



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 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 goal of this regulation is to formalise the purpose and values of the Group as an independent norm within the Governance and Sustainability System.

The purpose and values of the Group constitute its identity, its *raison d’être* and its corporate philosophy, which must govern the general strategy and management decisions of all companies belonging thereto. They are the ideological and axiological foundation of its business enterprise, which, due to its size and the importance, is the focal point for many Stakeholders and for the economic and social environment in which its component entities do business.

The purpose and values of the Group inspire the Company’s *By-Laws*, guide the application and interpretation thereof in accordance with applicable law, are further developed and specified in the *Code of Ethics*, which guide the ethical behaviour of all of its personnel, and take form in the other rules of its Governance and Sustainability System, governing the day-to-day activities thereof and its strategy for the sustainable growth of the social dividend, channelling its commitment to leadership in all of its areas of activity.

1. The Purpose of 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 along with all its Stakeholders 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 Sustainable Development Goals (SDGs) approved by the United Nations, particularly with respect to the fight against climate change and the generation of 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. The drive towards more accessible conditions of well-being for all, and the creation of a society that favours inclusion, equality, equity and 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 its 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.

- a. **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 professionals of the Group expressly accept 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.

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

The Company's Board of Directors revised 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.

The Board of Directors also last revised and amended it on 15 December 2020 within the framework of the reformulation of the Corporate Governance System as the Governance and Sustainability System, but such revision did not involve an amendment of the text of the *Purpose and Values of the Iberdrola group*.