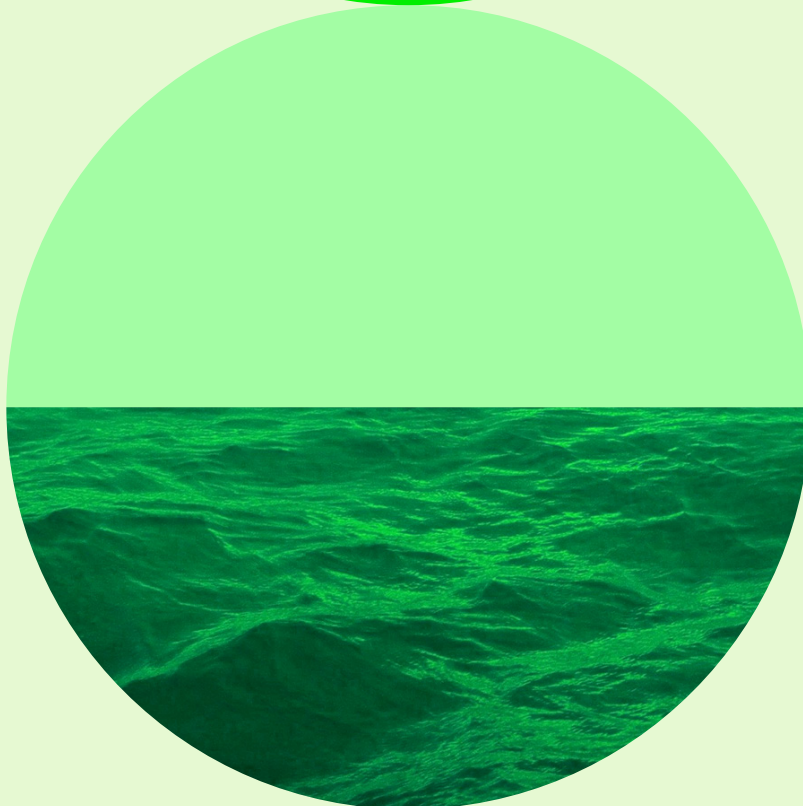
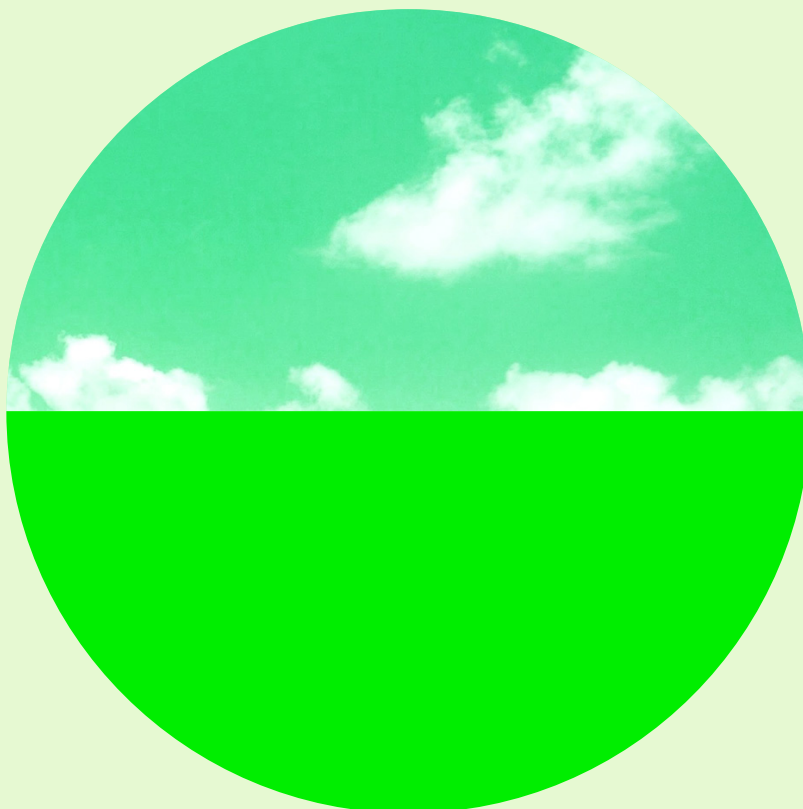


Gender  
Equality Report  
of Iberdrola  
/ 2018

Our  
Contribution  
to SDG 5





# Gender Equality Report of Iberdrola /2018

## Our Contribution to SDG 5





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# 1. Letter from the Chairman



Ignacio Galán  
Chairman of the Board of Directors & Chief  
Executive Officer of Iberdrola, S.A.

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Effective equality between men and women is one of the fundamental pillars on which our business strategy and the articulation of our commitment to society are based. At Iberdrola, we believe that the progress of people should be based on effort, talent and merits and that the elimination of all negative discrimination contributes to building companies, as well as societies, that are more capable and advanced.

I am therefore pleased to present to you this *Gender Equality Report*, which provides a detailed description of Iberdrola's performance in this area. The information included herein reflects the main policies and activities performed by the company to ensure the full participation of women in all areas of consultation and decision-making, as well as the milestones attained in promoting equality within and outside of the company.

With this report, Iberdrola becomes one of the first companies to offer within a single document an overall view of this issue, which, thanks to social pressure, has come to feature prominently in public debate.

Based on our *Equal Opportunity and Reconciliation Policy*, Iberdrola has been a leader in adopting measures favouring a balance between the personal and family life of our professionals and their occupational duties. The implementation of the continuous workday (which the company pioneered) is in addition to other innovations like increased working hours flexibility, work leaves and maternity support, which seek to create the conditions required for all professionals (men and women) to be able to hold the position they deserve within the company, with equal opportunities.

These actions have resulted in a significant increase in both the number of women hired by the company and their promotion to positions of responsibility. Over the last 15 years, the percentage of women on the workforce has doubled, and today more than 700 of them hold management positions within the group, double the amount from a decade ago.

In addition, in the group as a whole, there is equal pay for gender.

Iberdrola is also the Ibex-35 company with the highest percentage of women on its Board of

Directors: currently, 50 per cent of our non-executive directors are women, including the vice chair and the chairs of two consultative committees.

And we channel this same spirit that guides us internally to all of society, with initiatives like support for women's sport. Iberdrola was the first company to make a global commitment to encouraging the participation of women in all areas of sport, and there are now more than 20,000 sportswomen from 16 different federations who benefit from this push.

With this comprehensive commitment to gender equality, Iberdrola supports Sustainable Development Goal number 5 of the UN 2030 Agenda, a set of 17 goals that seek to ensure a better future for all and which we have fully incorporated within our strategy and our Corporate Governance System.

In recognition of this drive, Iberdrola has been included for the second consecutive year in the Bloomberg Gender-Equality index, which distinguishes companies committed to the transparency of information regarding gender issues and to progress on equality between women and men.

The information included in this report, broken down by type of measure, area of action and country, leads us to conclude that the progress achieved at the company to date is quite significant. However, we should strive to deepen this clear and unwaivable commitment. Because gender equality cannot be just a commitment. It must be a reality, and all of us must be agents of that change.

## 2. Industry Context



The engineering world has been an industry in which the masculine gender has had a historically high weight, from senior management to the other corporate and operational levels. This trend has not abated in recent years, and many thought centres have examined the issue in search of the reasons hindering the recruitment of female profiles to this industry. Almost all of the literature in this area agrees that the most deep-rooted reasons are cultural: a lack of female leaders in these positions, together with beliefs held by parents (who see it more likely that their sons rather than their daughters work in a STEM field), drive girls away from these vocations, which are still firmly rooted in gender. In conclusion, a recent OECD study revealed that only 5% of girls in the countries of the organisation contemplate choosing a STEM career, despite the reports on educational levels not showing significant differences between their cognitive abilities and those of their male colleagues.

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### At Iberdrola, the Corporate Governance System articulates the company's firm commitment to equality of opportunity

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#### By-Laws

*Ethical code*

Corporate Policies

Governance Rules

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### This system gives rise to Iberdrola's commitment to gender equality in four areas

Recruiting and selection	Salary conditions	Professional training and development	Communication
+31.25% Women in management positions during the last 5 years	100% Women that have the same salary conditions as men for the same work	34.7 vs. 29.1 Hours of training given to female executives vs. male executives in 2018	18 Awareness-raising activities scheduled between 2017 and 2018

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### The commitment to equality in these four areas of management materialises in 6 action areas in which Iberdrola engages

#### Promote equality within and outside of Iberdrola

- Awareness-raising regarding equality and co-responsibility
- Sponsorship of female sports

#### Implement positive action measures to correct inequalities

- Encourage STEM\* careers

#### Ensure that women participate in all areas of consultation and decision-making

- Encourage the presence of women in senior management
- 

#### Eliminate career obstacles for women

- Channels for monitoring achievement of the commitments

#### Strengthen mechanisms that correct the underrepresentation of women with the required qualifications

- Encourage women's access to training

#### Encourage measures of reconciliation and flexibility under the perspective of gender parity

- Implementation of reconciliation measures that go beyond the requirements of domestic law
  - Encourage flexibility of labour gender parity
- 

\* Science, Technology, Engineering and Maths.

El Marquesado wind farm, Granada  
/ Spain

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# 3. Our Principal Milestones



Our commitment to gender equality has progressed over the years and has materialised in numerous initiatives:

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1. In 2007 Iberdrola España reaffirmed its support for maternity by offering pregnant women 15 days off before childbirth, and thereafter one year of reduced working hours at 100% salary.

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2. In 2008, Iberdrola agreed with its workforce to universalise the flexible continuous workday (starting and ending time to be chosen by each employee) throughout the group. The initiative, which was unprecedented at a large industrial company, was a turning point, particularly in Spain, as it was the first company in the country to address full work and family reconciliation.

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3. In 2016, Iberdrola's Board of Directors modified the Equal Opportunity and Reconciliation Policy, with the strategic goal of developing labour relations based on equal opportunity, non-discrimination and respect for diversity.

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4. Currently, 43% of the members of Iberdrola's Board of Directors and 50% of the non-executive directors are women, which makes it one of the Ibex-35 companies with the largest percentage of women on the Board. The company has also appointed a woman as the new CEO of Iberdrola España to lead this subsidiary.

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5. Iberdrola was recognised for the second consecutive year in 2018 by Bloomberg, which included the company in the 2019 Bloomberg Gender-Equality Index (GEI). It is the only Spanish electric utility on the index and has achieved a Best in Class ranking in 30 of the categories evaluated.

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Progress has been constant in recent years, although the figures still show differences between men and women

**Women on Iberdrola's workforce**

**23%**

Below overall female participation in the labour market, 39.3%.

**Women on the Board of Directors**

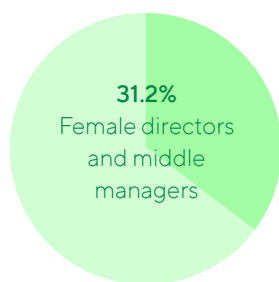
**43% (50% of non-executive directors)**

The company has outperformed the world average, which is at 15%.

**Women in the various professional categories (%)**

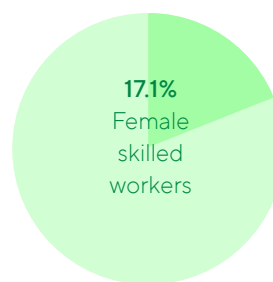
**Directors and middle managers**

Directors and Department Heads / equivalent Technicians, Managers, Team Leaders and equivalent Technicians



**Skilled workers**

Administrative officers and assistants/ skilled workers



	2014	2015	2016	2017	2018	
Directors and middle managers	28.0%	28.4%	28.8%	31.2%	31.2%	
Skilled workers	18.7%	18.4%	18.8%	17.0%	17.1%	Historical performance

**% women of new hires**

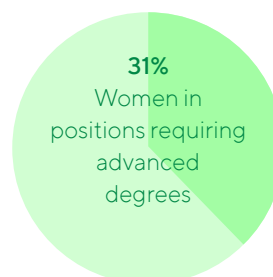
The number of newly-hired women has followed an upward trend, with a brief dip in 2017 due to performance in Brazil and Spain.

2014	2015	2016	2017	2018
26 %	27 %	24 %	20 %	22 %

**Women vs. Men**

**30% vs 21%**

Holding positions that require advanced degrees over the total for their gender.



## 4. Gender Equality in our Corporate Governance System

“No country in the world has reached equality between men and women. Inequality is not a moral problem but rather a significant barrier to inclusive economic growth.”

*The Pursuit of Gender Equality: An Uphill Battle, OECD.*

According to the UN report “Turning Promises into Action” published in 2017, “when households cannot access sufficient food, women are often the first to go hungry.” This same study states that women are paid less than men: the gender pay gap was at 23 per cent globally in 2017.

Changing these figures has become a true challenge for the 150 countries that signed the 2030 Agenda in 2015. Thus, reaching true gender equality in all areas is the fifth of the UN’s 17 Sustainable Development Goals.

Despite acknowledging progress on aspects relating to sexual liberty, the Report on the 2018 Sustainable Development Goals states that women continue to spend about three times as many hours in unpaid domestic work and their representation in single or lower houses of national parliament has increased from 19 per cent in 2010 to around 23 per cent in 2018.

Aware of the profound inequality that still exists between men and women in all areas of the social, professional, academic and political sphere, Iberdrola has made a firm commitment to Sustainable Development Goal 5, on gender equality, which is linked to four major targets.

- End all forms of discrimination against all women and girls everywhere, including trafficking, sexual exploitation, child marriage and female genital mutilation.
- Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies.
- Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

Iberdrola has taken on the challenges of SDG 5 and has therefore implemented a number of actions, policies and procedures that contribute to the achievement of this goal.

Iberdrola contributes directly and indirectly to the achievement of SDG 5.

Directly through its **Equal Opportunity and Reconciliation Policy**, which focuses on the creation of a favourable framework of labour relations based on equal opportunity, non-discrimination and respect for diversity. Indirectly through awareness-raising and the promotion of equality outside of the organisation itself.

Iberdrola contributes to the achievement of SDG 5 through various actions, including the following:

- Iberdrola promotes the reconciliation of professional and personal life, as well as co-responsibility in the performance of family obligations, through the provision of help for the care of ill family members and the care of children and flexible working hours. The principal measure in this area, which is applicable at the corporate level, is the flexible workday and help during the breastfeeding period.
- Iberdrola is decisively committed to equality in its governance bodies, as well as in positions of responsibility at the executive level.
- Iberdrola defends effective gender equality not only through the management of its human team, but also, for example, by supporting female sports and the promoting the selection of STEM careers by young students.

Iberdrola’s complete contribution to Sustainable Development Goal 5 is described throughout the report.

## Internal regulations and Governance Bodies

Iberdrola's commitment to equality of opportunity is based on certain strong principles to be followed and a corporate structure tasked with ensuring effective compliance therewith.

Iberdrola engages in a continuous update of its Corporate Governance System, which is made up of the By-Laws, the Corporate Policies, the Governance Rules of the corporate bodies and of the internal committees and the compliance regulations. The issue of equal opportunity arises from this regulatory body, which establishes it as a basic principle of conduct and a fundamental pillar for the design of the other policies.

### *Introduction to the By-Laws*

This is the prologue to the by-laws, the essence of the company's Corporate Governance System, which expresses its commitment to favouring a good working environment and equality of opportunity.

### *By-Laws*

They set out the definition of Iberdrola's enterprise, as well as the determination of the foundations and most significant aspects of its business, corporate and institutional organisation.

### *Code of Ethics*

**Code of Ethics that sets out ethical principles and the regulations and procedures thereof.**

In accordance with the provisions in the article D.7. of the Code of Ethics, the group promotes equal treatment among men and women as regards access to employment, training, promotion of professionals and working conditions, as well as access to goods and services and the supply thereof.

## *Corporate Policies*

Policies that guide the conduct of shareholders, directors, officers and other professionals of the group.

Policies ensuring diversity and equal opportunity within the governance bodies:

- *Board of Directors Diversity and Director Candidate Selection Policy*
- *Director Remuneration Policy Policies ensuring diversity and equal opportunity for all professionals of the group.*
- *General Sustainable Development Policy*
- *Recruitment and Selection Policy*
- *Equal Opportunity and Reconciliation Policy*

## *Governance Rules*

Regulations, codes and rules that establish, among other things, the duties and obligations of the members of the corporate decision-making bodies and internal committees.

The Appointments Committee reviews the *Board of Directors Diversity and Director Candidate Selection Policy*.

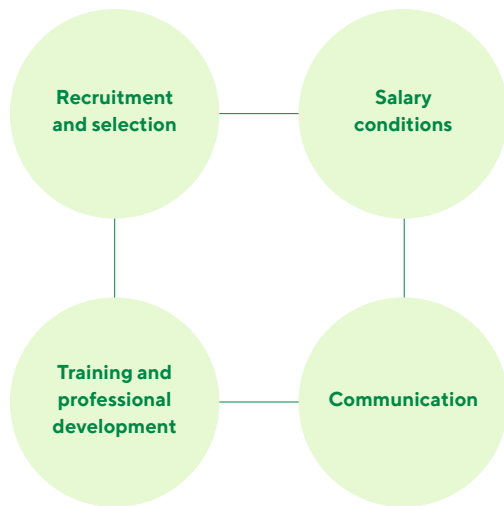
*The Equal Opportunity and Reconciliation Policy* is applied at three levels: Board of Directors, labour relations and relation with suppliers.

The Sustainable Development Committee is the highest body tasked with supervising the group's activities in the area of diversity and reconciliation.



### Our commitment: continue to develop the principle of equal opportunity

The Iberdrola corporate governance system, give rise to the commitment to ensure effective equality between men and women in the four areas of managing people, the pillars on which the company bases its strategy for action on diversity and through which it measures its results:



These four areas cover the complete cycle of talent management: first, when the potential employee comes into contact with the company's recruitment areas; second, upon receiving the offer of financial terms and benefits; third, in growing as a professional within the group; and finally, upon the occurrence of cases of discrimination or improper conduct within the company.

By establishing commitments within each of these areas, Iberdrola can design a roadmap to achieve full equality in all of them and measure the achievements and objectives in the four areas.

### Our areas of action to ensure effective equality between men and women

In its Equal Opportunity and Reconciliation Policy, Iberdrola specifies six specific action areas, levers to activate the four commitments and that have a direct effect on Iberdrola's workforce or an indirect effect on society as a whole.

#### Our 6 areas of action:

**Promote** equality within and outside of Iberdrola.

**Implement** positive action measures to correct inequalities.

**Ensure** that women participate in all areas of consultation and decision-making.

**Eliminate** career obstacles for women.

**Strengthen** mechanisms that correct the underrepresentation of women with the required qualifications.

**Encourage** measures of reconciliation and flexibility from a gender parity perspective.

## 5. Commitment to Equality of Opportunity

“We have ensured for some years that new hires and internal promotions are based on the principle of effective equality. Thanks to measures taken at the corporate level, our business is feminising, something that was unthinkable 15 years ago.”

Fabricia Abreu, Global Director of Executive and Talent Management.

## Ensure equality during the recruitment and selection processes

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### What are we committed to?

- Recruiting the best professionals through selection based on the merit and abilities of the candidates, using homogeneous selection processes.
- Encouraging young people's access to their first job through scholarship programmes and other agreements.

### What are the policies guiding our actions?

- General Sustainable Development Policy.
  - Board of Directors Diversity and Director Candidate Selection Policy.
  - Human Resources Framework Policy.
  - Equal Opportunity and Reconciliation Policy.
  - Recruitment and Selection Policy.
- 

According to recent data from the World Economic Forum, only 26% of the world labour force employed in disciplines related to engineering, construction, technology, science and mathematics is female, while the other 74% is male. Furthermore, only 25% of students in technical careers are women, which makes hiring them even more difficult.

The energy sector is one of the industries with the lowest female employment rate at the global level, with women constituting 10% of the workforce, according to the Global Energy Talent Index.

In this scenario, Iberdrola already works on implementing measures to incentivise women to form in these academic disciplines, as well as in the occupations traditionally held by men, like that of electrician.

## Iberdrola ensures that all profiles receive the same treatment during the recruitment process

During 2018, Iberdrola has worked on homogenising the selection and onboarding process at the corporate level. It is a project intended to formalise the processes of recruitment and selection to guarantee equal and fair treatment at all corporate levels at all of the subsidiaries.

Furthermore, with a view to improving opportunities for internal selection, Iberdrola has activated a single employment channel, where employees can view and apply to fill internal job vacancies that match their profile.

### Iberdrola wants to facilitate access to employment for all young people, regardless of gender.

For this purpose, it works on various scholarship programmes to attract young talent to the workforce, in addition to offering financial aid for studies through its Iberdrola España Foundation.

The lack of profiles makes it difficult to progress towards numeric equality in the proportion of women and men hired at companies in Iberdrola's industry. It is therefore necessary to address the origin of the problem of scarcity and encourage the participation of women in these types of academic careers increasing the critical mass of available talent. Iberdrola works on this by taking action at all of its subsidiaries to attract women towards technical careers.

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**30.3% vs. 20.9%**

Women vs. men in jobs requiring university degree on staff out of all persons of their gender.

**31%**

Proportion of women out of all employees in jobs that require a university degree.

**21.7%**

of new hires are women.

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## Defend salary equality

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### What are we committed to?

• Not establishing any differences in salary based on personal, physical or social conditions such as gender, race, marital status or ideology, political opinions, nationality, religion or any other personal, physical or social status.

### What are the policies guiding our actions?

- Director Remuneration Policy.
  - Senior Officer Remuneration Policy.
  - Human Resources Framework Policy.
  - Equal Opportunity and Reconciliation Policy.
- 

## Salary equality

Iberdrola guarantees respect for this right and has made it one of the commitments included in the Equal Opportunity and Reconciliation Policy. Monitoring salary equality is one of the keys to ensure the creation of an inclusive and respectful that not different culture based on gender, age, race or any other personal factor.

The remuneration structure for all categories of professionals and responsibility levels within the group is designed following the standard of gender neutrality.

To support equality, Iberdrola strengthens mechanisms and procedures for selection and professional development that facilitate the presence of suitably qualified women in all areas of the organisation in which they are underrepresented, including the implementation of specific training and professional development monitoring programmes for women.

Furthermore, the salary review processes that the company implements each year are based on an evaluation of individual performance and common standards for both genders.

Our salary conditions contemplate the following basic principles:

- Equal remuneration for men and women for the same work.
- Salary review process based on an evaluation of individual performance and common standards for the two genders.

## Difference between salary gap and salary equality

It is important to understand the difference between the concepts of salary equality and salary gap:

- The salary gap shows the difference between the average salary received by men and by women.
- Salary equality is the right of men and women to receive the same salary for the same work.

## Explanation of Iberdrola's salary gap

The underlying cause of the salary gap in certain age groups is the smaller presence of females within the staff, a common situation in the energy sector, which is accentuated in management and technical positions. This reality is more notable due to the scarcity of women specialising in STEM careers.

## To mitigate this reality, Iberdrola is working in the following areas:

On equitable professional development through the implementation of specific training plans for women.

On the promotion of scientific careers among women students, who will go on to form part of the talent pool that Iberdrola will access in the future.

On the promotion of measures of reconciliation that equally benefit men and women, so that they can exercise co-responsibility in family duties, thus establishing the conditions required for parity.

Average remuneration (base and variable salary)	2016	2017	2018
Management team*	123,497	124,675	119,185
Middle managers and skilled technicians	55,304	56,009	53,798
Skilled workers and support personnel	34,233	34,617	32,008
<b>Total</b>	<b>49,360</b>	<b>48,983</b>	<b>46,293</b>

\* The management team includes up to the level of team leaders Companies included: Iberdrola S.A., subsidiaries of: Iberdrola Spain, ScottishPower, AVANGRID, Neenergia and Iberdrola Mexico.

Average remuneration (base and variable salary)	Men		Women		Total		Ratio men/women	
	2017	2018	2017	2018	2017	2018	2017	2018
Up to 30 years old	25,076	22,208	25,579	23,953	25,188	22,591	98.0	92.7
Between 31 and 50 years old	46,569	42,685	49,299	47,882	47,287	43,991	94.5	89.1
More than 50 years old	68,259	67,787	61,914	61,064	66,973	66,378	110.2	111.0
<b>Total</b>	<b>49,089</b>	<b>45,990</b>	<b>48,639</b>	<b>47,278</b>	<b>48,983</b>	<b>46,293</b>	<b>100.9</b>	<b>97.3</b>

## Demonstrate equitable treatment in training and professional development

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### What are we committed to?

- Ensuring the education and training of all professionals in the knowledge and skills required for the proper performance of their work.
- Valuing such knowledge and skills as are required to perform a job, through the evaluation of goals and performance.

### What are the policies guiding our actions?

- Human Resources Framework Policy.
  - Equal Opportunity and Reconciliation Policy.
  - Knowledge Management Policy
- 

## The most objective professional development path is the equitable evaluation of the performance of each employee

Based on their responsibility and level, employees are subject to two kinds of evaluation processes, which have a dual objective: to design the career plan and to define the annual salary review.

The career plan translates into the design of a specific training programme for each employee that allows them to assume new responsibilities in the future.

Iberdrola's commitments to the training and development of its professionals are extendable to all professional categories, all levels of responsibility, and without distinction as to gender.

Iberdrola also has specific training programmes for recently hired junior professionals, including for the development of specific skills identified during the performance evaluations of professionals with a track record at the company. There are a total of four training programmes applied at the global level. The heads of the businesses and the Human Resources Division are jointly responsible for the design and validation of these programmes.

## Specific Training Programmes at Iberdrola

### Mentoring and Early Career Program

There are two development programmes for recently hired junior professionals. These programmes facilitate their adjustment to and integration within the company through tutoring and the presentation of the various areas of the company.

### Personal Development Plans

This is the catalogue of continuous online training made available to all employees.

### Development Roadmap

This is a global programme for professionals in the first stages of management to strengthen the abilities and skills required in the management of teams.

### Management School

This is a specific programme for executives at the corporate level that offers different programmes each year in collaboration with prestigious teaching institutions.

33% of the participants in the third edition of the MBA in the Global Energy Industry, aimed at high-potential employees, were women.

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**2,689**

Internal promotions in 2018, 27% were women (higher than the 23% women on staff).

**9%**

Women promoted over the entire workforce of their gender (7% men)

**34.7**

Hours of training provided to female executives (29.1h for male executives).

**83%**

Women subject to evaluation by personal objectives (80% men)

**85%**

Women subject to performance reviews (81% men)

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## Foster transparent communication

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### What are we committed to?

- Implementing the measures of communication required to disseminate all of the initiatives available in the area of reconciliation and equality.
- Making available to employees the channels of communication required to report violations of the principle of equality, as well as to inform of options for improvement.

### What are the policies guiding our actions?

- Code of Ethics.
  - General Sustainable Development Policy.
  - Equal Opportunity and Reconciliation Policy.
  - Equality Plan (Iberdrola España).
  - Policy on Respect for Human Rights.
- 

The Policy on Respect for Human Rights contains the principle of *having in place reporting and grievance mechanisms, equipped with adequate guarantees and settlement procedures, in order to respond to any events of violation of human rights that may be reported by persons or organisations from outside the group.*

The equality initiatives that Iberdrola makes available to employees would not be useful if they were not properly disseminated among the beneficiaries, if they were not promoted by management, and if there were no channels to state opinions, grievances or questions.

**Through awareness-raising campaigns, Iberdrola ensures that the measures of reconciliation and equality benefit all employees.**

The beneficiaries of the reconciliation and equality measures must be made aware of them, and team leaders must be made aware of the importance of encouraging the application thereof. For this reason, Iberdrola works to actively communicate the package of measures available to employees and to disseminate the principle of effective equality among those in positions of responsibility.

To ensure the proper awareness and application of reconciliation measures, there is a Training Plan, which includes, among other measures, an online course, specific training for executives, and informational and awareness-raising lectures regarding this topic for the entire workforce.

The Action Plan arising from the Iberdrola España Equality Plan included 18 awareness-raising and communication actions between 2017 and 2018.



The application of the Equality Plan approved in Iberdrola España and related measures also gave rise in 2018 to various communication activities, including the “Parents School” (Escuela de padres) initiative. The goal is to facilitate relations among parents, children and company to understand reconciliation in a responsible manner and to disseminate information through various internal tools.

### **Iberdrola has implemented reporting and grievance channels to state opinions, complaints or questions**

The organisation needs constant feedback from the professionals, who play a dual role: as beneficiaries of the measures and as possibly being affected by a violation of the principle of effective gender equality and non-discrimination.

The Compliance Unit is responsible for handling communications made through the ethics mailboxes, except in cases where the report affects an professional of a country subholding company or head of business company that has its own Compliance Division. An investigator is assigned based on the nature of each case, and may be from outside of the company. In addition to the mailboxes, Iberdrola has an anti-harassment protocol.

In this context, the complaint mailbox functions like a cross-sectional tool throughout the group to ensure proper dissemination and monitoring of the principles at the global level.

A total of 26 grievances regarding labour discrimination at the group level were received during financial year 2018. 10 of them are pending.

In 12 of the 16 that were closed during the year, no evidence of improper conduct was found. The other four ended with confirmation of the existence of improper conduct: three ended in a written reprimand and the fourth one in dismissal.



“The Iberdrola group has an effective Compliance System, with anonymous complaint mailboxes available to all employees that allow for the identification of any improper conduct or activity. During 2018, 4% of the grievances accepted for investigation were related to some type of discrimination. 16 of them have been closed, and 4 of them confirmed the existence of improper action in this area, ending with a written reprimand or with the dismissal of the person responsible.”

M<sup>a</sup> Dolores Herrera, Global Compliance Director.



Iberdrola's offices in Madrid / Spain  
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## 6. Areas of Action

“Iberdrola’s highest levels supervise the proper application of all of its rules, including those relating to equal opportunity and reconciliation. We have numerous mechanisms to ensure gender equality, non-discrimination and respect for diversity in all of the company’s processes.”  
Sonsoles Rubio, Global Director of Internal Audit.

## Promote equality within and outside of Iberdrola

The Equal Opportunity and Reconciliation Policy strengthens the group's commitment to effective equality of opportunity between women and men both within the organisation and in society, and promotes awareness of this issue in both spheres.

For Iberdrola, it is as important to ensure that the company respects the principles of equality and non-discrimination as it is to transfer, disseminate and promote these same values among other social groups, whether indirectly related to Iberdrola as suppliers, or not related in the professional sphere like the whole of society.

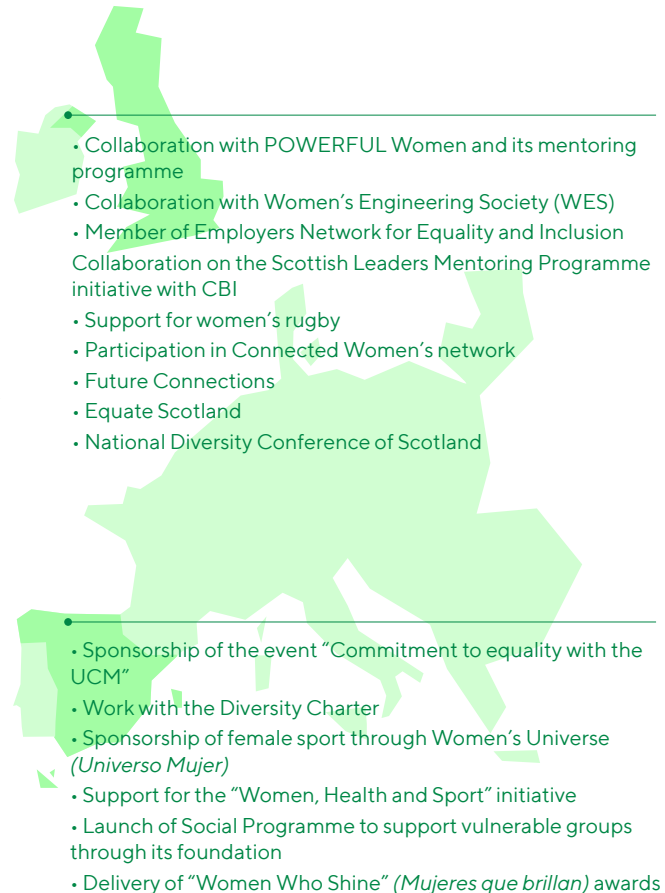
Iberdrola has various initiatives and collaborations with institutions that support respect for the principle of equality in both the private and the public arena.

At the group level, Iberdrola is a member of the European Round Table, an initiative at the EU level bringing together 50 chairs and executive directors of European multinational companies in order to design and advocate policies creating a strong, open and competitive European Union.

Within this initiative, Iberdrola works in the Social Changes working group, focusing on issues relating to the European Union's most valuable resource of value creation, its people. One of its four action areas is the promotion of the representation of women in leadership positions, focused on monitoring figures and milestones mainly promoted and driven by the more than 50 members of the initiative.

Since 2009, Iberdrola España has continued to work with the Diversity Charter, of which it has been a signatory and in which it has the category of patron member.

### Example of external collaborations and initiatives



### Promotion of diversity in the supply chain

The high volume of purchases made by Iberdrola each year has given rise to the need to transfer its ethical principles and values to the entire supply chain.

To encourage compliance with the CSR standards that Iberdrola applies to its suppliers and contractors, it has created a supplier of the year award, which recognises ten categories, including Diversity and Inclusion.

**In 2018, the supplier of the year award in the Diversity and Equality category went to ITB Equipamientos Eléctricos.**

The award to the Brazilian supplier was due to its intense work in the area of equality, diversity and women's rights.

Iberdrola also carries out an internal evaluation of its main suppliers in accordance with economic, logistics, environmental and social standards. Among the aspects evaluated, it stands out equal opportunity.

When establishing fuel supply contracts, apart from agreeing on contractual elements that respect the law applicable in the countries involved in the transaction, Iberdrola negotiates the inclusion of clauses regarding social responsibility to equalise the conditions for suppliers at all of its subsidiaries.

### Promoting women's sport

In order to promote and disseminate the role of women in sports, a historically male-dominated area, in 2016 Iberdrola joined the national programme Women's Universe (*Universo Mujer*) of the Higher Council for Sport (*Consejo Superior de Deportes*) (CSD). The fundamental values of the programme include communicating the success and practice of women's sport, favouring gender equality, and fostering healthy habits from a young age.

The programme has designed and promoted the Women, Health and Sport initiative, a new sporting format mainly intended to transmit the ideas of effort and achievement through the practice and exhibition of various sporting activities, and to be a speaker for the successes of Spanish sportswomen.

In addition Iberdrola directly supports female sport through sponsorships.

Since 2016, Iberdrola has given its support to sixteen sporting federations selected due to their extraordinary record, high level of participation, the existence of programmes to promote sport at the grassroots level and other social projects.

At a lower level, but under the same concept, ScottishPower has begun sponsorship of female rugby and in Iberdrola Mexico there is support for women league.

### Eliminate career obstacles for women

The Equal Opportunity and Reconciliation Policy guarantees the professional development of women within the group, eliminating obstacles that could hinder or limit their career.

Numerous studies reveal that at many companies throughout the world there continue to be small discriminatory behaviours against both genders, although with a much higher frequency for women. Although this discriminatory conduct is not necessarily an infraction of codes of ethics or corporate behaviour, they may over the long term entail barriers to the promotion of women and the appearance of “glass ceilings.”

Iberdrola wants to escape this reality, and for that reason has already implemented a number of measures in the form of corporate policies, local policies and working and monitoring groups acting in cases of discrimination or conduct that could in any way hinder the egalitarian development of the professional career of men and women.

### Elimination of biases in selection

At Iberdrola España and ScottishPower, there is a training course for the hiring managers who participate in the selection process, providing training in four modules: the selection process, impartiality in the process, labour regulations and skills-based interviews. With this training, we increase knowledge of the process and strengthen our policy in the selection of the best candidate, while observing equality of opportunity and promoting non-discrimination.

### Procedures to ensure non-discrimination

The main mission of the Diversity and Equality Governance Committee in the United Kingdom and the Equal Opportunity Committee in Spain (which has social and business representation) is to engage in an **appropriate review of the measures implemented in the annual action plans to ensure equal opportunity and non-discrimination.**

In 2018 an awareness-raising course was provided to all employees of the group in the online training programme called “Equality at Iberdrola”, in addition to training workshops on the Code of Ethics.

At the local level, some companies have designed their own policies to adapt the company’s requirements to the specific policies of the country. At AVANGRID (United States), various policies have been implemented, including a policy against workplace sexual harassment, a policy promoting a non-discriminatory work environment, and a policy on equal employment opportunities. A policy on equal remuneration has been designed in Brazil.

### Monitoring of the effectiveness of policies and procedures

In Spain and the United Kingdom, there are various internal bodies that ensure the prevention of obstacles and glass ceilings in the development of the professional career of any employee.

Both working groups are equitably composed of union and company representatives, and are intended to monitor compliance with the action plans arising from their equality plans.

Also, as has been previously expressed, the Iberdrola group has the required grievance channels to collect reports on behaviour that does not constitute ethical conduct.

## Implement positive action measures to correct inequalities

The Equal Opportunity and Reconciliation Policy analyses affirmative action measures to correct inequalities that appear and to promote the access of women to positions of responsibility in areas in which they are underrepresented or not present.

### Encouragement of the selection of STEM careers by women

One of the main reasons for inequality in the representation of men and women at higher levels of responsibility is the lack of female technical profiles in careers relating to science, technology and engineering (STEM):

	Percentage graduates in STEM* careers of all careers (2016)	
	Women	Men
Brazil	9.72	28.03
Mexico	14.81	37.78
Spain	12.68	38.09
UK	17.52	38.08
USA	10.32	28.44

\*STEM includes careers in Science, Mathematics, Statistics, Information Technology and Engineering. Expressed as a % of the total male and female graduates.

Source: UIS, 2016 data.

Therefore, Iberdrola recognises the need to implement measures to encourage female vocation in secondary schools towards the industrial and energy sector. In 2018 it attended numerous activities at various prestigious universities in the countries in which the group has a presence, reaching a target audience of approximately 18,000 students throughout the world.

ScottishPower's efforts to attract young women to careers making up Iberdrola's talent market are in line with the trend in the country: of the geographic areas in which Iberdrola does business, the United Kingdom is the country with the highest proportion of STEM female graduates.

During 2018 the British subsidiary participated in seven meetings and workshops with students at educational centres, reaching more than 6,000 students. In addition, thanks to campaigns for recruiting scholarship students and graduate professionals, they access a strong source of first-hand talent in which both girls and boys participate.

The Womenenergy Programme promotes the role of women in the world of engineering, and through collaborations with universities and prestigious institutions offers training and tutoring for industry professionals.

ScottishPower is also a member of Women's Engineering Society (WES), a professional network of women in the technology and engineering area that offers inspiration, support and development to future professionals in the field.

In Brazil there is a programme to attract women to the trade of electrician, called Electricians' School (Escola de electricistas), which seeks to offset the large number of men in these positions and balance presence by gender.

In Mexico, the "Women with Energy" (Mujeres con Energía) event attempts to attract women to the trade of electrician, which is especially male-dominated.

The Iberdrola group has a master's scholarship and research grants programme that promotes excellence in the training of new generations and employability in strategic areas of technological innovation and development within the company.

To date, 4,000 students have already benefited from Iberdrola's firm commitment to training and have been able to engage in masters, post-graduate and research studies at prestigious international universities thanks to the scholarships offered by the company.

To put the principle of diversity and equal opportunity into effect, the 7th Collective Bargaining Agreement in Spain includes an Equality Plan within a framework of labour relations (hiring, training, promotion, remuneration, etc.), which guarantees such principle.

### Strengthen mechanisms that correct the underrepresentation of women with the required qualifications

The Equal Opportunity and Reconciliation Policy strengthens mechanisms and procedures for selection and professional development that facilitate the presence of suitably qualified women in all areas of the organisation in which they are underrepresented, including the implementation of specific training and professional development monitoring programmes for women.

The gap in the talent path at organisations has become a major issue that must be urgently dealt with by all sectors, especially the historically masculine ones in which Iberdrola operates, like engineering and energy.

The lengthening of the talent path can be explained based on two variables. The first, caused by the difference in duration of paternity and maternity leaves that keep women away from their career for more or less extensive periods of time after age 35, on average; and the second is the scarcity of women with training in science and engineering careers, which accentuates the gap.

### AVANGRID

AVANGRID puts tremendous effort into the training of its current team and of its potential team (still students), focusing above all on the role of women.

This is the case of the WomENERGY programme, focused on discovering and strengthening the talent of AVANGRID's women. This is an action plan to train future leaders of the company based on five main pillars:

- Forging collaborations with associations promoting the role of women
- Encouraging the development of future leaders, the girls of today
- Designing development, sponsorship and tutoring programmes
- Respecting and disseminating the value of diversity and inclusion
- Creating networks for acquiring talent

### Iberdrola México

A group of 40 women leaders from Iberdrola Mexico participated in the first Women with Energy (Mujeres con Energía) forum, organised by the Communications and Human Resources area in Mexico City.

The forum, which brought together the talent of female team leaders with high development potential, was attended by Iberdrola Mexico's CEO, Enrique Alba.

The participants had the opportunity to share their experiences and ask the speakers questions, discussing areas of opportunity in the labour sector to increase the participation of women in strategic positions. After the presentations, the leaders of Iberdrola Mexico participated in a workshop on Job and Personal Competitiveness given by the Instituto Tecnológico Autónomo de México (ITAM), one of the most prestigious academic institutions in the country.

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**28%**

Participants in development programmes are women (compared to 23% of women in the workforce)

**34%**

Participants in mentoring programmes are women (compared to 20% of female executives)

**37%**

Participants in executive coaching programmes are women (compared to 20% of female executives)

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**49%**

Of the beneficiaries of the scholarships and research grant programme this year were women, a proportion higher than the 29% of female researchers throughout the world, according to UNESCO data.

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## ScottishPower

ScottishPower has launched numerous initiatives tending to equalise opportunities for women throughout their career in order to ensure egalitarian professional development, including facilities to increase training.

As a product of the collaboration with Powerful Women, in 2018 ScottishPower joined a tutoring programme in which the CBI business network and 18 leaders from the business world also collaborated. The initiative began in 2015 and currently has 30 female mentors who support and help drive the career of 40 women in the sector. Thanks to ScottishPower's collaboration with POWERful Women, two employees of the company benefit from a tutoring programme to propel their careers.

Apart from this collaboration, ScottishPower has a leave policy that allows employees to leave their jobs for up to six months in order to increase their experience, knowledge and skills through training programmes in which they are interested. ScottishPower thus ensures the development of their career and having facilities to be able to do so.

ScottishPower, in collaboration with Equate Scotland, has launched Women Returner, a comprehensive support programme for female employees with STEM careers who have been inactive for two or more years, whatever the reasons.

Apart from hiring the selected women, the programme makes available to them a number of measures to update their knowledge, facilitate their re-entry into the working world, and allow for reconciliation between their professional and personal life. Six women joined the staff by this means in 2018.

A factor that affects numerous organisations in reporting their salary gap is the under-representation of women in positions of responsibility. This was the case of ScottishPower, which since then has worked to improve the manner of identifying talent and career opportunities internally.

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**9.22%**

Of women in Iberdrola's workforce have been promoted, while the proportion of men promoted in 2018 was 7.49%.

Promotions of women to category 2 were

**1.59**

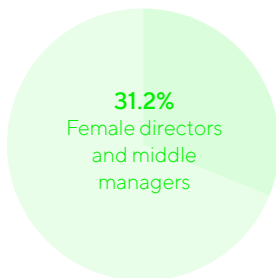
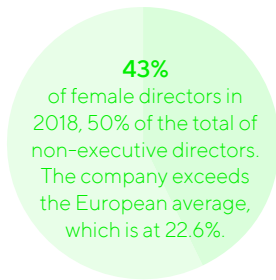
times greater than those of men.

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## Ensure that women participate in all areas of consultation and decision-making

The Equal Opportunity and Reconciliation Policy encourages a balanced representation of men and women on the various decision-making bodies and levels, which is one of the basic principles of the organisation.

To ensure that decisions are made with a gender perspective at all levels of the company, there must be female voices within all the corporate decision-making bodies.



**+22%**  
Female directors and middle managers since 2013.

## Diversity on the Board of Directors

In 2017, Iberdrola updated its Policy of Directors Diversity and Director Candidate Selection Diversity in order to strengthen the diversity standards that must govern the selection process.

Specifically, the selection of directors values candidates whose appointment favours a diversity of skills, knowledge, experience, origin, nationality, age and gender.

In particular, any type of bias that hinders the appointment of female directors or the recognition of their skills is avoided.

Currently, almost one half of Iberdrola's Board of Directors is made up of women, with six members: Inés Macho Stadler, who holds the position of non-executive vice-chair of the entity, Denise Mary Holt, María Helena Antolín Raybaud, Samantha Barber, Georgina Kessel Martínez and in addition, at the general shareholders meeting in 2019, the appointment of Sara de la Rica Goiricelaya was proposed.

This commitment makes Iberdrola one of the companies with the highest rate of female presence on the decision-making bodies.

Pursuant to the latest annual study prepared by the consultant Atrevia and IESE business school regarding women on the boards of directors of large Spanish companies, Iberdrola is one of the few companies with at least one third female directors.

Apart from being ahead of most large Spanish companies in promoting equality within boards of directors, the company led by Ignacio Galán beats the European average of 22.6% and the average for the energy sector worldwide at 16%. Iberdrola also exceeds the number of female directors recommended by the CNMV's code of good governance of listed companies.

## Diversity in management

The company does not limit its reduction in the gender gap to the management bodies, but also expands the promotion of diversity to executive officers, middle managers and technical positions.

**The proportion of women working at Iberdrola has increased by 50% over the last decade, and since 2013 the presence of women in technical and middle management positions has increased by 23%.**

Despite the progress achieved in recent years and 23.3% of the workforce being women, the challenge continues to be that they achieve management positions, given that currently only two women, or 17%, participate in the management committee.

The process of changing in the ratio of men and women has begun in the middle management group. At year-end 2018, there were 702 female executive officers throughout the group, which is 20% of the positions of high responsibility. The women at the highest levels include the CEO of Iberdrola España, the directors of Audit and Compliance, the director of Operations in the United States, and the general secretaries in the United Kingdom and Brazil.

The chairman of the company linked the collection of his variable remuneration in 2018 to, among other things, a continuous increase of female presence in significant positions.

**The British subsidiary ScottishPower has become one of the most active divisions of the group on equality issues within the management bodies.**

ScottishPower is a member of POWERful Women (PFW), an organisation that promotes diversity in the energy sector, and of which ScottishPower's CEO, Keith Anderson, is an ambassador.

As part of his work at PFW, the CEO of ScottishPower has joined a new coalition on gender diversity to increase the number of women at upper levels and as middle managers in the energy industry in the United Kingdom. The new coalition is made up of eight of the principal CEOs in the industry.

Within the context of its collaboration with National Women in Engineering Day, an international campaign to raise awareness regarding the role of women in the engineering sector, ScottishPower also sponsored the "Top 50 Women in Engineering" award given by The Telegraph in 2017, which was received by three engineers of the company, as well as the International Women in Engineering Day.

**The British subsidiary ScottishPower has a goal of exceeding 40% women in middle management positions and 30% women executives by 2022.**

## Encourage measures of reconciliation and flexibility

*The Equal Opportunity and Reconciliation Policy* promotes the organisation of working conditions with a gender perspective, allowing for the reconciliation of the personal, working and family life of women and men employed by the group, ensuring the elimination of all gender-based discrimination.

Iberdrola's goal in the area of reconciliation is to promote co-responsibility among all members of the family.

This concept refers to the possibility of exercising reconciliation on conditions of equality, regardless of the gender of the employee. Under this premise, Iberdrola offers the same facilities to reconcile the family and professional life of its male and female employees, without favouring either of the two roles.

### Iberdrola España

Iberdrola España has an Equality Plan describing numerous reconciliation measures made available to employees, which are a non-monetary supplement to remuneration.

Specifically in Spain, Iberdrola was the first Ibex 35 company to apply the continuous workday, in 2007. The continuous workday is not Iberdrola's only initiative to promote the quality of life and professional excellence of its employees.

Measures include a reduction in the workday for legal guardianship until the child reaches twelve years old compared to eight years old provided by applicable law, and the ability to reduce the workday to five hours without a reduction in fixed remuneration until the infant reaches one year of age.

Iberdrola offers greater leave facilities than those established by law, like job-protected leave for the first three years to care for children up to four years old or dependent family members. Iberdrola also increases paid leave to two weeks prior to childbirth. Each year, the Equality Committee defines annual action plans to ensure compliance with the Equality Plan signed by the company.

Iberdrola España has more than 80 reconciliation measures and help mechanisms to enable a satisfactory balance between family life and a successful professional career. There is a corporate Training Plan for the workforce to ensure the proper awareness and application of reconciliation measures.

### Neoenergia

At Neoenergia (Brazil), measures include six-month maternity leave and the hiring of 24-hour legal, financial and psychological support professionals.

### Iberdrola México

In Mexico, there are flexible work hours, and holiday periods are offered beyond what is required by Mexican law are offered. The company also allows for a reduced workday due to maternity or other family reasons. Employees are also entitled to reduce their normal working hours by one hour during the breastfeeding period, at the beginning or end of the workday. For those who are far from the work centre, these five weekly hours can be accumulated on a single day.

All workers can enjoy a period of maternity leave prior to giving birth and afterwards while keeping their job position. In Mexico, the disability period is 84 days. After the end of the legal maternity leave period, employees are entitled to job-protected leave.

### ScottishPower

At ScottishPower (United Kingdom), the company has implemented the "Working Families" programme that encourages the adoption of flexible working hours, like working half days or only when the children are in school, as well as working from home. To encourage the implementation of the measures, all managers have received training on the benefits of flexible working conditions. Any new development in the company's policies or processes regarding reconciliation and workplace flexibility is communicated to the managers through "Manager Direct Live" sessions as well as webinars.

Each year, the company uses a labour climate survey to review the satisfaction of its employees with respect to labour reconciliation and flexibility. Based on the results of the survey, the subsidiary continues to work on new measures towards increased labour flexibility.

In 2016 the company implemented the “Your ScottishPower Benefits” platform allowing employees to access corporate benefits like extra holidays or childcare coupons providing annual savings of up to £933 per parent.

The Tommy’s Pregnancy programme was implemented in 2018 in order to give the company better tools to support pregnant women and optimise the organisation with its managers.

The company launched its Policy on Shared Parental Leave in 2015, giving families the ability to freely share maternity and paternity benefits and assistance, without minimums or maximums by gender. There is a person in charge of resolving any questions regarding the Statutory Shared Parental Leave and Pay.

## AVANGRID

AVANGRID also has the goal of facilitating the reconciliation of the professional and personal life of employees. All employees have access to flex-time hours and tele-work options. Paid vacation days beyond what is required by U.S. law are also offered.

Measures include financial support to care for dependants, remunerated parental leave, free time, and the start-up of a confidential personal assistance programme.

	Spain	Mexico	Brazil	UK	USA
Reduction in working hours during breastfeeding	✓	✓	✓	✓	✓
Period Flexible Hours adaptable to each category	✓	✓	✓	✓	✓
Holiday periods greater than those required by law	✓	✓		✓	✓
Leave to care for a child	✓		✓	✓	✓
Leave to care for a family member	✓			✓	✓

### 92% vs. 73% Women vs. men

who continue on the workforce one year after maternity/ paternity leave.

**178**

Number of maternity leaves, compared to the 444 employees who have been mothers.

**377**

Number of paternity leaves, compared to the 444 men who have been fathers\*.

### 16 weeks

Minimum maternity leave period at the international level.

Neoenergia (Brazil) has up to 26 weeks.

### 2 weeks

Minimum paternity leave period at the international level.

Spain has up to 5 weeks.

\* In Brazil, 100% of the men (370) took a leave since paternity leave is 5 working days.



Wikingen Offshore Wind Farm  
/ Germany  
© Francis Tsang



# 7. Our Performance in 2018

## Spain

Global Gender Gap Index\* 0.75 / 1

### What is the context?

In order to shape the political agenda around gender equality, efforts must be combined from both the private and public sector to reverse figures that do not support SDG 5:

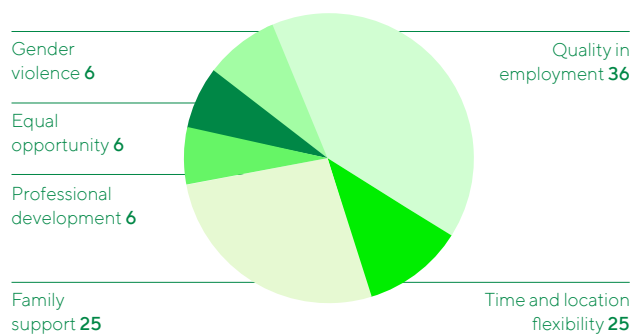
- Women are only 31.71% of the students of STEM careers.
- They are 45.8% of the workforce of listed (Ibex 35) companies, but only 5% of them hold the position of executive director.
- 76% of working women are employed (reporting to managers and with no subordinates), while only 7.7% are independently employed, compared to 64% and 12% of men, respectively.
- The energy industry employs 0.7% and 0.3%, respectively, of working men and women in the country.
- A new Non-Financial Information and Diversity Act was approved in 2018 requiring companies to publish their salary gap data.

The Spanish agenda on gender diversity is set by two frameworks for action at the domestic and European level. On the one hand, the country is immersed in a process of adopting the SDGs as a country-level project with the highest political and business support. On the other, as a catalyst for this commitment, is the Strategic Engagement for Gender Equality 2016-2019 approved by the European Commission, covering five priorities: increasing female labour-market participation and the equal economic independence of women and men; reducing the pay gap; promoting equality between both genders in decision-making; combating gender-based violence; and promoting these values across the world.

As part of the Annual Action Plan of the Equality Committee, Iberdrola España launched a campaign with various actions to encourage co-responsibility in 2018. Another line of work from the plan has been the signing of agreements with educational centres to encourage the choice of technology career pathways.

Iberdrola's most noteworthy action for gender equality is the application of its Equality Plan. It was created in 2009 and in 2017 was incorporated into the 7th Collective Bargaining Agreement in Spain to ensure the principle of diversity and equal opportunity. The Equality Plan contemplates more than 80 measures:

Classification of Equality Plan measures



“Making me the first woman to hold the position of CEO at Iberdrola España is a great opportunity to continue, from a privileged position, to promote an increase in the presence of women in the energy sector. My aspiration is for us to arrive at gender equality in all areas of our society. To contribute to this, I personally assume the commitment to attract our young female students to this sector and to help develop our female professionals at all levels of the organisation.”

Ángeles Santamaría, CEO of Iberdrola España.

\* Source: © 2018 World Economic Forum, The Global Gender Gap Index. The index analyses the gender gaps of each country based on financial, educational, health and political standards. This data is consolidated into a final score that allows for comparisons between geographies and levels of economic development, ordered from lower gap (position #1) to higher. A score of 1 indicates that there is no gap and a score of 0 indicates the existence of barriers in all of the fields evaluated.





Women personnel

**20%**

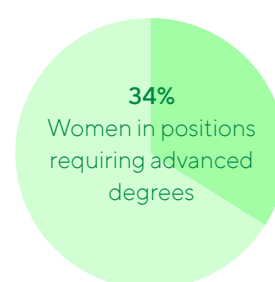
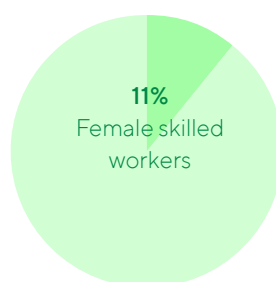
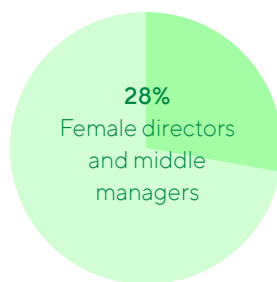
Well below the national average of 46.4%

Women on the Board of Directors

**29%**

The company exceeds the national average, which is at 16.1%.

Presence of women in the various categories (%)



Talent retention

31-50 years	Men 1.1%	Women 2.3%
50 years	Men 19.4%	Women 17.5%

Proportion of men and women on staff who leave the company, by age. At younger ages, women leave more than men, but once their career is established (50 years and above) they also remain more.

Women with part-time contracts

Spain	24.3%
Iberdrola	0.0%

Iberdrola España did not have any male or female employee on staff under a part-time contract in 2018, which is undoubtedly due to the assistance provided by the company to reconcile professional and personal life. Specifically, the figure compares to 24.3% of women at the national level employed on a part-time basis.

Training

**+16.0%**

More hours of training for female executives than for male executives.

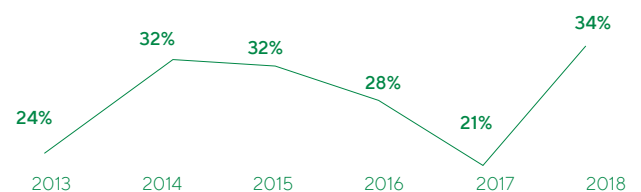
New women hires

The workforce of the company's Engineering line underwent a restructuring during 2017, for which reason a large proportion of its personnel, largely men, was relocated to other lines of service. However, the trend improved in 2018 and it was the year with the highest proportion of women among new hires in the history of the subsidiary.

Women vs. Men

**55% vs 28%**

Holding positions that require advanced degrees over the total for their gender.



## United Kingdom

Global Gender Gap Index\* 0.77 / 1

### What is the context?

During the last 12 months, the 80 leading companies of the UK energy sector have made progress on meeting the objectives to increase gender diversity. The current situation in the British labour market shows the following figures:

- The female employment rate is 71.2% compared to the male employment rate of 80.3%.
- Women hold 22% of positions on management committees (19% in 2017).
- The goal of POWERful Women is for 30% of executive positions and 40% of middle management positions to be held by women by 2030.
- In 2017 a law entered into force requiring companies with more than 250 employees to publish their salary gap, intended to eliminate the differences in the medium term.
- Over the last 20 years, the salary gap has been most significantly reduced domestically in the 40–49-year old age group, the group most affected by the gap in the talent path.
- While workers in London have barely seen a reduction in the salary gap, it has decreased from 18% to 6% for those in Scotland over the last two decades.

ScottishPower has progressed in its institutional relations during the year, expanding its network of partnerships with outside initiatives that awaken women's desire to pursue technical professions and the ascent of women to positions of responsibility.

The company's most noteworthy action for gender equality is the establishment of quantitative goals for the inclusion of women in management positions by 2020.

In 2018 ScottishPower signed onto an industry coalition to encourage the representation of women in positions of responsibility in the energy industry. The coalition is signed together with *POWERful Women* and another eight energy companies.

"I have always believed that a diverse workforce is the best way to drive success in an organisation and we've already seen with the emergence of the gender pay gap this year that the underrepresentation of women in senior roles brought more front of mind for business leaders than ever before. We're proud to join the Energy Leaders Coalition and hope to lead by example by showing how gender diverse teams with strong leadership can deliver far greater levels of innovation, creativity and success for our business."

Keith Anderson, Executive Director of ScottishPower.

\* Source: © 2018 World Economic Forum, The Global Gender Gap Index. The index analyses the gender gaps of each country based on financial, educational, health and political standards. This data is consolidated into a final score that allows for comparisons between geographies and levels of economic development, ordered from lower gap (position #1) to higher. A score of 1 indicates that there is no gap and a score of 0 indicates the existence of barriers in all of the fields evaluated.



Women personnel

**33%**

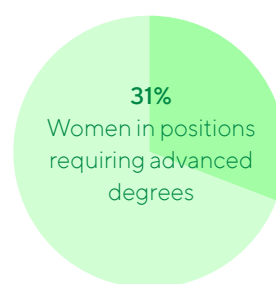
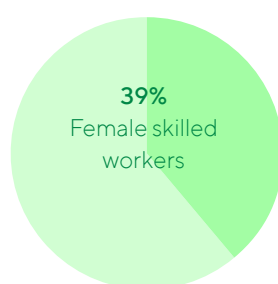
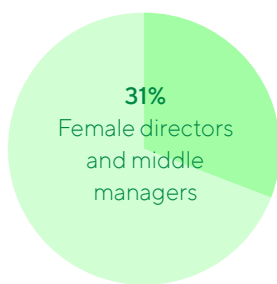
Below the national average of 46.5%.

Women on the Board of Directors

**22%**

The company is close to the national average, which is at 22.8%.

Presence of women in the various categories (%)



Talent retention

31-50 years **Men 9.9% Women 6.8%**

50 years **Men 33.3% Women 25.8%**

Proportion of men and women on staff who leave the company, by age. In all ages, the rotation of men is considerably higher than that of women.

Women with part-time contracts

Men **1.4%**

Women **31%**

Women with part-time contracts at ScottishPower have historically been almost one third of the female workforce, although there has been a decrease of two percentage points compared to the prior financial year.

Training

**+37.1%**

More hours of training for female executives than for male executives.

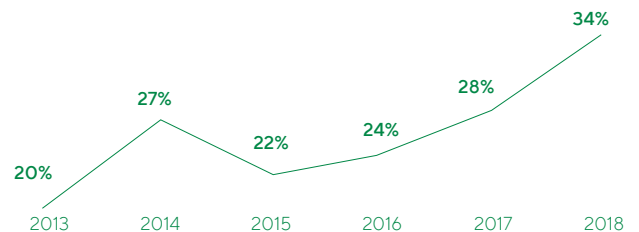
New women hires

ScottishPower's efforts to attract women to its business are reflected in the growing and uninterrupted trend in the hiring of women, which has almost doubled since 2015.

Women vs. Men

**36% vs 40%**

Holding positions that require advanced degrees over the total for their gender.



## United States

Global Gender Gap Index\* 0.72 / 1

### What is the context?

The United States was one of the first countries in which women joined the labour market, and one of the first to pass a law on salary equality (Equal Pay Act of 1963). In recent years, it has progressed in meeting objectives to increase gender diversity in management positions.

Currently, the United States is the only OECD country that does not require companies with less than 50 employees to offer maternity leave.

The university education of women active in the labour market has quadrupled since 1970: more than 40% of female workers in 2016 were university graduates, compared to 11% in 1970, which ensures the potential of the next generation of female workers.

U.S. women hold 74% of management positions related to human resources management, for example, but only 26% of management positions in the information technology sector and 7% in construction.

According to the Institute for Women's Policy Research, if there were full salary equality in the United States, the country could have generated an additional 512,600 million dollars, or 2.8% of domestic GDP, in 2016.

During the last two years, the United States has slid six positions in the Gender Global Index, due in large part to the lower rating obtained in the categories of health, survival and political empowerment.

AVANGRID has a very diverse workforce from the viewpoint of ethnic origin, traditions and knowledge. To embrace this multiculturalism, as well as gender diversity, the company has its own equal opportunity policy approved by its Board, together with a number of corporate policies that ensure the effective egalitarian and

non-discriminatory treatment of any minority, including the minority group of women.

These policies are: equal opportunity in access to employment, support for disabled persons or disabled veterans, promotion of a non-discriminatory work environment and combating sexual harassment in the workplace.

To ensure that the principles underlying these policies are known and respected by all employees, there is a Code of Conduct and Ethics for the businesses, on which all employees are trained on an annual basis.

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"We are dedicated to cultivating the next generation of energy professionals who will provide the insights and innovation that will drive our company forward. We actively support students pursuing studies in the engineering, environmental and data science fields through scholarships and partnerships with universities, as well as other institutions. We also develop existing talent to meet our future needs through rotational programs that identify promising engineers and professionals early in their careers to provide them with the conditions needed for their development within AVANGRID."

James P. Torgerson, Chief Executive Officer of AVANGRID.

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\* Source: © 2018 World Economic Forum, The Global Gender Gap Index. The index analyses the gender gaps of each country based on financial, educational, health and political standards. This data is consolidated into a final score that allows for comparisons between geographies and levels of economic development, ordered from lower gap (position #1) to higher. A score of 1 indicates that there is no gap and a score of 0 indicates the existence of barriers in all of the fields evaluated.



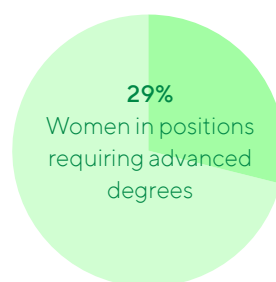
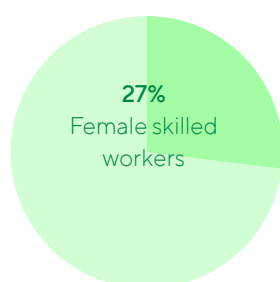
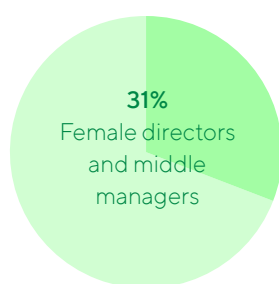
Women personnel

**29%**  
Below the average in the United States, 45.8%

Women on the Board of Directors

**14%**  
The company is below the national average, which is at 16.6%.

Presence of women in the various categories (%)



Talent retention

31-50 years	Men 5.9%	Women 6.8%
50 years	Men 14.8%	Women 13.1%

Proportion of men and women on staff who leave the company, by age. Although women leave the company in a higher proportion than men at their age, they remain more during the last stage of their career.

Women with part-time contracts

Men	0.02%
Women	0.49%

Women with a part-time contract at AVANGRID have been reduced by half during the last 3 years, thanks to the reconciliation measures that have been implemented.

Training

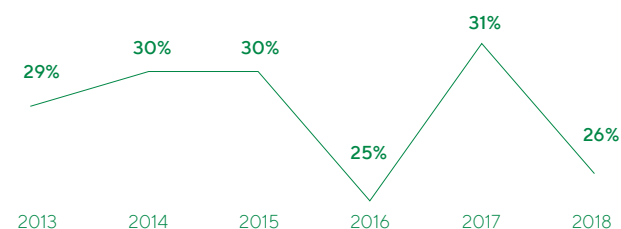
**+17.2%**  
More hours of training for female executives than for male executives.

New women hires

AVANGRID's commitment to female talent has been constant over the years, and slightly varies between 25 and 31% of all hiring.

Women vs. Men

**16% vs 16%**  
Holding positions that require advanced degrees over the total for their gender.



## Mexico

Global Gender Gap Index\* 0.69 / 1

### What is the context?

Mexico is the 11th most populated country in the world and has an average age of 28 years, which indicates an excellent long-term outlook regarding the labour force.

In the latest edition of the Global Gender Gap Index, Mexico moved up 31 places in the ranking, from 81st to 50th, thanks among other things to a better rating in the categories of gender parity in parliament and healthy life expectancy, as well as maintaining a rating above the average in educational equality.

The Gender Equality Unit was created by the Ministry of Labour and Social Welfare in June 2018 in order to include the gender, equality and equity viewpoint in the labour market, within the framework of the National Programme for Equal Opportunity and Non-Discrimination against Women 2013–2018.

75% of Mexican companies have at least one female executive and 34% of positions with a certain level of experience and responsibility held by women.

In the class of 2017–2018, 31.78% of students with degrees in STEM careers were women, compared to 33.64% 5 years ago. However, in the engineering field in particular, there were almost 12,000 more holders of university degrees in 2018 than in 2013, which indicates the existence of more extensive interest in engineering, although not equal between the two genders.

In its drive towards greater diversity in the workforce, Iberdrola Mexico has experienced a strong increase in the number of female executives and middle managers in recent years. Since 2013, the percentage of female executives has increased from 4% to 14% and the percentage of women in middle management positions has increased from 17% to 23%.

Iberdrola Mexico holds the Women with Energy forum, which proposes to promote the talent of women within the organisation, strengthen equal opportunities for women and reaffirm the company's commitment to the development of inclusive environments. Forty women participated and were accompanied by the CEO, Enrique Alba.

"Iberdrola Mexico adopts and complies with the corporate policies of the Iberdrola group to guarantee an inclusive labour environment that respects diversity and inclusion of women and other minorities within its labour force. Iberdrola Mexico is committed to the promotion of equal opportunity, training and egalitarian working conditions for all."

Enrique Alba, CEO of Iberdrola Mexico.

\* Source: © 2018 World Economic Forum, The Global Gender Gap Index. The index analyses the gender gaps of each country based on financial, educational, health and political standards. This data is consolidated into a final score that allows for comparisons between geographies and levels of economic development, ordered from lower gap (position #1) to higher. A score of 1 indicates that there is no gap and a score of 0 indicates the existence of barriers in all of the fields evaluated.



Women personnel

**18%**

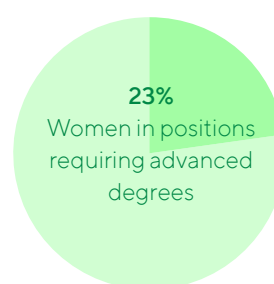
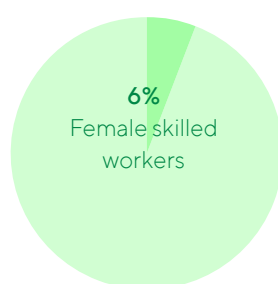
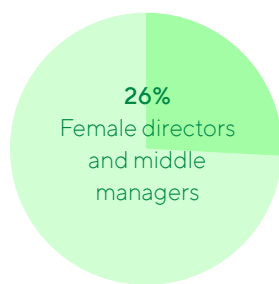
Below the national average in Mexico, 36.5%.

Women on the Board of Directors

**14%**

The company is above the national average, which is at 5.7%.

Presence of women in the various categories (%)



Talent retention

31-50 years	Men 6.5%	Women 5.1%
50 years	Men 13.3%	Women 25%

Proportion of men and women on staff who leave the company, by age. The rotation among young men is slightly higher, but almost two times more women than men decide to leave Iberdrola in the last stage of their career.

Women with part-time contracts

Men	0%
Women	0%

There are no part-time contracts for men or women at Iberdrola Mexico, the only subsidiary other than Iberdrola España where this occurs.

Training

**+39.9%**

More hours of training for female executives than for male executives.

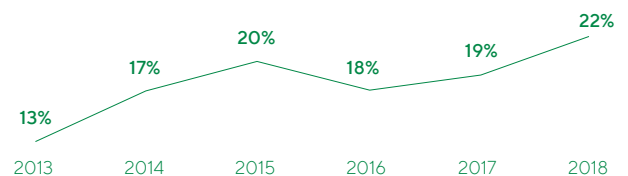
New women hires

Iberdrola Mexico has continued the increasing trend of hiring women since 2013, which has almost doubled over these 6 years.

Women vs. Men

**64% vs 49%**

Holding positions that require advanced degrees over the total for their gender.



## Brazil

Global Gender Gap Index\* 0.68 / 1

### What is the context?

The increase in the participation of women in the labour force of Latin America since 1960 is comparable to the increase in the participation of women in the labour force in the United States in the one hundred years between 1890 and 1990.

In the specific case of Brazil, the participation of women in the labour force has increased by 33% from 1990 to 2017.

There is a bill pending in the Senate of Brazil that would require state-owned companies to increase their percentage of female executives by at least 10% every two years until reaching a minimum of 40% of executives of both genders, which leaves a margin for action of 20%. It is the only initiative of this type that is being considered in Latin America.

During the financial year, Neoenergia has also carried out numerous events and actions with the community to raise awareness regarding the role of women in the labour market and in society, like the "Electricians' School" (*Escola de electricistas*), "Empodere-se" and "Estrelas", an awareness-raising event held on occasion of International Women's Day.

Two of the companies controlled by Neoenergia, Cosern and Elektro, were recognised in 2017 as best places to work, according to the Great Place to Work ranking.

"For Neoenergia, diversity is directly related to the long-term sustainability of the business, given that it attracts the required combination of knowledge, viewpoints, qualities and skills. Therefore, the Code of Ethics contemplates non-discrimination as one of its basic principles of professional conduct, and provides for a channel dedicated to monitoring and reporting."

Mario Ruiz Tagle, CEO of Neoenergia

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Women personnel

**18%**

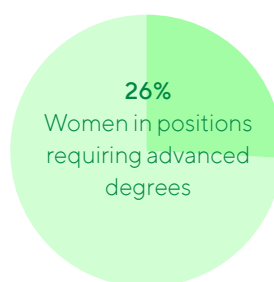
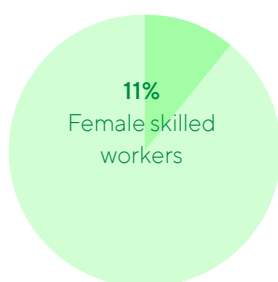
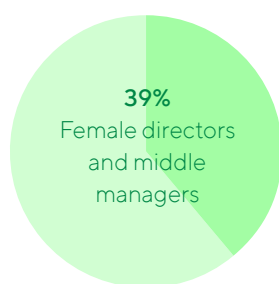
Well below the participation of women in the country's labour market, 43%.<sup>o</sup>

Women on the Board of Directors

**0**

7.1% of Brazilian directors are women.

Presence of women in the various categories (%)



Talent retention

31-50 years **Men 7.4% Women 9.9%**

50 years **Men 43.9% Women 57.5%**

Proportion of men and women on staff who leave the company, by age. Rotation in Brazil is greater than that of the other subsidiaries, particularly among women.

Women with part-time contracts

Men **1.5%**

Women **11.9%**

Women with a part-time contract at Neoenergia have been reduced by half during the last 5 years, thanks to the reconciliation measures that have been implemented. However, the inclusion of outside workers within the workforce during 2017 increased the percentage of men with part-time contracts.

Training

**+19.2%**

More hours of training for female executives than for male executives.

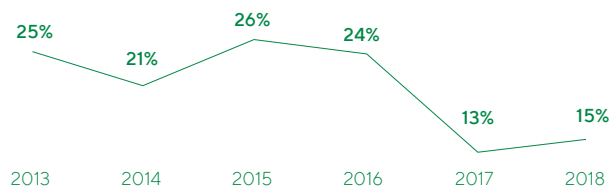
New women hires

The percentage of women among new hires decreased in 2017 due to the internalisation of 792 previously outsourced workers. The trend reversed slightly in 2018, although it continues to be affected by this type of hiring.

Women vs. Men

**9% vs 6%**

Holding positions that require advanced degrees over the total for their gender.



This document has been prepared with the supervision and control of EY.



