



# Introduction to Book Two - Purpose

1. The Company's Governance and sustainability system constitutes the internal regulatory framework for the Company, established, within exercise of the corporate autonomy that the law supports, to ensure that its purpose and values are materialised through its rules and that its business aims and goals are achieved.
2. The Company's Governance and sustainability system and more specifically its *By-Laws*, which constitute its primary source and regulation recognise and validate that the Company and the other Group companies are guided and governed by the Purpose and Values of the Iberdrola Group, which make up its corporate ideology, its ideological and axiological basis.
3. This commitment of the Company to the Purpose and values of the Iberdrola group, expressly recognised in its By-Laws and which inspire its Governance and Sustainability System, has profound implications.

This means, among other things, that its accomplishment constitutes the Company's determining and ultimate purpose, which, strictly speaking, identifies and singles it out as a business project. Hence, the reception of a purpose and values, which transcends the achievement of purely economic benefits in the short term, sets, by itself, a clear direction, a precise guide and orientation of its work, a particular understanding and comprehension of the role to be played by its Stakeholders, as well as of its links and ties with the communities with which it is related. The identification and definition of a specific purpose and values determines, in short, that its entire internal organisation, the Governance and Sustainability System, is designed, implemented, applied and interpreted on the basis of one and the other, as they constitute its true founding, informing and guiding principles.

4. The purpose of the Company, constitutes its *raison d'être*: "***continue to build, every day and in collaboration, a more electric, healthier and more accessible energy model***", and its values constitute its way of being, summarised under the expressions of "sustainable energy", "integrating force" and "driving force".
5. The Purpose and Values of the Iberdrola Group are based on and further develop the basic definitions of corporate purpose, interest and dividend, and good governance set forth in the By-Laws.

This purpose and values guide the Company and the other companies making up the Group towards comprehensive (economic, social, and environmental), responsible, and sustainable business action that contributes to the Sustainable Development Goals approved by the United Nations (UN), which meets ESG (Environmental, Social and Governance) requirements, and seeks to obtain benefits and the satisfaction of equally comprehensive economic and social "dividends" for all of its Stakeholders, for the communities in which it operates, and for society in general.

6. Without prejudice to inspiring and informing the entire Company's Governance and sustainability system, the Code of ethics and the general or cross-cutting corporate policies included as content of this book two are immediate corollaries of the Purpose and Values of the Iberdrola Group.

The Code of Ethics represents the definition for Iberdrola and the other companies of the Group, carried out through the prism of the Purpose and Values of the Iberdrola Group, of social ethics, of generally accepted ethical principles and standards, constituting the conduct guidelines that must govern the actions of all its members and of all those related or linked to it, while promoting a culture based on ethics and a commitment to sustainable development.

The corporate policies included in this book two, which are the General sustainable development policy and the Stakeholder relations policy, constitute the general framework, directives, guidelines or generic criteria in which all other more specific or singular corporate policies are embedded, be they environmental, social, risk or corporate governance policies. The first develops the group's sustainable development strategy around the above-mentioned ESG axes or objectives. It is Iberdrola's response on how to carry out its business activity and how to fulfil its purpose in these areas of action, how, in short, to achieve this sustainable business value. The second, in turn, establishes the general guidelines for relations, redefined by the Purpose and Values of the Iberdrola Group, with all of the Company's own and specific Stakeholders.

7. With the identification and adoption of the *Purpose and Values of the Iberdrola Group*, the *Code of Ethics*, the *General Sustainable Development Policy* and the *Stakeholder Relations Policy* and its reception into its Governance and Sustainability System, Iberdrola Energía España reaffirms its current identity, which develops a comprehensive, committed and shared business action with its Stakeholders, to whom it provides its leadership and traction in its sphere of action based on sustainable development, within the general framework of respect for human rights, the social market economy and social ethics..

In Bilbao, on 11 July 2023.

The Board of Directors of Iberdrola Energía España S.A.