

Mission, Vision, and Values of the Iberdrola group

19 July 2016

The Board of Directors of IBERDROLA, S.A. (the “Company”) is vested with the power to approve the mission, vision, 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 mission, vision, and values of the Group approved by the Board of Directors as an independent norm within the Corporate Governance System.

The mission, vision, and values of the Group constitute its corporate philosophy, inspire and take form in the Company’s By-Laws and in the other rules of the Corporate Governance System, govern the day-to-day activities thereof, channel its leadership role in all of its areas of activity, focus its strategy of maximising social dividends, and guide the ethical behaviour of all personnel participating in the daily construction of the Company’s corporate enterprise.

1. Mission of the Group

“Our mission is to create value sustainably in carrying out our activities for society, citizens, customers, employees, shareholders, and other stakeholders, as the leading multinational group in the energy sector providing a quality service through the use of environmentally-friendly energy sources, which engages in innovation, leads the process of digital transformation in its area of activity, and is committed to the fight against climate change through all of its business activities, with a social dividend and the generation of employment and wealth, considering its employees to be a strategic asset. Along these lines, we foster their development, training, and measures of reconciliation, favouring a good working environment and equal opportunity. All of the foregoing is within the framework of our strategy of social responsibility and compliance with tax rules.”

2. Vision of the Group

“We want to be the leading multinational group in the energy sector at the forefront of a better future, sustainably creating value with a quality service for people: citizens, customers, and shareholders (whom we care for and engage in our corporate life) and for the communities in which we carry out our activities, generating employment and wealth (with whom we engage in a constructive dialogue), known for our firm commitment to ethical principles, good corporate governance, and transparency, the safety of people and supply, operational quality and excellence, innovation, protection of the environment, customer focus, and the Sustainable Development Goals approved by the United Nations. Making it possible thanks to the work of our employees and the people working with our suppliers and collaborators, whom we care for by offering all of our training resources and reconciliation measures for their development and to strengthen equality of opportunity”.

3. Values of the Group

The mission and vision of the Group is configured based on a firm commitment to twelve values that all of the Corporate Policies, internal rules, and other internal codes and procedures must follow:

a) The sustainable creation of value:

“We want to lead the creation of value in a sustainable manner for society, citizens, customers, shareholders, and the communities in which we do business, equitably compensating all groups that contribute to the success of our business enterprise, and to make new investments seeking the maximisation of our social dividend, generating employment and wealth for society with a long-term vision that achieves a better future without compromising present results”.

b) Ethical principles:

“We aspire for our conduct and that of the persons linked to us, including all participants in the value chain, to respond and adhere to ethical and generally accepted social responsibility principles, in addition to applicable laws and the Corporate Governance System”.

c) Good corporate governance and transparency:

“We care for and engage people –citizens, customers, suppliers, employees, and shareholders– in corporate life and constantly work to maintain leadership in corporate governance and transparency, at all times adopting the best generally recognised practices in the international markets, all within the framework of a diversified group that is organised efficiently and coordinated around Iberdrola, S.A. and the various country subholding companies and head of business companies, subject to common guidelines and the principle of subsidiarity”.

d) Development of our workforce:

“We consider our employees to be a strategic asset, whom we care for and offer a good working environment, fostering their development, training, and measures of reconciliation, and favouring equal opportunity. We work to recruit, promote, and retain talent and encourage the personal and professional growth of all people belonging to our workforce, making them participants in our quest for a successful business enterprise and guaranteeing them a dignified and safe job”.

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e) Social commitment:

“We seek the sustainable development of the communities in which we do business and the well-being of citizens, customers, suppliers, employees, and shareholders, who contribute to achieving the corporate interest of Iberdrola, S.A., which is the basic assumption for the success of our business enterprise. We affect local economic development, generating employment and wealth around us, and we pay our social dividend to the communities in which we do business.

Aware of this reality, we contribute to the development of such communities through their participation in our business enterprise and our strategy of social responsibility, with measures intended to promote education, research, culture, and art, and to protect vulnerable groups”.

f) Sense of belonging:

“We care for and involve all stakeholders in our enterprise, engaging in continuous and constructive dialogue with them in order to know their expectations and to build strong bonds, and thus generate trust and forge a sense of belonging to an excellent company of which they feel they are an integral part”.

g) Safety and reliability:

“We work to offer a service of high quality energy supply for society, citizens, and customers and to carry out all our activities within a safe and reliable environment. The safety of our employees and of the people at the facilities of the companies of the Iberdrola group and in the surrounding areas, and that of our customers, as well as the adoption of best practices in the areas of safety and occupational health, form an unwavering pillar of our processes”.

h) Quality:

“We believe that the outstanding management of all of our processes and resources is an essential tool in the creation of value for citizens, customers, shareholders, employees, and the other stakeholders”.

i) Innovation:

“We believe that innovation is a strategic variable that affects all the businesses of the Group and all the activities we engage in. We want to be leaders in innovation within the energy sector, basing our activities in this area on sustainable development, the promotion of renewable energy, the exploitation of opportunities offered by all types of digitalisation, automation, and a wager on technologies and new business models”.

j) Respect for the environment:

“Our leadership in the fight against climate change, the development of clean energy, and respect for the environment are the pillars of our energy production model and the factor that distinguishes us in the energy sector as one of the leading companies worldwide”.

k) Customer focus:

“We work to know the needs and expectations of our customers, in order to offer them better solutions, defending the proper operation of the market under free competition, continuously working to maintain and increase their satisfaction, strengthening their connection to the Iberdrola group, and promoting responsible consumption”.

l) Institutional loyalty:

“We base our relations with the public authorities on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity, and good faith.

We consider the taxes we pay in the countries and territories in which we operate as the principal contribution to sustaining public expenditures, and therefore as one more of our contributions to society”.

4. Acceptance

The professionals of the Group expressly accept the content of the *Mission, Vision, 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 *Mission, Vision, and Values of the Iberdrola group* shall be attached to the employment agreements of all Group professionals.

This *Mission, Vision, and Values of the Iberdrola group*, which contains the corporate philosophy of the Company initially formalised as such in 2002, was approved by the Board of Directors as a standard of the Corporate Governance System on 23 February 2016 and was last amended on 19 July 2016.

