

Policy Against Climate Change

15 December 2009

POLICY AGAINST CLIMATE CHANGE

The Board of Directors of Iberdrola, S.A. (the “Company”) is aware of the key role played by the energy industry in the fight against climate change.

Therefore, acknowledging the importance thereof, the Company undertakes to promote the endorsement of the International Agreements required to combat climate change; to support the development of efficient technologies in terms of GHG emissions; to encourage an efficient internal use of energy, and to raise its customers' awareness regarding efficient and responsible energy consumption.

In order to implement these commitments, the Company's actions shall observe the following Basic Action Principles:

SUPPORT compliance with the Kyoto Protocol and the International Agreements that may replace it, as well as the instruments designed therein.

PROMOTE management systems whereby climate change can be combated, in terms of both mitigation and adaptation.

USE ITS BEST EFFORTS to achieve a gradual reduction in the intensity of GHG emissions (expressed in CO₂ grams per generated kilowatt/hour) and thus endeavor to remain below the levels recommended by agencies and international agreements for the electricity industry.

ENCOURAGE possible improvements in the performance of distribution networks, in order to ensure reliable supply and reduce losses.

ENDORSE a culture oriented toward an efficient and responsible internal use of energy, and encourage our customers to adopt behaviors favoring a responsible use of energy.

PARTICIPATE in public or private opinion forums in order to be apprised of the best practices that may contribute to mitigating climate change.

DISSEMINATE any results achieved and/or actions performed by the Company regarding the fight against climate change.

