

OUTLOOK 2018 / 2022

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IBERDROLA

Iberdrola, “utility of the future”:

Building the foundations for growth in the next decade

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Resources management

HHRR

IT

Purchases

HHRR: Headcount and personnel costs

Maintaining global headcount stable during the Plan: ~ 35,000 employees

Managing 20% more assets with the similar headcount

10% staff rotation: natural retirements support refreshing the organization, talent and re-profiling staff to deal with new environment and digitalization

Human Resources management guidelines

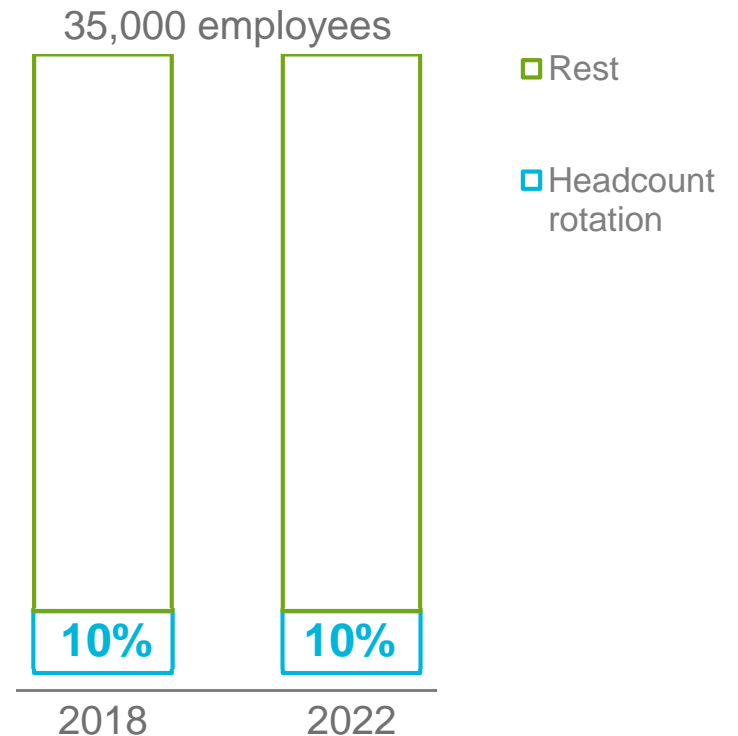
HHRR & Talent management

- **10% Headcount rotation**, opportunities to high potential people without increasing the cost base
- **Training**. 1 million hours in 2017
- **In house/outsourcing** balance optimizing costs and efficiencies

Remuneration & pension policies

- **Linking remuneration to business performance**
- **Long term collective bargaining agreements**
- **Pensions efficient management**

Group headcount (18-22)

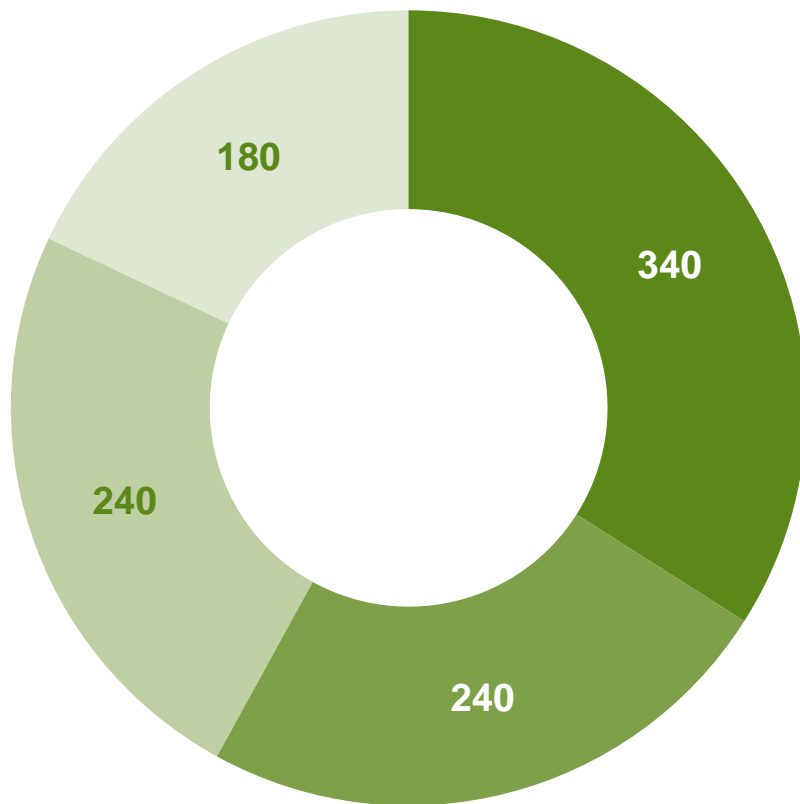


Contributing to EBITDA growth by maintaining Personnel Expenses aligned throughout the Plan

IT and security global plan

Over 1 € Bn investment in the period 2018-2022 to advance our Innovation & Digital Transformation program and launch a new Global IT Security & cybersecurity Plan

IT Plan 18-22 Capex (Eur Mn)



■ Efficiency ■ Regulatory / Legal ■ Strategic ■ Continuity

IT focus in period

Innovation & Digital Transformation

Key initiatives include **Smart Metering** program, **Big Data and Analytics** tools, New Retail **Products & Services** and Smart **Asset Management**

Efficiency

Ensure highest technological standards, including ongoing shift to **IT cloud services, mobility** and **infrastructure enhancement**

Global IT Security Plan

Challenging new global IT security plan that will effectively **guarantee critical assets** and business processes, improving **network access** control, **data** securitization, and intrusion prevention, committed with the **cybersecurity policy**

Purchases

Continuing to add cost efficiency both in CAPEX and OPEX

Best in class purchase system allowing the Company to improve purchases price in the Countries we are present

Average 10% reduction in purchases price the first year of entrance in a new country

Through

Supply chain Smart desegregation & Competitive tender processes

For strategic equipment, technologist partnership

Logistics optimization to minimize working capital