



Knowledge Management Policy



19 April 2021

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The Board of Directors of IBERDROLA, S.A. (the “**Company**”) has the power to design, assess and continuously revise the Governance and Sustainability System, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

In fulfilling these responsibilities, aware that intellectual capital constitutes a basic pillar for the creation and protection of the Company’s value, and in compliance with the provisions of the *Purpose and Values of the Iberdrola group*, the Board of Directors hereby approves this *Knowledge Management Policy* (the “**Policy**”).

1. Purpose

The purpose of this *Policy* is to establish guidelines for the dissemination and sharing of the Group’s existing knowledge and promote continuous learning and cultural exchange, so as to enhance operational efficiency through the proper use of intellectual capital and encourage initiatives, procedures and tools that allow for the actual and effective use of this intellectual capital, always furthering the interests of the Company and of the companies belonging to the Group, without prejudice to specific policies that may be established at particular companies of the Group.

In a world in which traditional production assets are ever more accessible, intellectual capital is the asset that marks the differences between companies that are competitive and those that are not; between companies that sustainably create value and those that gradually lose their capacity to generate wealth; and between companies that are able to act as a lever for social change and transcend purely financial objectives.

The intellectual capital of the Company depends to a large extent on all of its people, but also depends on its operational and organisational structures and on internal and external relations with all Stakeholders. Organisational and personal training must therefore be permanent and ongoing, and must be in line with the strategy of the Group.

2. Scope of Application

This *Policy* applies to all companies of the Group, as well as to all investees not belonging to the Group over which the Company has effective control, within the limits established by law.

Without prejudice to the provisions of the preceding paragraph, listed country subholding companies and their subsidiaries, based on their own special framework of strengthened autonomy, may establish an equivalent policy, which must be in accord with the principles set forth in this *Policy* and in the other environmental, social and corporate governance and regulatory compliance policies of the Governance and Sustainability System.

At those companies in which the Company has an interest and to which this *Policy* does not apply, the Company will promote, through its representatives on the boards of directors of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures (*uniones temporales de empresas*) and other equivalent associations, if the Company assumes the management thereof.

3. Main Principles of Conduct

To achieve these goals, the Group adopts and promotes the following main principles of conduct that must inform all of its knowledge management activities:

- a. think of the Group as a system made up of connections among people and working groups as a key lever for talent development. The knowledge of each person or group must be identified and accessible to all, generating a multiplier effect, so as to produce knowledge-based operational leverage. For this reason, it is especially important to identify where critical knowledge resides within the organisation;
- b. recognise the value of the knowledge existing at the Group and boost its development as a key value-creation tool, promoting a business culture that encourages the dissemination of this knowledge;
- c. promote working methods and environments that favour the sharing of ideas and knowledge;
- d. structure an intelligent organisation, with the capacity for ongoing learning, innovation and digital transformation;
- e. recognise different forms of knowledge and promote diverse and inclusive knowledge;
- f. establish a line of work to constantly improve the initiatives and the application thereof at all of its business units;
- g. align knowledge management with the skills and requirements set out in the Group’s strategy;
- h. define the required models of management, measurement, processes, systems and documentation by integrating the vision of the various business units in order to understand and develop mechanisms to ease the flow of knowledge within the existing organisational structure, within a secure environment. This allows for the sharing of experiences and ensures that constant attention is given to the operation of the organisation as a whole, thus contributing to the achievement of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations;





- i. foster the sharing of the knowledge existing at the Group to the greatest extent possible, putting in place the necessary resources to enable the development and internal dissemination thereof through communication, awareness-raising and training, as well as the efficient use thereof. This shared intelligence is creative and innovative, and greater than the mere sum of the individual intellectual capabilities involved, thus multiplying internal talent. Emphasis will be placed on the creation and enhancement of organisational connections (networks), as well as on team cohesiveness, in line with the values of the Group;
- j. evaluate the intellectual capital existing at the Group in a consistent and sustained manner over time, in order to be able to assess the effectiveness of the initiatives implemented under this *Policy*, correct defects and develop new activities;
- k. implement actions for improvement to bring the Group ever closer to excellence in knowledge management; and
- l. respect the intellectual and industrial property rights of third parties in the knowledge management of the Group.

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This *Policy* was initially approved by the Board of Directors on 16 December 2008 and was last amended on 19 April 2021.



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