareholders’ Meeting and are the primary source of its internal rules, are inspired by, are based on and should be interpreted in accordance with the Purpose and Values of the Iberdrola group, the corporate philosophy that informs its focus and its organisation, guides its strategy, and governs the activities of all the companies of which it is comprised, as well as the initiatives and decisions thereof.

3. Iberdrola’s purpose, its raison d’être, is to continue building together each day a healthier, more accessible energy model, based on electricity, through a responsible and sustainable comprehensive (economic, social and environmental) enterprise action that contributes to the Sustainable Development Goals (SDGs) approved by the United Nations, which respects and protects human rights in its sphere of conduct, and which ultimately allows it to combine its legal legitimacy with the new social legitimacy required by our times.

4. This purpose gives root to the social dividend, which, together with the financial dividend, are approved by the By-Laws, representing the effective contribution of Iberdrola to all the Stakeholders and communities within which it is connected and in which it is included.

5. The values of the Iberdrola group, namely: sustainable energy, integrating force and driving force, express its desire for engagement, leadership and commitment to a fast-changing social reality, with the demands, circumstances, challenges and opportunities thereof.

6. The Purpose and Values of the Iberdrola group thus make up the ideological and axiological basis upon which Iberdrola and its enterprise are founded, they assert it as a business reality that transcends its merely commercial nature, and also form the basis for its Code of Ethics, a body of rules that, notwithstanding its nature, is binding upon and of mandatory compliance for all those to whom it applies, and expresses Iberdrola’s demand that it be complied with and observed.

7. The Purpose and Values of the Iberdrola group, together with the Code of Ethics, are thus formally included in its Corporate Governance System, providing content for Book Two, and thereby acquiring the full regulatory value they deserve as informing principles.

8. With the identification, formulation and approval of the Purpose and Values of the Iberdrola group by the Board of Directors and the inclusion thereof in the Corporate Governance System, Iberdrola reafirms its business, corporate and institutional identity and reiterates its commitment to ethics, sustainable development and the creation of value by means of an enterprise shared with its Stakeholders and with the communities in which it does business.

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