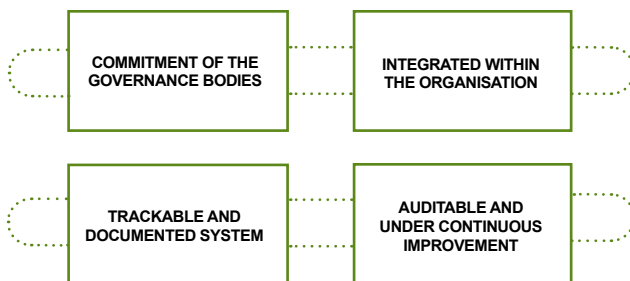
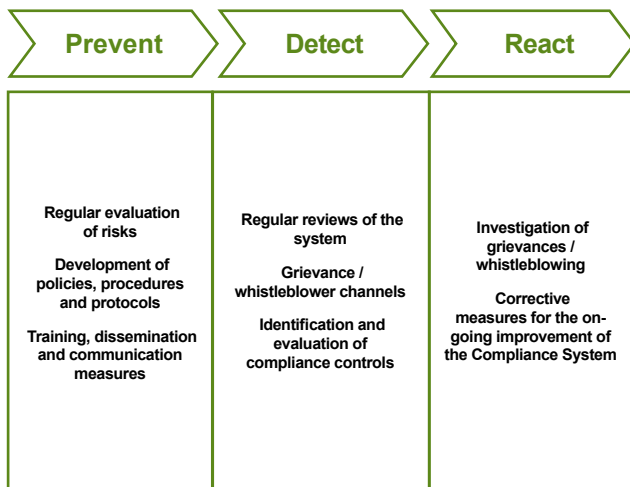




5.4 Ethics

Compliance System

Iberdrola's Compliance System is made up of all of the rules, formal procedures and significant actions intended to ensure that the company conducts itself in accordance with ethical principles and applicable law and to prevent improper conduct or conduct that is contrary to ethics, the law or the Corporate Governance System that might be committed by the professionals thereof within the organisation.



The Code of Ethics, which forms part of Iberdrola's Corporate Governance System, was approved by the Board of Directors in 2002 and is regularly updated.

Compliance Unit

Iberdrola, S.A.'s Compliance Unit is a collective, internal and permanent body, linked to the Sustainable Development Committee of the Board of Directors, responsible for proactively ensuring the effective operation of the group's Compliance System.

In addition, there is a Compliance Division linked to the corresponding Audit and Compliance Committees at each country subholding company and each head of business company.

Powers of the Unit

The Compliance Unit has powers related to the *Code of Ethics*, the *Anti-Corruption and Anti-Fraud Policy*, the *Crime Prevention Policy*, the *Internal Regulations for Conduct in the Securities Markets*, legal provisions regarding the separation of activities, and all other powers that may be entrusted thereto by the Sustainable Development Committee or the Board of Directors of the company or that are established in the Iberdrola group's Corporate Governance System.

Main areas of the Compliance System

The main activities and areas of activity within the framework of the group's Compliance System are: (i) the implementation and improvement of the crime prevention programmes, which are developed within the scope of the provisions of the Spanish Criminal Code (without prejudice to additional actions required by the laws of any other jurisdiction in which the group does business), (ii) training and communication activities aimed at all professionals of the group, (iii) the development and implementation of rules and controls to minimise the risk of crime, particularly fraud and corruption, (iv) actions to ensure compliance with the rules on market abuse and separation of activities, and (v) management of the ethics mailboxes.

Principal awards / recognitions

In 2018 Iberdrola obtained the Compliance Leader Verification certification provided by the Ethisphere Institute to those companies that show they have an ethical culture implemented within all of their businesses and activities as well as a robust and effective compliance system.

In 2020 Iberdrola renewed the certifications provided by AENOR in 2017: UNE-ISO 37001 on anti-bribery management systems and UNE 19601 on penal compliance management systems. The companies of the Spain subgroup also renewed these certifications.

Iberdrola has been chosen for the seventh consecutive year as one of the most ethical companies in the world, according to the *World's Most Ethical Companies 2020* ranking prepared by the *Ethisphere Institute*, thus recognising the ethical leadership and conduct of the organisation.

