

## We became the first company with AENOR's Sustainable Procurement Strategy certificate.

- The company has allocated more than €10 billion in 2021, 82.5% of the total awarded, to suppliers that exceeded the sustainability levels established by its sustainable procurement management system.
- AENOR's recognition ratifies Iberdrola's commitment to ensuring that the life cycle of its services and products has the greatest positive environmental, social and economic impact.

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Iberdrola is committed to society and, for this reason, has taken a new step forward by obtaining the Sustainable Procurement Strategy certificate awarded by AENOR, based on the ISO 20400:2017 standard, where the company's responsibility to ensure that the life cycle of each product or service has the greatest positive environmental, social and economic impact has been verified.

The certificate was presented by Rafael García Meiro, CEO of AENOR, to Asís Canales, Global Procurement and Services Director of the Iberdrola group, at a ceremony held yesterday afternoon at the energy company's headquarters in Bilbao.

Asís Canales, Iberdrola's Global Director of People and Services, stated that "it is the culmination of our strategy of sustainable development of the supply chain. We have been carrying out activities in the area of suppliers for many years, from the point of view of sustainability, and the fact that this new certificate now exists and that we are pioneers in having it, in some way confirms to us that the path we had taken was the right one".

For his part, Rafael García Meiro explains that "at AENOR we have been working on solutions that help companies that aim to make their commitment to sustainability a competitive differentiating factor. We have developed the Sustainable Procurement Strategy certification, because procurement is a powerful instrument for amplifying SDG action in companies; promoting transversal sustainability throughout the value chain. In this line, the audit by AENOR has shown that the sustainable procurement management system implemented by Iberdrola is in line with current best practices".

In fact, AENOR's certification shows that Iberdrola has effectively incorporated a vision of its supply chain focused on sustainability, favouring a 'back and forth' interaction with the company's suppliers and internal stakeholders in a continuous and transparent manner thanks to the digital tools implemented that facilitate the management of purchasing processes, risk management and compliance with the company's governance guidelines.

The global scope of this certification, which applies to all of the company's areas of activity anywhere in the world, has meant that by 2021 Iberdrola will have allocated €10.827 billion (82.5% of the total awarded) to suppliers that exceeded the sustainability levels established by its sustainable procurement management system.

Iberdrola also drives sustainability throughout the supply chain, proposing customised improvement plans to those suppliers that are not at the appropriate sustainability levels, for a long-term relationship. In the last 12 months, more than 500 plans have been submitted, and in

more than 50% of the cases these suppliers improved to the point of being considered sustainable.

The energy company has a supplier evaluation model based on environmental, social and governance (ESG) criteria. Iberdrola thus considers 43 factors to calculate the ESG score of each of its suppliers, including compliance with human rights, management of risks derived from climate change, circular economy strategy and contribution to the United Nations Sustainable Development Goals (SDGs).

The Iberdrola group's achievement of this important certification is part of its global commitment to quality, which involves the excellent management of all processes and resources as an essential lever for creating value for people: shareholders, customers, employees, suppliers and other stakeholders of society.

### Audit

The audit carried out by AENOR has assessed the digital tools that guide the purchasing process as the best option for minimising risks for the organisation. In addition, the use of BI tools (Power BI, boots, etc.) allows the staff of the purchasing departments to focus on the management of each tender, with an almost live analysis of the data and facilitating decision-making and reporting. In the same way, the organisation publishes an annual Sustainability Report where it explains its governance policies with an emphasis on its interactions and impacts with its stakeholders. There is also a Procurement Policy that articulates the company's governance guidelines with respect to spending and the level of legal compliance required of suppliers and internal stakeholders, establishing sustainable supply chain management as a standard.

According to the audit, Iberdrola has an internal scorecard that integrates supplier performance in terms of cost, time, and supplier risk, and has a robust digital supplier process that affects economic, structural, capacity, responsibility, and sustainability aspects. A culture of sustainability and responsible supplier management is promoted within the organisation at all levels, including senior management, a Code of Ethics and Conduct for employees and suppliers is public and accessible, and the Terms and Conditions of Contract are transparent, public and accessible.

AENOR's Sustainable Procurement Management certificate, based on the ISO 20400:2017 standard, allows clients to integrate into a certificate an action strategy aligned with Sustainability, to highlight the real execution of ESG commitments to investors or society, to minimise risks throughout the value chain, to involve the entire business structure within the supply chain, and to anticipate the legal provisions that are being developed, such as the Due Diligence Directive, or to respond to the specific requirements that are beginning to be included to qualify for certain subsidies.

### Iberdrola, committed to the SDGs

Iberdrola has fully incorporated the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, approved in September 2015, into its strategy.

In line with its activity, Iberdrola focuses its efforts on the supply of affordable and non-polluting energy (goal 7) and on climate action (goal 13). By obtaining the AENOR Sustainable Procurement certificate, Iberdrola also contributes to the fulfilment of SDG 8 (decent work and economic growth), 12 (responsible production and consumption) and 17 (partnerships to achieve the goals).

In addition, the group contributes directly to ensuring clean water and sanitation (goal 6), is the leading private utility in the European Union by volume of investment in R&D&I (goal 9), promotes respect for the life of terrestrial ecosystems (goal 15) and contributes indirectly to the other SDGs.

Press release