I. Purpose and Values of the Iberdrola group

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The Board of Directors of IBERDROLA, S.A. (the “Company”) is vested with the power to define and approve the purpose and values of the group of companies of which the Company is the controlling entity, within the meaning established by law (the “Group”). The purpose of the Group, and thus its raison d’être, is to continue building together each day a healthier, more accessible energy model, based on electricity.

This purpose, focused on the well-being of people and on the preservation of the planet, reflects the strategy that the Group has been implementing for years and its commitment to continue fighting for:

a) A real and global energy transition, based on decarbonisation and on the electrification of the energy sector, and of the economy as a whole, that contributes to the fight against climate change and generates new opportunities for economic, social and environmental development.

b) An energy model that is more electric, one that abandons the use of fossil fuels and generalises the use of renewable energy sources, the efficient storage of energy, smart grids and digital transformation.

c) An energy model that is healthier for people, whose short-term health and well-being depend on the environmental quality of their environment.

d) An energy model that is more accessible for all, one that favours inclusion, equality, equity and social development.

e) An energy model that is built in collaboration with all involved players and society as a whole.

2. The Values of the Group

To achieve the purpose of the Group, its strategy and all of its actions are inspired by and based on three values:

a) Sustainable energy: we seek to always be a model of inspiration, creating economic, social and environmental value in all of our surroundings, and with the future in mind.

We act responsibly toward people, communities and the environment, committed to the sustainable development strategy defined by the Company’s Board of Directors, which seeks to maximise the social dividend generated by the Group’s activities and businesses, from which all of our stakeholders benefit.

For this purpose, the Group’s professionals engage in their activities in accordance with the ethical principles set out in the Code of Ethics. They especially endeavour to ensure transparency, the safety of people, the sustainable creation of value for the Company and it’s surroundings, striving to identify and understand the expectations of all stakeholders and working to achieve the well-being of both present and future generations.

b) Integrating force: we have great strength and a deep sense of responsibility, for which reason we work together, combining talents, for a purpose that is to be achieved by all and for all.

The Group’s professionals form a diverse team prepared to achieve the success of its business enterprise. For these purposes, it seeks for its professionals to work without geographic, cultural or operational barriers, to share talent, knowledge and information, and to have a global, long-term vision.

To achieve such a team, the Group drives the development of its professionals and contributes to the training of future generations in order to boost their enthusiasm, empathy and initiative at work, and favour solidarity and creativity, as well as their respect for human relations. The Group also encourages the maintenance of sincere and faithful dialogue between its staff and the other stakeholders.

c) Driving force: we make small and large changes a reality while being efficient and self-demanding, always seeking continuous improvement.

We innovate and promote large and small changes that make life easier for people.

We expect our professionals to adopt a non-conformist attitude, to constantly seek excellence and opportunities for improvement, to embrace change and new ideas, to learn from mistakes, to evolve with feedback on their actions and to anticipate the needs of stakeholders.

To achieve this, we favour simple, agile and efficient processes for organising work and exchanging information that take advantage of technological advances.

3. Acceptance

The Group’s professionals express the Purpose and Values of the Iberdrola group. Professionals who join or become part of the Group in the future must also expressly accept the content hereof.

The Purpose and Values of the Iberdrola group shall be attached to the employment agreements of all Group professionals.

The corporate philosophy of the Company was initially formalised in 2002, and approved as a standard of the Corporate Governance System on 23 February 2016 under the name Purpose and Values of the Iberdrola group.

The Company’s Board of Directors reviewed and last amended it on 19 February 2019 in order to include the purpose, surpassing and replacing the mission and vision, and to update its corporate values.