Why is supplier sustainability important to Iberdrola?

Sustainability is a key value for Iberdrola, both because of the demands and assessments made by our stakeholders (shareholders, financial institutions, customers, etc.), which help us to positively differentiate ourselves, and also because of the environmental, social and governance (ethical and compliance) factors assessed by Forética, an external organisation specialising in this area. Responsibility, Compliance, Sustainability and Environment, and has also been validated by internal stakeholders: the Departments of Social Development and Standard of Social Conduct within the Procurement Division. The model has been agreed to by internal stakeholders: the Departments of Social Development and Standard of Social Conduct within the Procurement Division. The model has been agreed to by internal stakeholders: the Departments of Social Development and Standard of Social Conduct within the Procurement Division.

What is our sustainability assessment model?

The model measures 51 ESG-related variables with the following weights allocated to the main components of the model: Environmental: 30%, Social: 30%, Governance: 30%.

How do we do it?

We apply our own model supported by a global supplier management platform that enables us to measure, support, improve and engage with our suppliers. The model is integrated in the procurement process. Our buyers analyse the score along with the supplier’s risk and sustainability. The supplier’s ESG score is part of the IBUY platform.

Examples of ESG factors assessed

Environmental Policy
Sustainability: environmental, social and governance (ethical and compliance), aligned with the principles of our Code of Ethics.

Social
- Social Rights
- Management Systems
- Human Rights
- Fair Trade
- Steerage

Governance
- Policies
- MIS
- Anti-corruption
- Transparency
- Stakeholders
- Supply Chain

Specific Target for 2020-2022

The Iberdrola group has assumed the ambitious commitment that 70 % of its main collaborator companies must be subject to sustainable development policies and standards by 2022.

In the mid-term, companies that do not reach the required standards run the risk of being dropped as Iberdrola suppliers.

We use our model to make decisions (negotiations and awards) to take part in a tender process, closing negotiations and awards. Our buyers analyse the score along with the supplier’s risk and sustainability. The supplier’s ESG score is part of the IBUY platform.

We drive our suppliers to be more sustainable, we give suppliers that are technically more sustainable the opportunity to comply with ESG aspects. We give suppliers that are technically more sustainable the opportunity to comply with ESG aspects.

In the last 12 months, we have sent more than 100 plans with more than 15 % annexes to suppliers that improved until they were deemed sustainable.

Improvement plans

We drive our suppliers to be more sustainable. We give suppliers that are technically more sustainable the opportunity to comply with ESG aspects. We give suppliers that are technically more sustainable the opportunity to comply with ESG aspects. This supports our suppliers’ own code of ethics and their policies and standards.

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