According to the prestigious publication 'World Finance', on the ninth edition of its 'Corporate Governance Awards'

IBERDROLA SELECTED AS THE SPANISH COMPANY WITH THE BEST CORPORATE GOVERNANCE PRACTICES

Ignacio Galán, highlighted that the Group’s commitment to best governance practices and financial strength has created long-term value for its shareholders

For the third time, IBERDROLA was selected as the Spanish company with the best corporate governance practices, according to the publication World Finance on the ninth edition of its Corporate Governance Awards.

The Chairman of the Group, Ignacio Galán, said that “IBERDROLA’s business model based on a long-term vision, ethics and transparency and the integration of people and cultures has generated economic benefits for all the Company’s stakeholders.”

According to Ignacio Galán, good governance requires a constant effort to communicate corporate policies to all stakeholders, not just investors. “Corporate sustainability and responsibility should be embedded in every aspect of the company’s life. We are firmly committed to our customers, offering them the service they require; to our suppliers, involving them in our responsible and ethical practices; and to our shareholders, by creating sustainable value for the people, most of them pensioners, who have given their confidence and trust to IBERDROLA,” he added.

With this award, World Finance recognizes the Company’s effort to constantly update its Corporate Governance System, as well as maximum transparency in the information it provides to the market. “Historically – he explained – companies’ objective was to maximise benefit and shareholder return. Nowadays, the demands of a responsible and sustainable operation make corporate governance even more important that corporate profitability.”

According to World Finance, “having a greater proportion of women and international members on the board has helped IBERDROLA be better equipped for meeting the challenges of a complex and ever-changing industrial and economic environment.”

IBERDROLA’s Corporate Governance System is based on the articles of association, the Group’s basic governance document which describes the principles according to which the various areas are governed, as well as the Company’s other internal codes and procedures.

Moreover, the corporate and governance structure of the company clearly separates general and effective management functions from supervision and strategic coordination tasks. Thus, the Board of Directors is responsible for establishing the Group’s policies, strategies and
management guidelines, supervising their general application and deciding on matters of strategic relevance at Group level. The Board’s chairman and CEO, the Chief Operating Officer and the rest of the management team are responsible for the Group’s organization and strategic coordination.

**Commitment to communication and transparency**

One of IBERDROLA's essential tools in relation to its commitment to transparency and best practices is the website [www.iberdrola.com](http://www.iberdrola.com). Its “On-Line Shareholders (OLS)”, an interactive system hosted on the corporate website, enables shareholders to establish direct and permanent dialogue with the Company.

Recently, IBERDROLA approved its Shareholder Engagement Policy, an ambitious project designed to strengthen the role of the shareholder as one of the main pillars supporting the company's corporate governance strategy, encouraging their engagement in corporate life and the exercise of their rights. Thus, becoming the first Spanish company and among the world’s pioneers in the implementation of such an initiative.

Back in 2012 and 2014, IBERDROLA was also selected by World Finance as the Spanish company with the best corporate governance practices. For the second year running, it has been named as one of the most ethical companies in the world, according to the 2015 World's Most Ethical Company ranking drawn up by the Ethisphere Institute which acknowledges organisations that are committed to ethical leadership and behaviour at corporate level.