

GOVERNANCE AND SUSTAINABILITY SYSTEM

INTRODUCTION TO CHAPTER THREE - ENVIRONMENT AND CLIMATE CHANGE

1. The Governance and the Sustainability System constitutes the internal regulatory framework for the Company and its Group. It is autonomously established by the Company as its own set of rules defining its purpose and values against which its business strategies and goals are to be set.
2. The Iberdrola Group's policies, as adopted by the Company, constitute an essential part of its Governance and Sustainability System. They set out the guidelines for conduct, direction and expected results to recurring matters or issues of particular importance in the administration and management of the company, as well as for the intended best implementation of the *Purpose and Values of the Iberdrola Group*, through the behaviour of shareholders, directors and employees, and in the engagement with stakeholders.
3. The environmental policies are included within the Iberdrola Group's sustainable development strategy and constitute its response to challenges such as climate change and biodiversity loss, while recognising the opportunities arising from the energy and ecological transition. Furthermore, in line with the *Purpose and Values of the Iberdrola Group*, they reflect the Company's commitment to green recovery and to the environment, in all their forms, while seeking to generate value for customers, shareholders and other stakeholders.
4. This commitment to the environment and the fight against climate change applies to all those who act for or engage with the Company and its Group, to the extent applicable, for the benefit of all stakeholders.
5. The content of these environmental policies is aligned with the goals and the plan of action established by the Paris Agreement and the United Nations 2030 Agenda for Sustainable Development. Decision-making by the directors and employees of the Company and its Group in the performance of their duties and within this framework, must conform to the content of these policies and to the achievement of the goals established in them, to allow the Company to be a driver and lever for environmental conservation, and change, at a global level.
6. The ideas, values and principles in these guidelines or protocols for conduct are subject to ongoing updates to adapt them to the ever-changing circumstances in which the Company and its Group operates as an established business. Accordingly, like the other parts of the Governance and Sustainability System, the environmental policies are subject to a dynamic process of review. The Company, as part of the Iberdrola Group, has in place, uses and promotes multiple channels with all its stakeholders for these purposes.

In Glasgow, on 16 February 2021

The Board of Directors