

A CLEAR COMMITMENT TO HUMAN RIGHTS

Since its creation, IBERDROLA RENOVABLES has clearly defined the ethical principles that apply to the Company's activities, and thus to the conduct and activities of its employees and professionals. The Company's commitment to the defense of human rights is one of the mainstays upon which the organization is sustained and maintained.

1. MANAGEMENT APPROACH

Policies and Code of Professional Conduct.

IBERDROLA RENOVABLES' commitment to the defense of human rights is one of the foundations the organization has used to define the ethics applied in the company's activities and, accordingly, the conduct and actions of its professionals.

To establish these foundations, the Board of Directors of IBERDROLA RENOVABLES approved a Corporate Social Responsibility Policy that establishes the following principles, among others:

- To respect all human rights and, in particular, those the violation of which degrades workers, which entails opposition to child labor and to forced or compulsory labor.
- To develop a favorable employment relations framework based on equality of opportunity, non-discrimination and respect for diversity, promoting a safe and healthy environment and facilitating communication with the workforce.
- To develop responsible practices in the chain of value, establishing transparent, objective and impartial processes with suppliers and providing users with all relevant information regarding the products and services sold.

These principles must be observed by all professionals of the Group, regardless of the place where they work.

As mentioned above, IBERDROLA RENOVABLES has a Code of Professional Conduct that governs the conduct of all Group professionals and, specifically, conduct relating to the defense of human rights, and establishes oversight mechanisms and disciplinary measures. This ensures that the principles of non-discrimination and equal opportunity, freedom of association and collective bargaining, protection of ethnic minorities, and opposition to child labor and forced or compulsory labor are observed and complied with in all Company operations.

Specifically, the Company assumes the commitment to human and labor rights acknowledged in domestic and international law and to the principles of the Global Compact, the United Nation's Norms on the Responsibilities of Transnational Corporations, the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD) and the International Labor Organization's Tripartite Declaration of Principles Concerning Multinational Enterprises and their Social Policy.

The Board of Directors of IBERDROLA RENOVABLES approved a Recruitment and Selection Policy, which establishes the following principles, among others:



- To respect equality of opportunity and promote non-discrimination by reason of race, gender, nationality, religion, age or any other personal, physical or social condition. This assures the ability to hire, motivate and retain the best talent and maintain the ethical and legal principles expected of a trusted Company that are aligned with the values of our customers, shareholders, employees and the community.

And the Contracting and Relationship with Suppliers Policy, under which the Company assumes the commitment to:

- Promote strict compliance by suppliers with contractual conditions and current regulations and legislation, with particular emphasis on respect for the principles established in the United Nations Global Compact.

These policies, along with others also approved by the Board of Directors of IBERDROLA RENOVABLES, may be viewed on the Company's website: www.iberdrolarenovables.es.

2. HUMAN RIGHTS PERFORMANCE INDICATORS

Aspect: Investment and procurement practices

HR1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

The investments of the IBERDROLA RENOVABLES Group are guided by the general principles relating to the company's values and the Corporate Social Responsibility Policy and, more specifically, the principle of Respect for Human Rights, particularly employees' rights and opposition to child labor and forced labor. IBERDROLA RENOVABLES is confident that such investments are made in full compliance with the law and in accordance with strict standards of respect for human rights, and has no evidence, whether internal or external, of any actions contrary to such rights.

HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

IBERDROLA RENOVABLES extends the principles of protection of human rights to its supply chain. In its supplier selection processes, the Company follows standards of objectivity, impartiality and equal opportunity and avoids any conflict of interest in the selection of suppliers. It promotes publicity and competition in selection processes, within management efficiency standards.

IBERDROLA RENOVABLES evaluates suppliers through the IBERDROLA Group. A specific provision establishing the corporate social responsibility of suppliers was included in the IBERDROLA Group's contracting conditions in 2008. Such conditions apply to the orders made from IBERDROLA, and it may therefore be stated that respect for human rights, opposition to the use of child labor, the elimination of all kinds of discrimination and opposition to forced labor, among other things, are associated with every contract.

IBERDROLA RENOVABLES uses the RePro classification system to prequalify its suppliers. This database has updated information on companies that is used by the leading entities within the energy industry. Access to RePro is open at all times to any supplier. The Company selects its suppliers on the basis of the information they have entered in the registration system.

Subsequently, as part of the Procurement policy, suppliers are evaluated on their technical and production capacity and their performance in the following areas:

- Quality.
- Safety and risk prevention.
- The environment.
- Social Responsibility.
- Economic and financial condition.

In 2008, there was no need among the entire IBERDROLA RENOVABLES Group to revise or cancel any contract with suppliers or subcontractors for breaches relating to human rights. Furthermore, the Company did not have to take any disciplinary action against any supplier for such reasons in 2008.

HR3. Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

All employees of the Group have been informed of the Code of Professional Conduct and the Corporate Social Responsibility Policy, as well as of other Policies approved by the Board of Directors that contain specific clauses on respect for human rights.

The Board of Directors of IBERDROLA RENOVABLES has approved a Corporate Social Responsibility Policy.

The business culture in the countries in which the IBERDROLA RENOVABLES Group operates is entirely respectful of human rights. This has made specific training on this subject unnecessary to date.

In addition, in the United States, 394 employees have received human rights training. In Greece, two employees received a total of 31 hours of human rights training.

Aspect: Non-discrimination

HR4. Total number of incidents of discrimination and actions taken.

The IBERDROLA RENOVABLES Group has no evidence of any reported incident of discrimination.

Aspect: Freedom of association and collective bargaining

HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

The Company has no knowledge of activities carried out by the IBERDROLA RENOVABLES Group that could be considered to jeopardize the right of freedom of association or the right to adhere to collective bargaining agreements.

Aspect: Child labor

HR6. Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

The Company has no knowledge of any activities carried out within the IBERDROLA RENOVABLES Group that entail a potential risk of child exploitation, nor is there any evidence of any such incident having occurred.

The IBERDROLA RENOVABLES Group, through the IBERDROLA Group's Code of Professional Conduct, expresses its total opposition to child labor.

The recruitment and selection processes followed by the companies of the IBERDROLA RENOVABLES Group ensure that no minors are hired as part of the workforce. In addition, the IBERDROLA Group's general contracting conditions include a clause that specifically provides that any form of child labor will be avoided, observing the minimum hiring ages established by applicable law

and establishing appropriate and reliable mechanisms to verify the age of those hired.

Aspect: Forced and compulsory labor

HR7. Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

The Company has no knowledge of any activities carried out by the IBERDROLA RENOVABLES Group that entail a risk of giving rise to episodes of forced or compulsory labor. The company does not use forced or compulsory labor in its operations.

The IBERDROLA RENOVABLES Group, through the IBERDROLA Group's Code of Professional Conduct, expresses its total opposition to forced or compulsory labor.

In addition, its general contracting conditions include a clause to eliminate any form or kind of forced or compulsory labor, understood as any work or service demanded of an individual under threat of any punishment and that is not obtained freely and voluntarily from the individual.

Aspect: Security practices

HR8. Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Both in Spain and at the international level, security personnel, including both the Company's and subcontracted personnel, have not received any specific human rights training, as it has not been deemed necessary owing to the respectful culture of the business environment of the countries in which the Group operates.

IBERDROLA has entered into an agreement with the Spanish Red Cross for the preparation and monitoring of a human rights course for IBERDROLA personnel engaged in security activities. For the time being, IBERDROLA RENOVABLES employees have not attended such courses.