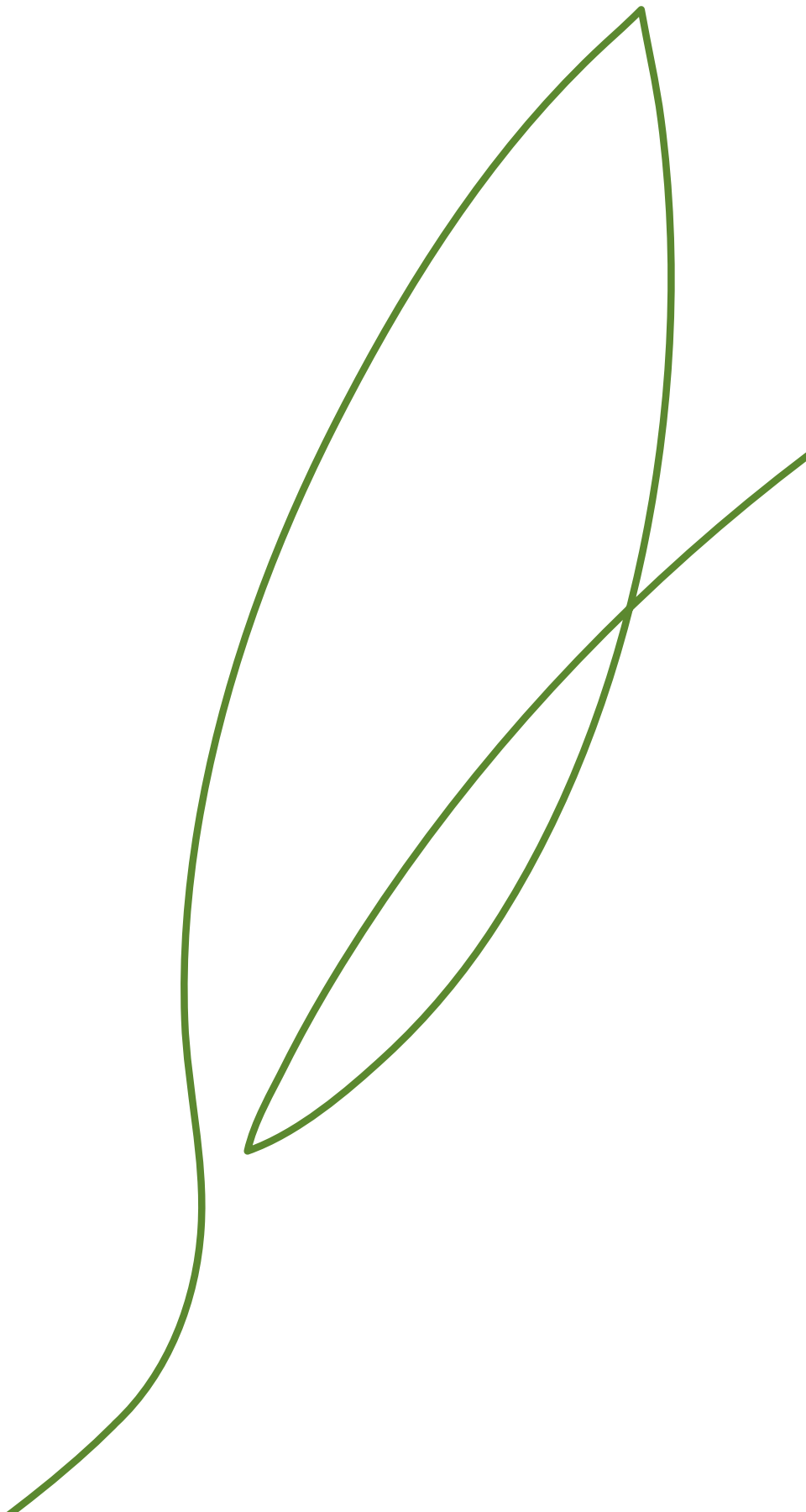
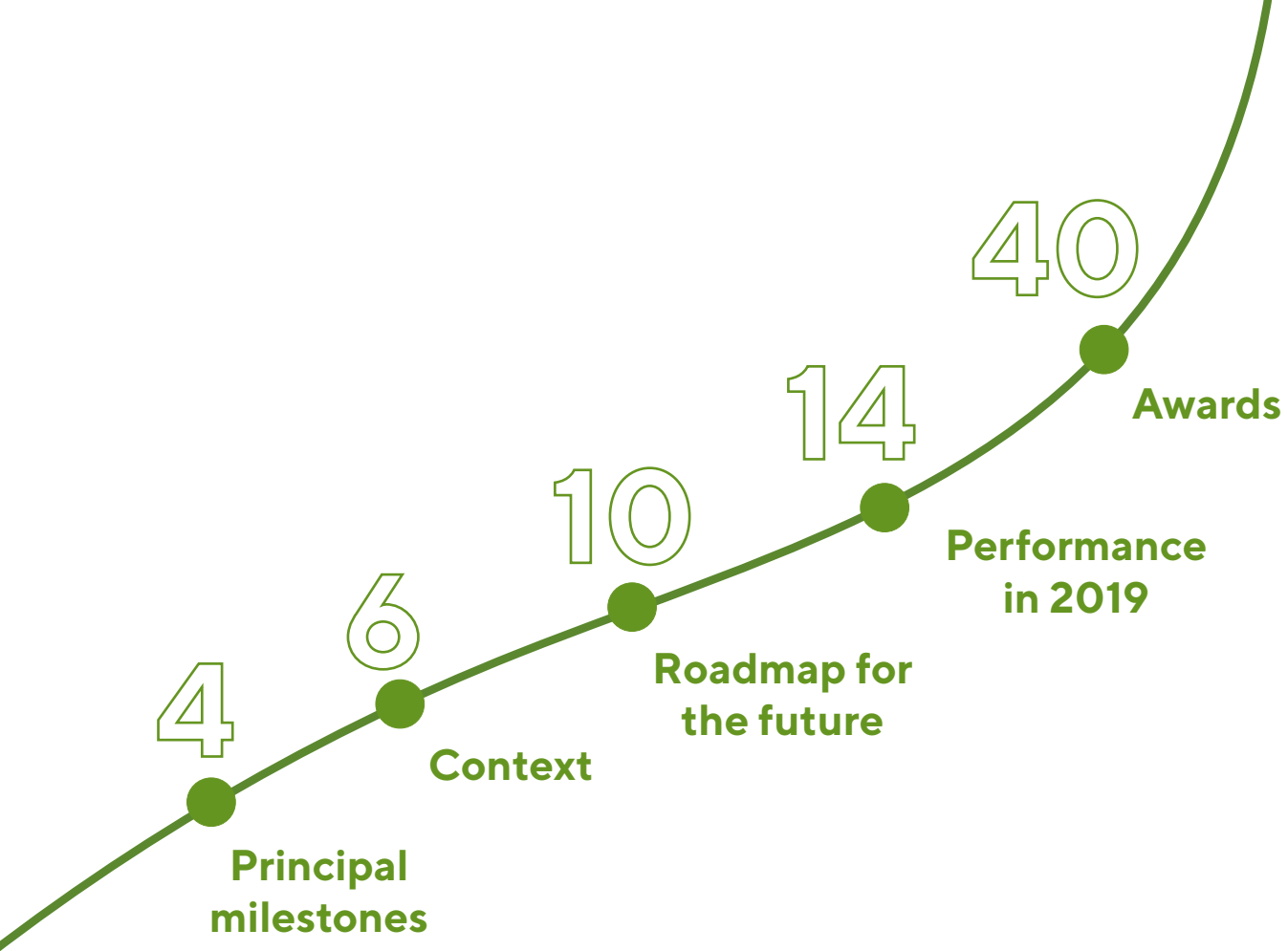


Diversity and Inclusion Report / 2019

Social dividend:
our progress towards
a more just and
equal society

*Iberdrola has an essential mission,
to invest our energy in building
a sustainable future for all people,
and this cannot be achieved without
having a clear and deep commitment
to **diversity & inclusion**.*





Letter from the Chairman & CEO



“Iberdrola counts today
with a work team
multicultural and diverse”

Diversity and inclusion are key pillars in the culture of any organisation that wants to move forward on the path to sustainability. A diverse and inclusive company attracts and retains talent better and innovates more, thus becoming more productive and more open to the society it serves.

As Chairman & CEO of Iberdrola, I have made it my personal goal to build a global group that makes plurality one of its fundamental values, on the basis of solid common principles. A group of which each and every one of its members can feel an integral part. This is a goal that is present in all of Iberdrola's strategies and which I share with the management team and all of the people who make up the company.

As a reflection of this ambition, I am pleased to present Iberdrola's first Diversity and Inclusion Report, which compiles the initiatives carried out to generate a plural, fair and egalitarian environment both within the company and in the relationship with all our stakeholders.

In compliance with our equal opportunity and reconciliation policy, Iberdrola now has a multicultural and diverse team, a true reflection of the society in which we live.

We promote effective equality between men and women in access to employment, training, promotion, remuneration and working conditions; in respect for ethnic and cultural diversity, sexual orientation and beliefs of the teams as an enriching element; and in supporting the workers with different abilities in their labor integration.

This is recognised by the Bloomberg Gender-Equality Index, which has once again included Iberdrola amongst the companies most committed to advancing gender equality. Iberdrola is also the IBEX-35 company with the highest percentage of women on the Board of Directors, already complying with the recommendations of the CNMV for 2022, and each year more women are reaching management positions in the company, overcoming a decades-long trend with a small presence of women in the energy industry.

In addition, in 2019 Iberdrola was included in the Workforce Disclosure Index (WDi), for its initiatives to promote a quality environment amongst its employees.

Our activities also contribute to the generation of quality employment for more than 400,000 people amongst our suppliers, and we have numerous initiatives for progress amongst the most vulnerable



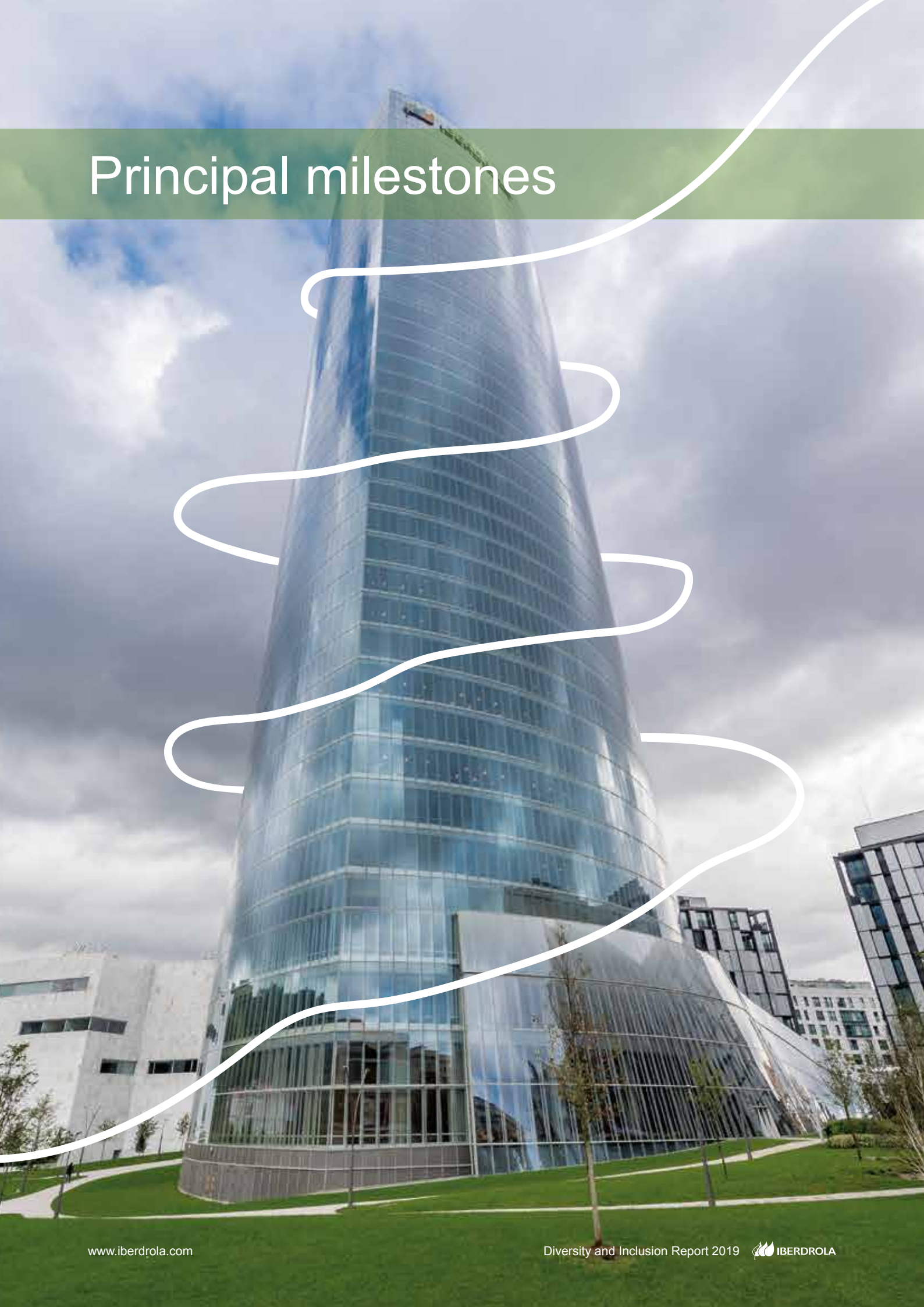
groups, such as the “Electricity for All” program, with which we have already extended electricity supply in regions of Latin America and Africa to 7 million people who lack access to reliable and sustainable energy.

All these actions are part of our social dividend, a concept included in Article 7 of our By-Laws, which enshrines the group’s commitment to contributing economic, social and environmental value in the various countries in which we have a presence, in full harmony with the United Nations’ Sustainable Development Goals.

Just as capital and access to technology have been the main differentiating factor for the success of companies in the past two centuries, it has also been the main differentiating factor for the success of companies in the 21st century. Today, more than ever, companies are made by people. A diverse team and a culture that promotes inclusion is therefore essential for any group that aspires to meet the challenges of a changing reality for the benefit of the community it serves. This is IBERDROLA’s desire and commitment.

Ignacio S. Galán
Chairman of IBERDROLA

Principal milestones



Executive summary

At Iberdrola, **diversity** and **inclusion** are a strategic priority for sustainable growth

Employees

+31.3 %

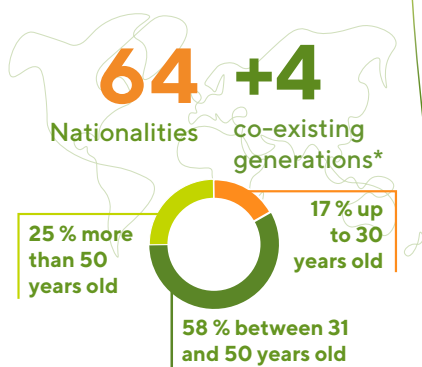
Increase in the number of women in management positions in the last 5 years

100 %

equal pay

(equal pay for the same work and common salary review process)

Our diverse workforce has:



We have **420**

workers with some type of disability**



We establish appropriate measures for adjustment and to facilitate their integration



We made progress in 2019...

We joined



Board of Directors

We are the IBEX 35 company with the highest percentage of women on the Board

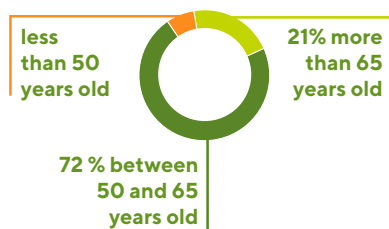


43 %

are women

5

different nationalities



Suppliers

During 2019, reviewed the performance of suppliers in matter Diversity & Inclusion which represent

+5,000

million euros of purchases made

At **Iberdrola España** and **AVANGRID**, the volume of purchases from **diverse suppliers***** was

€95.3
million

Customers

- Physical accessibility
- Preferential treatment for persons with diverse abilities
- Programmes for families with visual and hearing impairments

7 million

people who already benefit from access to electricity in the 'Electricity for All Programme'

In order to bring electricity to more than

16 million
people by 2030

Society

Grant of



900

study scholarships to encourage STEM**** careers

Women and sports, a successful alliance



By supporting women's sports, the company wants to contribute to the promotion of talent, effective equality and social development, which form part of the company's key pillars.

* Baby Boomer (1950-1968), Generation X (1969-1980), Generation Y (1981-1993) and Generation Z (1994-2010)

** Does not include employees in the United Kingdom or the United States. The company has chosen not to request this information in the United Kingdom. In the United States, the employee has the option not to report on their disability, and at year-end 2019 no employee decided to exercise their right to share this information.

*** Suppliers who work with groups that include minorities, LGBT, veterans, disabled persons, marginalised persons, etc.

**** Science, Technology, Engineering and Mathematics

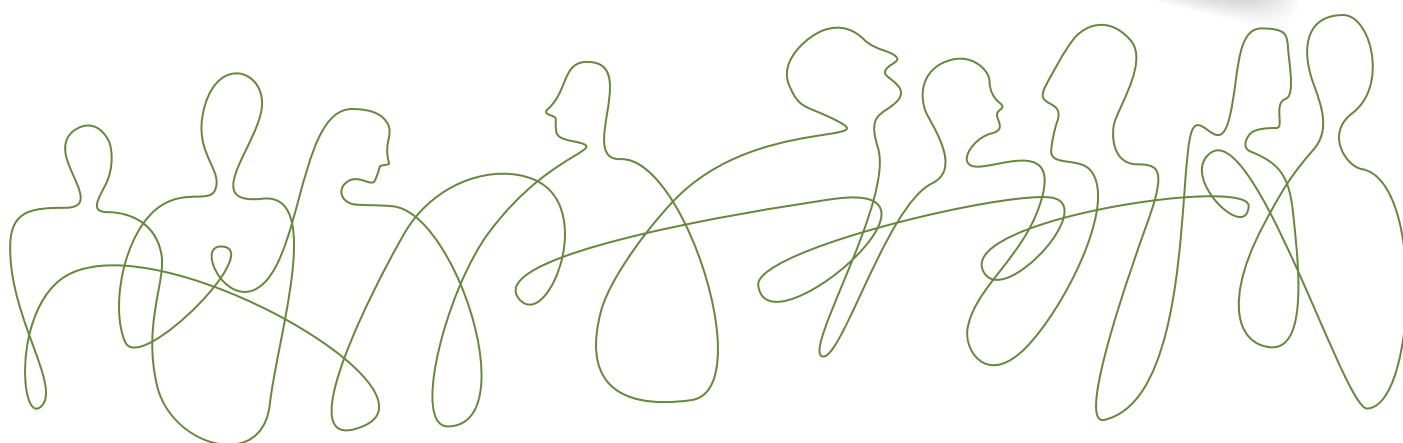
Context



What does diversity and inclusion mean to Iberdrola?

Diversity refers to the set of characteristics that make us unique and singular people, including visible and non-visible variables such as age, gender, culture, disability, thinking styles and experiences. In other words, all the wealth that we human beings contribute thanks to our diversity. The Iberdrola group is firmly committed to its human capital as its main asset and key to success, and has invested in a social model that is committed to professional excellence and quality of life. To create a working environment where everyone feels represented and which is a faithful reflection of today's society; this is Iberdrola's commitment.

Diversity group with different people, "is to be there"



Inclusion that each person contributes his or her uniqueness, "is to be able to contribute value"

For its part, **inclusion** refers to how differences between individuals are valued and opportunities are generated so that everyone can realize their full potential. It is defined as a conscious strategy that puts the focus on developing structures, systems, processes and culture that generates respect for all people and their diversity, creating a feeling of belonging that causes them to feel valued.

▲ How does Iberdrola guarantee diversity and inclusion?

Governance model

Iberdrola's commitment to diversity 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 By-Laws, Purpose and Values, Code of Ethics, [corporate policies](#), rules for governance of the corporate decision-making bodies and internal committees, and compliance rules that guide the conduct of the company with its stakeholders.



Iberdrola's commitment

After many years travelling the road of gender equality, well-being and work-life balance, Iberdrola's commitment covers strategic actions regarding diversity in all its variables:

To teams

managing diversity and inclusion has a real impact on commitment, satisfaction and increasing talent and the quality of leadership. A diverse company attracts the best available talent as the most talented people want to work in committed and inclusive companies.



To customers

the types of customers are diverse and located in all geographic areas. Diversity also has an impact on product and service innovation so that Iberdrola will be increasingly better at its purpose.



To the communities in which it operates

its commitment to sustainability, recognised in the Social Dividend, is non-negotiable; Iberdrola aims to generate positive impact and be governed by its good corporate governance, to be an example in terms of inclusion and diversity.



Roadmap for the future

Iberdrola is aware of the undeniable economic, social and environmental impact of all its activities. Its contribution of value to all Stakeholders is reflected through the [social dividend, a concept set out in article 7 of the Company's By-Laws](#). This firm commitment arises as an effective response to the most significant issues in the industry, to the needs and expectations of its stakeholders and to the most significant challenges of the societies in which it is present.

▲ Diversity and inclusion in achieving the Sustainable Development Goals (SDGs)

Iberdrola's contribution to diversity and inclusion throughout its value chain is manifested in cross-sectional commitments, contributing to the achievement of the Sustainable Development Goals (SDGs):



Through its foundations, the group per employee will continue to implement initiatives aimed at **improving the quality of life of vulnerable groups**.



The group aims to **exceed the ratio of training hours received per employee**.



Iberdrola continues to **promote equal pay between men and women**, within its Equal opportunities and conciliation policy, contemplating equal pay to men and women for the same job and salary review with common criteria for both genders. To date, the total average remuneration of men is not higher than that of women.



Iberdrola has set a goal within the Electricity for All program to bring electricity to **more than 16,000,000 people in 2030** who today lack access to this energy source.



Iberdrola is constantly developing corporate volunteer programs to further enhance its **commitment to diversity and inclusion** of vulnerable groups.



The group aims to ensure that by 2022 **at least 70% of its main suppliers** are subject to sustainable development policies and standards, including Diversity and Inclusion criteria, such as having: a human rights strategy, a code of conduct for their suppliers, health and safety standards and a global environmental sustainability strategy.

Inclusion of SDGs in variable remuneration

The shareholders acting at the General Shareholders' Meeting of Iberdrola, S.A. approved a long-term incentive (the "2020-2022 Strategic Bonus") based on financial, business and SDG contribution targets. This incentive is mainly aimed at executive directors and management personnel.

The listed companies AVANGRID and Neoenergia also have long-term objectives (2020-2022) relating to the contribution to the SDGs in their variable remuneration systems that were approved by their governing bodies.



Commitments to diversity and inclusion

Iberdrola sets out more specific commitments, beyond contributing to the SDGs, to achieve an increasingly inclusive culture in all areas of the organization. To this end, it commits to:



Gradually increase the presence of women in managerial positions, reaching an environment of 30% in 2025 throughout the group. In 2019, the presence of women in managerial positions in the consolidated group was 20% and, in the last five years, the number of women in managerial positions has increased by 31.3%.



Create a committee to promote and monitor progress on diversity and inclusion led by a management representative and participants from the various geographical areas.



Raise awareness and train its employees on the value that diversity brings to Iberdrola; include inclusive behaviours in its leadership programmes that favour better decision-making and a culture based on meritocracy and equal opportunity, and continue working on actions that contribute to improving diversity in all its dimensions.



Strengthen aspects of inclusion and diversity in internal and external communications that reflect the plurality of the societies in which it operates.



Facilitate internal mobility within the organisation to create teams that take advantage of multiculturalism.



Constantly monitor and update talent management processes and procedures to continue to ensure that they are diversity neutral.



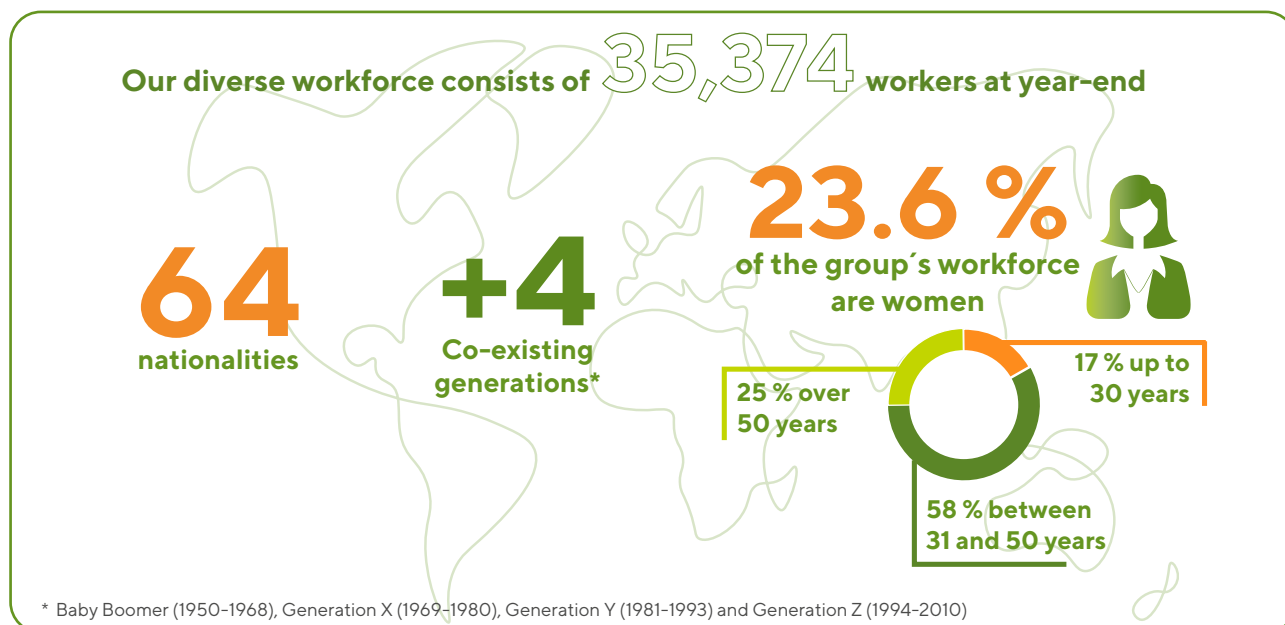
Raise awareness and strengthen the group's commitment to diversity and inclusion in society and guarantee the accessibility of its products or services to its various customers.

Performance in 2019



▲ Encourage diversity and inclusion among employees and governance bodies

The group has a long history and significant experiences to learn from in terms of diversity and inclusion, but Iberdrola does not want to be satisfied with what it has already achieved; it wants to contribute increasing value in the countries in which it operates, contributing to a more inclusive society:



Employees: ensure a diverse workforce and an inclusive corporate culture

Iberdrola stands out for its [Equal Opportunity and Reconciliation Policy](#), which applies to all countries on a global basis:

- | | |
|--|--|
| 01 QUALITY EMPLOYMENT | Quality employment and communication of the inclusive employee value proposition (iEVP), consisting of competitive remuneration, a work environment based on equal opportunity, the business enterprise, balance between personal and professional life, and reconciliation. |
| 02 RESPECT FOR DIVERSITY | Diversity (age, gender, culture, disability, thinking styles and experiences). |
| 03 EQUAL OPPORTUNITY | Equal opportunity (access to employment, promotion and professional development, remuneration, training, performance evaluation). |
| 04 GENDER EQUALITY | Promotion of gender equality (commitment to society, internal and external awareness-raising, positive measures to correct inequalities, representation within decision-making bodies and levels, reconciliation). |

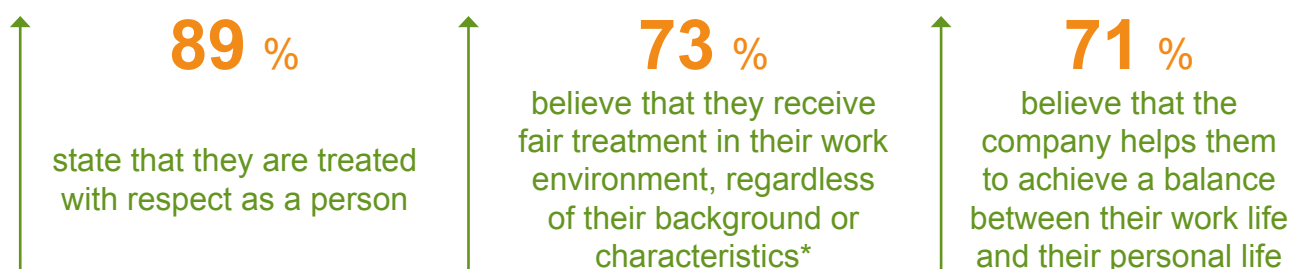
Iberdrola's progress...



Iberdrola is aware that if it wants to be a leader in its industry, it must be a leader in terms of equality in order for the company to be profitable, sustainable and inclusive. The group is very proud of the steps taken so far in terms of effective equality between men and women, and the data shows that it is on the right track.

Iberdrola listens to its employees

Iberdrola has opened **communication channels** to express opinions, queries and concerns. One way to reach its workers is through a **climate survey**, measuring variables relating to flexibility and reconciliation measures or directly related to diversity and inclusion. Of all employees who have received the survey^{2*}:



In 2020, a new variable has been included in the survey, strengthening Iberdrola's commitment to diversity and inclusion: .

"The company is committed to creating a diverse and inclusive work environment"

Employees have access to a complaint mailbox to report behaviour that might constitute discrimination. During 2019, the group received 33 grievances regarding labour discrimination through the various channels. 9 of them are being reviewed and the other 24 have already been closed. Of the grievances that have already been closed, only 6 ended confirming the existence of improper action in the human rights area. Those 6 led to a written reprimand. The Human Resources area is in charge of taking appropriate disciplinary measures.

* Question included in the AVANGRID and ScottishPower climate survey

Group best practices for inclusion:

The Iberdrola group has various initiatives at the global level promoting the various dimensions of diversity and inclusion: gender diversity, cultural diversity, generational diversity and functional diversity. The dimensions are considered to be strategic, as they reflect the plurality of all of its internal and external stakeholders.



These dimensions have been considered as strategic since they reflect the plurality of all our internal and external stakeholders.

These are some examples of our best practices:

In terms of [reconciliation and co-responsibility](#), **Iberdrola España** was the first Ibex 35 company to apply the uninterrupted work schedule, in 2007. In addition, after the birth of a child, the working day can be reduced to 5 hours a day until the child reaches the age of one, without reducing the fixed salary, and leaves of absence are increased to four years to care for relatives.



Ángela Giménez,
Brand Manager,
Iberdrola S.A.

"Thanks to the leave of absence to care for children, which at Iberdrola is also a period longer than the leave required by law, as well as the right to return to the same job during this period, I could enjoy my children's first years of life and return to my former job with all entitlements and benefits, continuing with the development of my professional career."

Scottish Power has for the second year held [Breaking Barriers](#), in cooperation with Enable Scotland and Strathclyde Business School, offering recognised qualifications and work experience to youth with learning disabilities. ScottishPower has also sponsored the National Diversity Conference of Scotland, which in May brought together representatives from the business and educational worlds and the third sector in order to share ideas regarding diversity and encourage the organisations to create a more inclusive and diverse environment. At the conference, ScottishPower and other attendees offered some of their more positive experiences in this area.

It also works with well-known organisations such as Business Disability Forum, Employers Network for Equality and Inclusion, Equate, Working Families, ENABLE, POWERful Women, Stonewall and Careers UK.

Scottish Power has [4 main networks of employees](#) (SP Connected Women, In-Fuse LGBT+, Future Connections and SP Careers), and launched the first multi-ethnic network called VIBE.



Ehsan Ul-Haque Mian, Senior Innovation Engineer, Scottish Power

"I consider the network will help to promote cultures and create a welcoming environment within ScottishPower to all irrespective of one's sex, religion, colour, orientation, or nationality. Embedding a principle of inclusion is paramount to deliver innovation and quality performance, and we all will benefit developing both our professional careers and personalities."



Breaking Barriers Program

Neoenergia launched a new edition of the Electrician's School for women. The aim is to provide them with specific training through apprenticeship programmes in theoretical and practical disciplines lasting up to seven months and a class load of 596 hours, in order to increase their participation in the labour market in the electricity sector and promote gender equity through their empowerment..



Wedja Dayane Gonçalves,
participant in the
School of Electricians
programme,
Neoenergia

"Being an electrician has changed a lot in my life. I was able to financially support my family. Professionally, I managed to get into college and engineering and, as a personal achievement, I bought my home."

AVANGRID has continued its work with various initiatives supporting diversity, including *Troops to Energy* to encourage the inclusion of veterans in the workforce, and *AVANVeterans*, which seeks to strengthen relations with veterans.

It is a member of the Edison Electric Institute (EEI) Diversity and Inclusion Commitment. The companies that are members of EEI have agreed to develop a 3-year diversity and inclusion plan that incorporates initiatives and metrics to improve overall diversity and inclusion results.

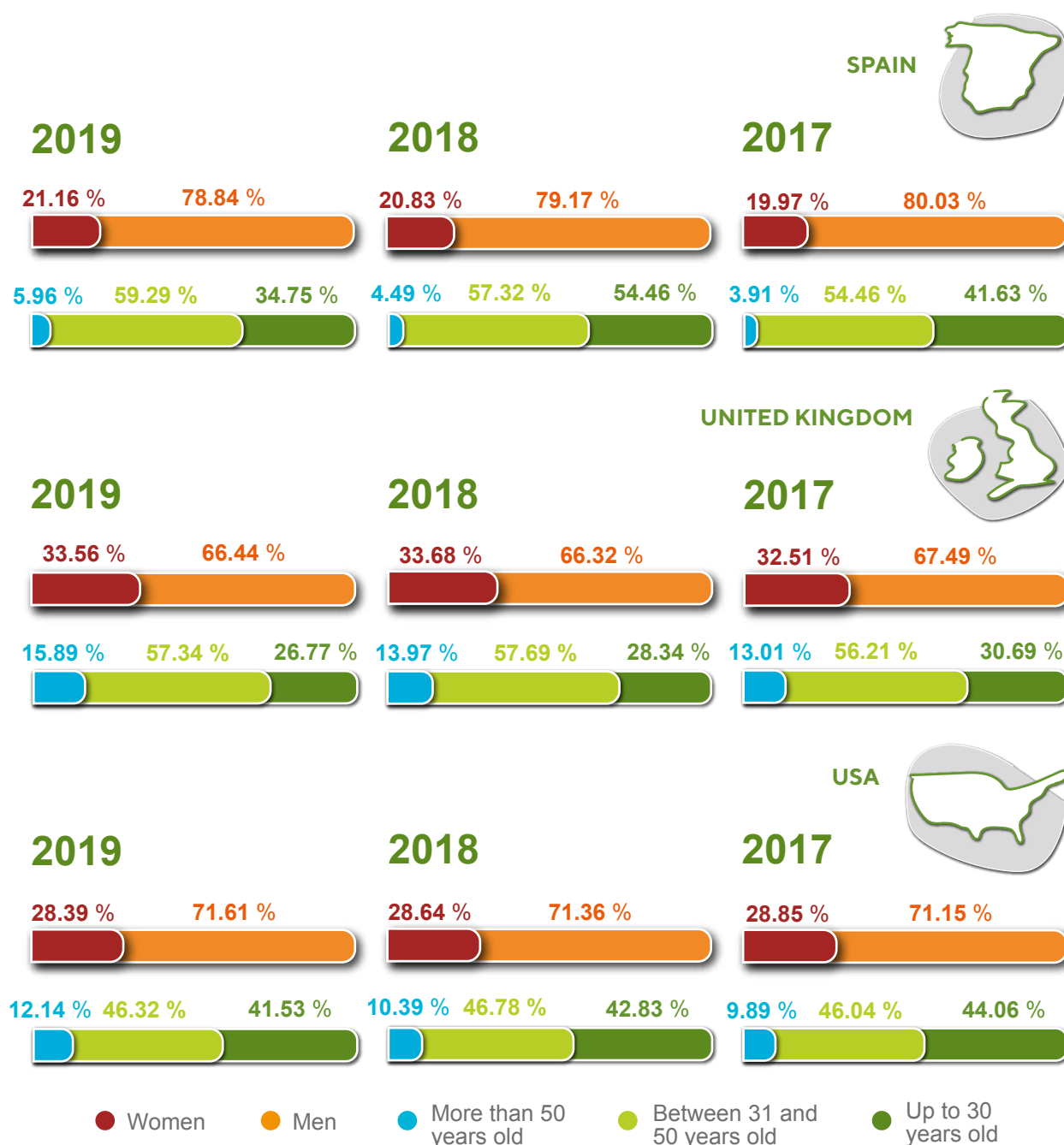
Iberdrola Mexico has launched [STEM drive](#), together with Universidad Tecnológica de los Valles Centrales de Oaxaca (UTVCO), Instituto de Energías Renovables of UNAM and STEM for kids. The goal is to encourage the study of engineering by the youth of Oaxaca, and especially among young women. Iberdrola is convinced that by encouraging women to study engineering, it helps to break the wage gap that still exists in Mexico and attract more diverse talent to the company.

As part of the company's strategy to promote labour diversity and inclusion, Iberdrola Mexico participated in the Mexicanas 4.0 forum, focused on opening up opportunities for women in the fields of technology, science and engineering.

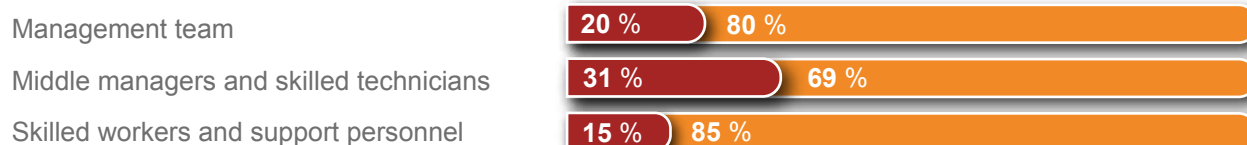
Diversity in numbers

The companies of the group have procedures in place to prevent any discrimination on the grounds of age, gender, culture, disability, thinking styles and experiences or any other personal, physical or social condition that is not related to job requirements. Iberdrola's commitment to equal opportunity for all its professionals is shown in these figures presented below.

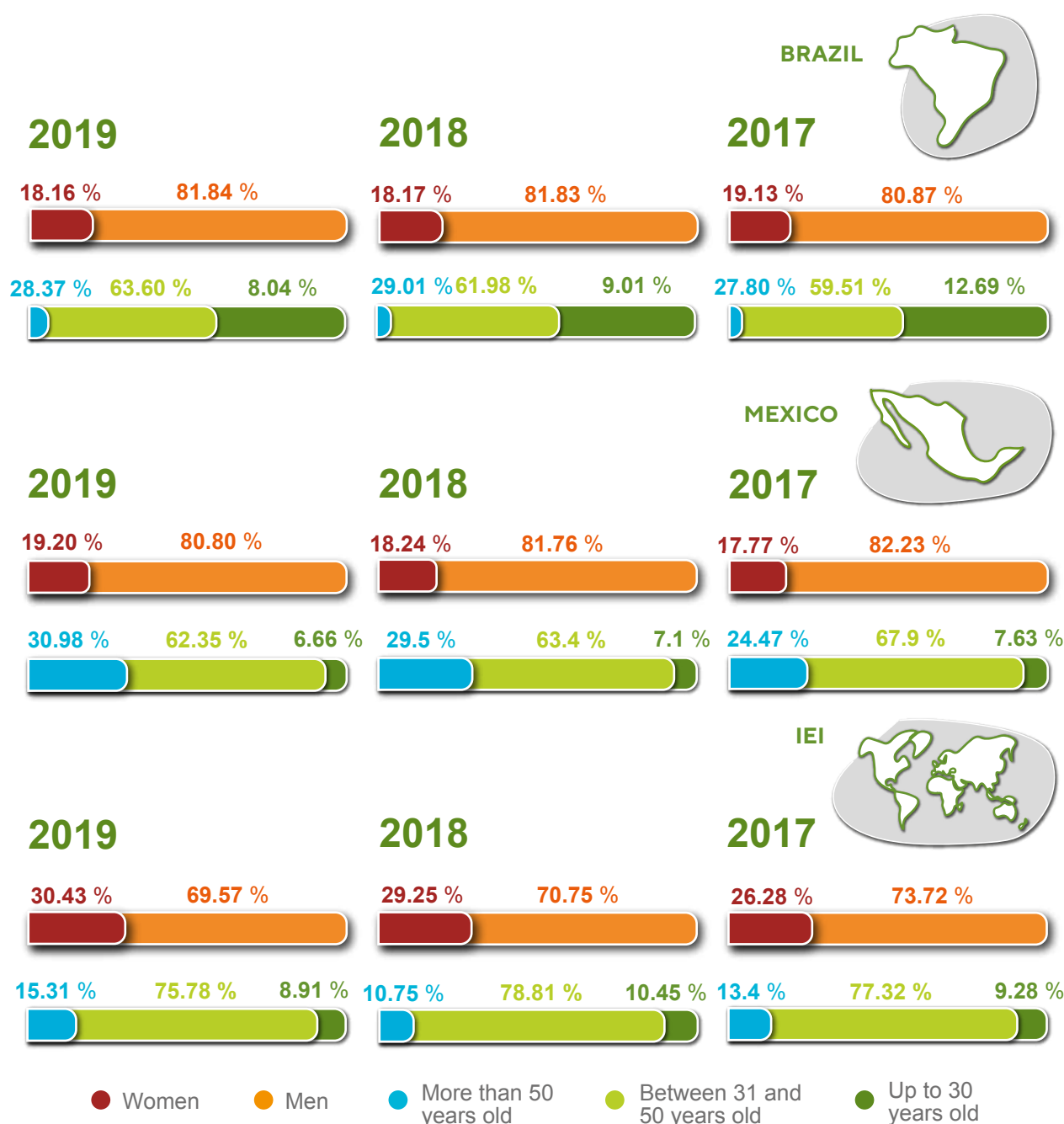
Total workforce by country, gender and age



Total workforce by professional category



For example, there is an increasing percentage of women in management positions at Iberdrola. The group has a **female CEO at Iberdrola España** and **168 women in the management team**.



Likewise, both in the aspects of the selection of its professionals and in the remuneration aspects the principles of Equal Opportunities (equal pay) apply. Collective agreements in force at Iberdrola group companies guarantee equality in starting salaries for men and women. Next, the average remuneration received by men and women (wage gap):

Average relative remuneration (base plus variable salary) by age and gender*

Iberdrola (EUR)	Remuneration men / Remuneration women			(Remuneration men – Remuneration women) / Remuneration men		
	2019	2018	2017	2019	2018	2017
Up to 30 years old	92.7	92.7	98.0	-7.8	-7.9	-2.0
Between 31 and 50 years old	86.1	89.1	94.5	-16.2	-12.2	-5.9
More than 51 years old	112.1	111.0	110.2	10.8	9.9	9.3
Remuneration	95.1	97.3	100.9	-5.2	-2.8	0.9

Average remuneration (base plus variable salary) by age and gender*

Iberdrola (EUR)	Men			Women			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Up to 30 years old	23,357	22,208	25,076	25,183	23,953	25,579	23,758	22,591	25,188
Between 31 and 50 years old	43,458	42,685	46,569	50,487	47,882	49,299	45,179	43,991	47,287
More than 51 years old	75,089	67,787	68,259	66,993	61,064	61,914	73,292	66,378	66,973
Remuneration	47,614	45,990	49,089	50,086	47,278	48,639	48,195	46,293	48,983

Proportion of women in each remuneration quartile (base salary plus variable)*

of women in the top salary quartile worldwide	23.5 %
of women in the upper middle quartile worldwide	27.1 %
of women in the lower middle quartile worldwide	30.7 %
of women in the bottom quartile worldwide	12.7 %

The Iberdrola group also works on the inclusion of **new generations** and the promotion of STEM careers in more minority groups within the industry. With four generations co-existing within the same company, this generational reality becomes a strategy for our organisation.

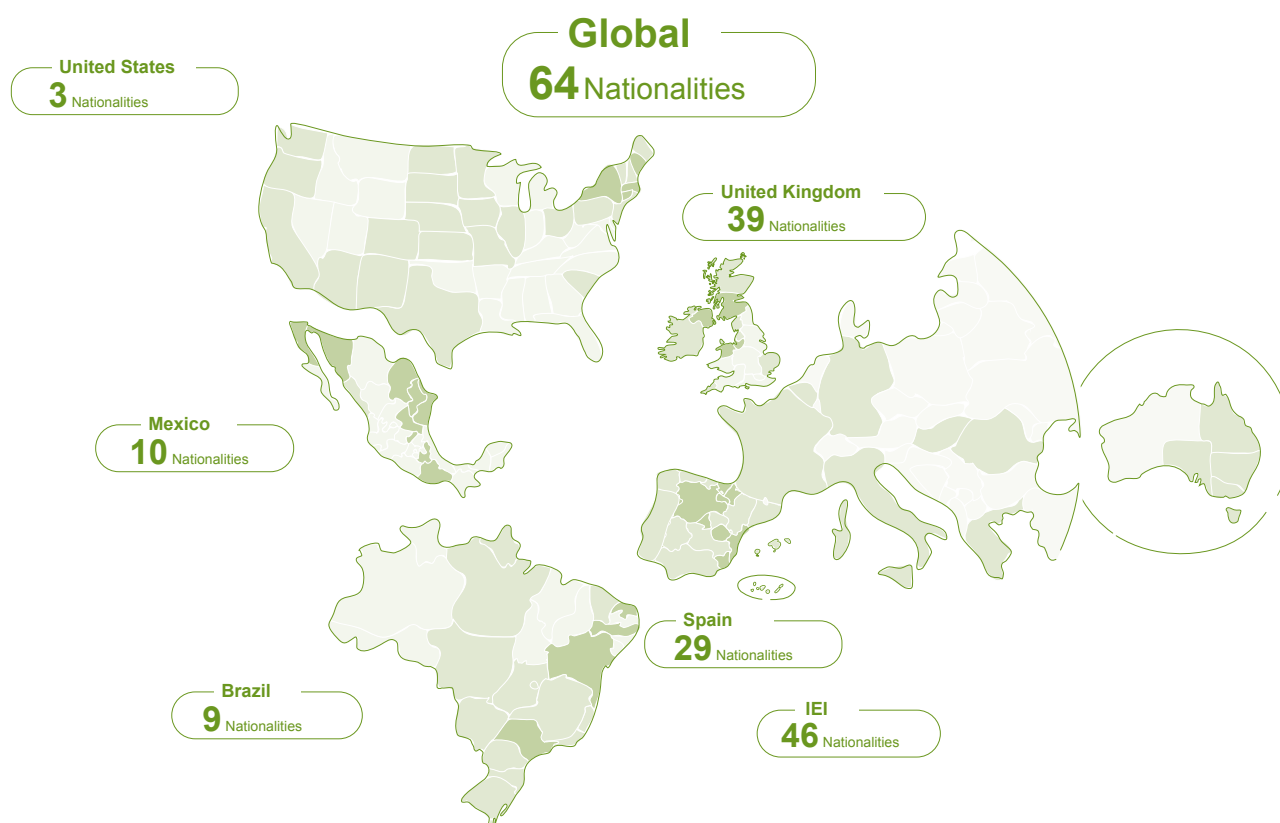
Generations by country

	Spain	United Kingdom	United States	Brazil	Mexico
Baby Boomer (1950-1968)	34 %	27 %	41 %	8 %	7 %
Generation X (1969-1980)	40 %	37 %	28 %	25 %	28 %
Generation Y (1981-1993)	25 %	28 %	26 %	58 %	58 %
Generation Z (1994-2010)	1 %	8 %	4 %	9 %	8 %

The principles of the Iberdrola group's business culture include a **multinational drive** through its mobility programme, which goes hand in hand with the creation of teams with different cultures and locations. Driving the integration of these people and favouring camaraderie, knowledge and the exchange of opinions and knowledge are factors that directly affect the improvement of creativity and productivity.

* Companies included: Iberdrola S.A., subsidiaries of: Iberdrola España, Iberdrola Energía Internacional (Spain), ScottishPower, AVANGRID, Neenergia and Iberdrola México.

Nationalities by country



En la dimensión cultural no disponemos de datos de nacionalidad de todos nuestros empleados

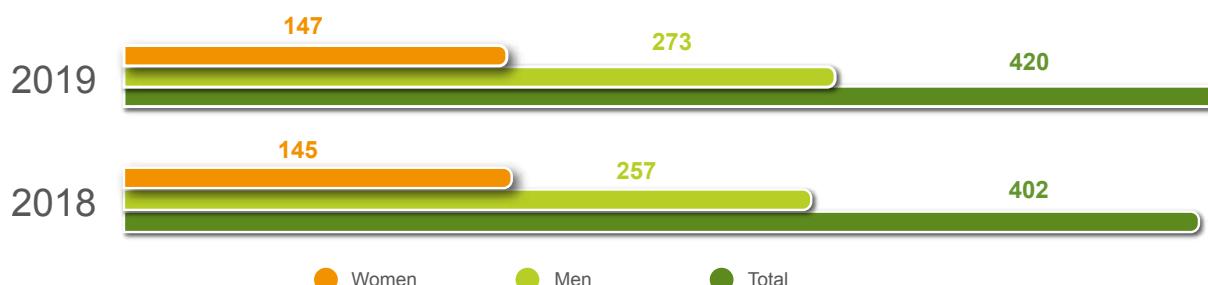


Estefanía Segovia,
*renewables investment and
 market analyst and mobility
 programme participant*
 (Spain – Mexico) 1 April 2017
 to 1 March 2020

“I really appreciate that Iberdrola gives us the opportunity to create multicultural, international teams, because in the end it is good that we know all the businesses, what the Iberdrola culture is like in each country, and that also encourages us to wear the team shirt...”

Employees with disabilities*

Iberdrola works for **functional diversity**, taking action to raise awareness regarding this issue. The companies of the group are committed to creating an inclusive environment so that each person can contribute all their talent, which is a great asset.



* Does not include workers in the United Kingdom or the United States. The company has chosen not to request this information in the United Kingdom. In the United States, the employee has the option not to report on their disability, and at year-end 2019 no employee decided to exercise their right to share this information.

Inclusion of the LGBTIQ + collective

Iberdrola is committed to promoting diversity in all its forms through a multicultural and inclusive workforce, already contemplating aspects of diversity that until now had not been specifically managed, such as the identity and sexual orientation of each individual. Progress has been made in including the LGBTIQ + collective in the ambition of creating an environment that fosters a sense of belonging and acceptance, through practices that seek to support employees so that they feel comfortable being who they are in an authentic way and comprehensive within the work environment.

- At AVANGRID they have carried out a communication campaign on social networks with testimonials from employees during Pride Month, they have celebrated the National Coming Out Day to give more visibility to the LGBTIQ + group and have launched an internal group, Pride @ AVANGRID Business Resource Group, open to all employees.
- In 2019 ScottishPower launched their policy and action guides to support the trans employee collective, in July they celebrated ScottishPower Pride Week and also have an internal network open to all employees, called In-Fuse, to promote diversity and inclusion and ensuring that everyone is comfortable being who they are in the organization. SP Energy Networks participated as a sponsor at Liverpool Pride for the first time in 2019.
- In Neoenergia they organized a webinar on Pride Day, June 28, to talk about LGBTphobia, sexual orientation and LGBTIQ + pride, with the participation of 100 employees, set up a stand at the convention of leaders as part of a campaign awareness raising and a internal LGBT group made up of employees from various areas of the company whose objective is to suggest actions that can be implemented to promote greater sensitivity and create a more inclusive environment.



Governance bodies: participants in diversity and inclusion

Iberdrola is convinced that having a diverse Board of Directors, in the broad sense and not only referring to gender diversity, is an element required to ensure transparency and to be able to challenge the strategic proposals of the group. To this end, the company has defined a [Board of Directors Diversity and Director Candidate Selection Policy](#) to ensure that its Board of Directors has a diversity of skills, knowledge, experience, origins, nationalities, age and gender

The group had a [balanced composition among its Board of Directors](#) in 2019, made up of a large majority of independent directors, with high professional qualification and experience, reflecting a commitment to diversity in terms of expertise, origin and gender.



43 %
are women

2/5

of the chairs
of the Board
Committees
are women

58 %

of the directors
have **less than**
5 years of seniority
on the board

5

different
nationalities

Commitment of the directors



Samantha Barber,
Director of
Iberdrola, S.A.

"Diversity on the Board of Directors isn't just a gender issue. It is about bringing more women in - but also bringing people with diverse experience, expertise, career trajectory - that brings a richness into that category. The effectiveness of the board is about the diversity and chemistry of those around the board table. That makes for a more-challenging environment. It is much less challenging if everyone looks and thinks the same as you do."

The recent revision of the CNMV's Good Governance Code of Listed Companies on diversity recommends that boards of directors have at least 40% female directors before the end of 2022. Iberdrola's path in this area has been to take up the challenge early; it already has a diverse board, distinguishing it from other IBEX 35 companies.

Age of the members of the Board of Directors



▲ Promoting a diverse and inclusive environment

To build a diverse and inclusive environment, it is important to look beyond employees and governance bodies. For this reason, Iberdrola works each day to impact, transform and generate value in the communities in which

it operates, its customers and its suppliers. Focused on its values as a company, with ambitious objectives, it broadly aspires to a more inclusive industry that leaves no one behind.

Customers: guarantee the accessibility of products and services

For Iberdrola as a company, which is centred on people, it is important to develop products and services focused on the needs of all. To this end, it is constantly seeking the increasing accessibility of its products, services and information to meet the firm demands of an increasingly diverse society.

Commitment to groups with disabilities

The companies of the group engage in various initiatives to make communication with customers with specific sensory or speech difficulties simpler and more agile, ensuring accessibility, equal opportunity and non-discrimination.

Accessibility for vulnerable customers

The group has launched various initiatives and projects to facilitate access to energy for economically disadvantaged people and promote their social inclusion.

These initiatives respond to the spirit of the [General Sustainable Development Policy](#), pursuant to which Iberdrola commits to “pay attention to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating in providing ongoing access to energy and gas supply”.



Needs of the customers

Iberdrola is aware that, in an increasingly complex world, the development of solutions to meet the needs of its customers is essential. Another priority of the company is that its products and services offer specific and accessible alternatives for all customers, without leaving anyone behind.

Some of the best practices to guarantee the accessibility of products and services are:

The group provides exclusive services to customers who are disabled, visually or hearing impaired, suffering from chronic illness, or over sixty years old. It includes the provision of bills in Braille, in large print, on compact discs, or on audio tape.

The **Next Generation Text Service** (NGTS) initiative offers tools and services to communicate by text using a smart phone, tablet or computer. It also has multiple alternatives for listening to customers with language difficulties.

[Neoenergía](#) has exclusive free telephone access in the *Customer Relationship Center* for people with hearing or speech disabilities..

[Iberdrola España](#) has established a [Vulnerable Customers Protection Procedure](#) in order to ensure the supply of energy to economically disadvantaged citizens.

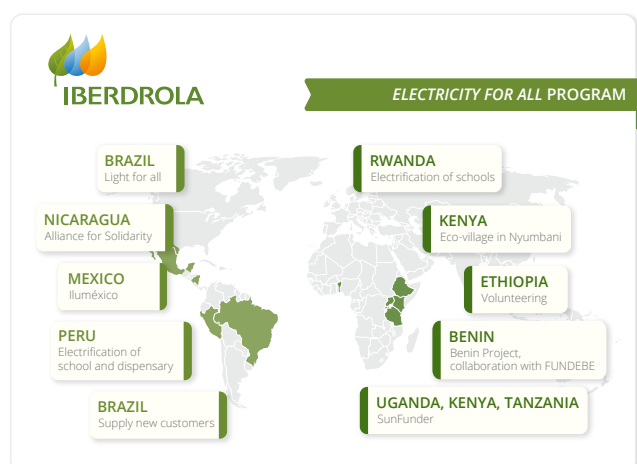
With the [Electricity for All](#), programme, the group wants to bring electricity to more than 16,000,000 million people in vulnerable groups by 2030 who today lack access to this energy source.

Within this program, [Iberdrola México](#), in alliance with Iluméxico, has launched [Lights of Hope](#), a project that will bring electricity to 30 rural communities in Huasteca Potosina (Mexico), by installing solar panels in homes, schools, health centres and community spaces.

ComunicA

is a pioneering sign-language video-interpretation service in the customer service area, thanks to the collaborative initiative with Fundación CNSE that began in 2012 and that was renewed in 2019.

Since the launch of the project in 2014, **7 million people** have benefited from access to electricity through projects carried out in various countries of the world.

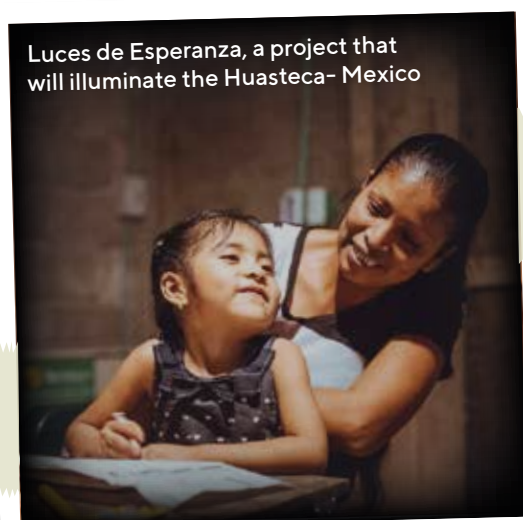
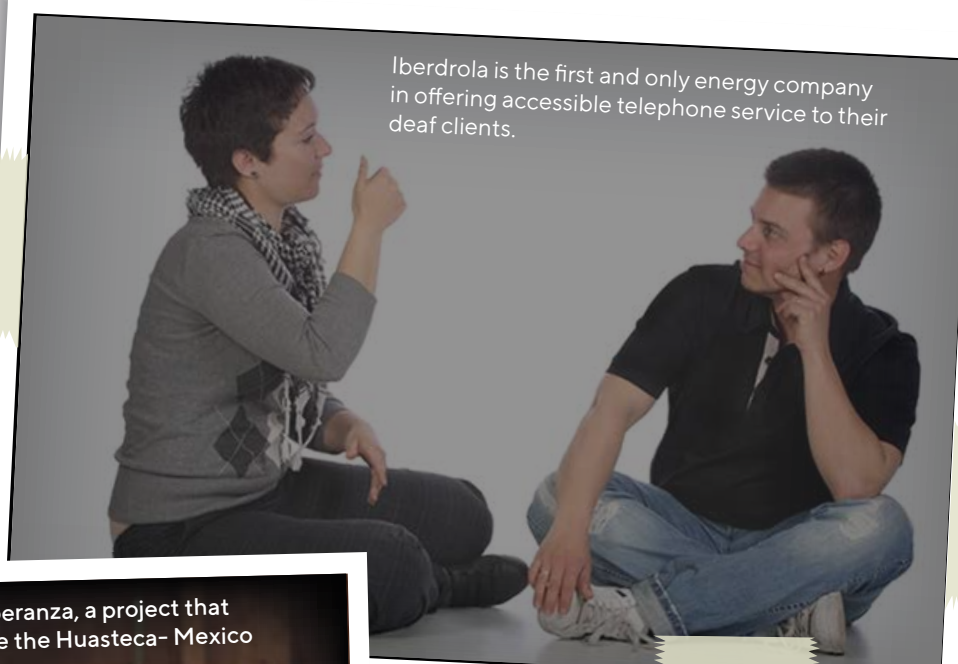


[Scottish Power](#) has provided an interpreting service to facilitate communications in cases where customers have difficulty expressing themselves in English, and also offers its service in Welsh for all customers who so desire.

[AVANGRID](#) has an In-house Spanish Speaking Representatives service, which provides customer service to customers who speak Spanish, and

also makes available employees with a knowledge of languages other than English.

Iberdrola also promotes information and training on safety and energy-saving measures amongst disabled and underprivileged groups and those at risk of social exclusion, in order to contribute to the equality of these persons by removing barriers to communication.



Suppliers: sustainability that promotes diversity and inclusion

Iberdrola has the responsibility and the ability to motivate its suppliers to improve their environmental, ethical and social performance through actions that foster excellence in the management of sustainability. The company is proud to have a diverse supplier base that allows it to generate benefits for the businesses and for society and to obtain products and services, while small and minority businesses grow and prosper.

Inclusive global policies

Iberdrola seeks sustainable, transparent, fair and ethical supplies and suppliers, and for their way of doing business to be aligned with the group's policies, principles and responsibilities.

The [Purchasing Policy](#) is based on basic principles such as a relationship with suppliers based on the principles of business ethics and transparency, striving for continuous improvement, mutual benefit, and promoting innovation and development; it establishes selection processes based on standards of objectivity, impartiality and equal opportunity and promotes compliance with contractual terms and legal provisions.

At the General Shareholders' Meeting, the shareholders approved an increase in the number of strategic suppliers subject to sustainable development policies and standards. A strategic supplier is considered to be aligned with Iberdrola's sustainable development standards if it has a human rights strategy, a code of conduct, health and safety standards and an environmental strategy.

Supporting the adoption of inclusive behaviours

In 2019, the group implemented a [new supplier sustainability evaluation model](#).

Iberdrola has an ambitious goal of achieving **at least 70%** of the company's main **suppliers** being subject to sustainable development policies and standards by 2022.

During 2019 there was a review of the performance of suppliers relating to Diversity & Inclusion who represent **+5,000 million euros** of purchases made.

Evaluating aspects like the percentage of women hired, the existence of policies promoting equality and diversity and inclusion, the promotion and development of measures focused on facilitating a reconciliation of work and personal life, and the salary gap.

This new model is more demanding than the previous sustainability assessment and allows for a more detailed evaluation of suppliers in terms of sustainability, including diversity and inclusion aspects.

Support for entrepreneurs and newly-created companies

Iberdrola supports the creation and strengthening of new entrepreneurial projects, developing initiatives such as:

- Promotion of purchases from companies less than 5 years old. In Spain the volume of these purchases has increased to **54 million euros, demonstrating support for entrepreneurship.**
- Inclusion of the specific category Job Creation and Youth Employment at the Supplier of the

Year Awards in Spain, in order to incentivise the commitment to youth and female employment.

- Delivery of the 2019 Global Award to a start-up (Wallbox) in the Innovation and Competitiveness category for their commitment to innovative solutions that will allow for improvement in the sustainability of the energy model.

AVANGRID highlights the Supplier Diversity Program, a programme pursuant to which Iberdrola commits to including and increasing purchases from diversely-owned companies (minorities, LGBT, veterans, people with disabilities, marginalized people, etc.). It also has a *sales development program*, created to help small disadvantaged companies to compete and to access the federal procurement market.

2019 highlights:

At Iberdrola España and at AVANGRID, the volume of purchases from diverse suppliers was **€95.3 Million**

Supplier of the Year Award,

The Supplier of the Year Award

is a mechanism for public recognition of suppliers. It has categories such as sustainability, job creation and diversity and equality.



Supplier of the Year Award 2019

Society: commitment to a more diverse and inclusive society

Iberdrola is aware of its responsibility to move towards a more diverse and inclusive world, both in the industry in which it operates and in society generally. To this end, it has for years been engaging in a multitude of initiatives worldwide to support the professional development of women, promote women's sport and support groups at risk of social exclusion, among other initiatives.

Talent and diversity in STEM

Based on its policies, Iberdrola continues to engage in various initiatives in all the countries in which it operates in order to increase the presence of women in the energy sector and in society generally:

- Through **Neoenergía**, the group launched the School of Electricians to train women with specific training in order to increase your market share labor in the electricity sector.
- Through its **subsidiary in Mexico**, the Iberdrola group developed the first [Women in Energy](#) forum in 2019, where 40 female team leaders with a high potential for development got the opportunity to share their experiences and ideas. The aim of this event was to reaffirm the company's commitment to equality of opportunities and to help move women into leadership roles.
- **ScottishPower** is a member of [POWERful Women](#), an organisation that promotes diversity in the energy sector. In 2019 representatives of ScottishPower attended a reception at the House of Lords with Greg Clark, the UK's Secretary of State for Business, Energy and Industrial Strategy, to promote the launch of the Energy Leaders Coalition. This is a new initiative focusing on direct measures to encourage gender equality and diversity specifically in the UK's energy sector.



Iberdrola worker performing tasks on a wind turbine

Women who Shine, also on the Internet

Brilliant People (Gente que brilla), a digital space created by Iberdrola to publish histories that are of interest to all, in May 2019 held the first annual awards for “Women who Shine, also on the Internet”, which seek to give visibility to female talent within the digital ecosystem for their work, effort, commitment and fight for equality through the new digital tools.



Shining Women Awards 2019

Creating opportunities, breaking barriers

Personal, family or community circumstances often hold back the development of many young people. This is why the group engages in a multitude of initiatives to support young people, especially those in vulnerable situations.

These initiatives include the work of its local foundations (ScottishPower Foundation, AVANGRID Foundation, Fundación Iberdrola México, Instituto Neoenergia and Fundación Iberdrola España) to promote equal opportunity in access to education:





Fundación Tomillo

[Fundación Iberdrola España](#), has provided 80 students and 22 teachers from rural areas of Castile and Leon, Extremadura and Valencia with summer linguistic immersion courses in English: the aim is to teach English to students in their 3rd and 4th years of Compulsory Secondary Education in this language.

[ScottishPower Foundation](#) through [The Engineering Education Programme](#)", provided together with The Prince's Foundation, offers an outdoor educational experience that connects children and young people with our natural world in order to inspire a future generation of creators and innovators.

[AVANGRID Foundation](#) supports the training of electricians through scholarships in the CMP Lineworker Technology Programme, to train specialists while prioritising the inclusion of young women in the energy sector.

[Fundación Iberdrola México](#) has an Alliance with the Institute of Renewable Energy of the National Autonomous University of Mexico, the Technological University of the Central Valleys of Oaxaca and the General Coordination of Intermediate and Higher Education, Science and Technology, to support the educational development of the south-southeast and encourage the study of engineering, especially

among women. Programme of 20 scholarships per year (for 5 years) at the professional level for young people from Oaxaca de Juárez.

The [Neoenergia Institute](#) in Brazil, together with the Integrated Centre for Sustainable Development Studies and Programs (CIEDS), seeks to reduce educational inequalities among children and youth, directly supporting Municipal Education Plans. The initiative seeks to consolidate a network for the dissemination of innovative ideas and solutions through the standardisation of teaching practices that are in line with the ten General Skills of the National Common Curricular Base.

In 2019, **1,111 teachers and educational directors from cities in the interior** of Bahia and Sao Paulo participated in the training.

Volunteering for diversity and inclusion

In 2019, a total of 7,489 volunteers took part in social projects aimed at the integration of vulnerable groups and sustainable development. The group carries out several corporate volunteering initiatives, including:

Lights and Action

The [Lights and Action](#), initiative, in collaboration with the Fundación Tomillo, seeks to promote training in energy efficiency and increase the employability of youths from disadvantaged environments. In 2019 this initiative was updated to offer content that focuses more on students' training itineraries, and a new mentoring project has been implemented for the students of this programme by Iberdrola employees to kindle a technical vocation in women. English

classes have also been included, in cooperation with ScottishPower volunteers, to give it an international perspective. "Know your Laws" has favoured the integration of immigrants through courses offered by company employees with legal training.

INVOLVE

Iberdrola has participated in the eighth edition of the global [INVOLVE](#) (International Volunteer Vacation for Education) project, which has offered training in new technologies to youths at risk of exclusion in Brazil and Mexico.

INVOLVE

International Volunteering Vacation for Education



Stacey L. Lovett
Customer Services
- Supervisor -
AVANGRID

"INVOLVE was amazing. Diversity was in every aspect of our day. Coming from different countries, working in different areas of Iberdrola and with our cultural differences. We worked hard to provide these children the opportunity to advance, and we participated in the efforts of the community to improve their environment. INVOLVE was a gift. We went to Brazil to transfer computer skills and knowledge to the children, but in the end we learned much more with them than we taught. I returned from the experience with a renewed sense of identity and an appreciation for others that will last a lifetime."



International Volunteer Day

2019 International Volunteer Day

2019 International Volunteer Day gathered than 2,200 volunteers in 80 initiatives that took place simultaneously in Spain, the United Kingdom, the United States, Brazil, Mexico and for the first time in Portugal. Under the slogan [Together we'll build the world we want!](#), the initiatives carried out this year were aimed at the inclusion of vulnerable groups, raising awareness of the importance of diversity, and the fight against climate change.



Iberdrola volunteers in Caceres (Spain)

Activities to promote women's independence and empowerment

Feminine personal defence workshops were held on International Women's Day and on the International Day for the Elimination of Violence against Women; these workshops were held with two different groups: refugee women and women with intellectual disabilities. There was also a volunteer activity "[In the fight against gender violence we all count](#)" based on the campaign that Iberdrola has carried out with the Ministry of the Interior: "Don't look the other way". The initiative was aimed at teenagers of the Tomillo foundation, who together with volunteers from the Social Networks team viewed videos recorded in 360° technology that show various episodes of male violence and make the viewer the protagonist of various events. The young people reflected and worked in groups on this topic in order to be a call for awareness and for collaboration with all of society to stop this social scourge.



Universe Women Tour



Iberdrola workers at the Wiking offshore wind farm

Women and sports, a successful alliance

By [supporting women's supports](#), the company wants to contribute to the promotion of talent, effective equality and social development, which form part of the company's key pillars. Its support for values such as teamwork and overcoming challenges materialises through various projects with the aim of reinforcing the social and cultural dimension of sport and activating support for women's sport.

Universe Women Programme

Iberdrola has expanded the agreement by which it became the main driving force behind the [Universe Women programme of the High Council of Sports \(CSD\)](#) in 2016. The goal of this agreement is to promote and develop female participation in all areas of sport (school, amateur and professional) as an instrument to acknowledge the import role of women in sports and in society.



**Carolina Marín,
World Badminton
Champion**

"For me, being an Iberdrola ambassador and forming part of the Universe Women project makes me very proud. I have been involved in this project from the beginning because I believe it represents the essence of what sport is, and is the catalyst and driving force behind women's sport in Spain in our modern era. It is a program full of values that helps to make women's sport visible and has done so without any hang-ups to get to the point where we are now. What only remains is for me to thank Iberdrola for a job well done and to hope that it continues with this programme for many more years. The sportswomen of our country thank you from the bottom of our hearts."

Girls, sport makes us powerful!

In addition, the Madrid City Council and Iberdrola presented in December 2019 their “Girls, sport makes us powerful!” project. This project is intended to encourage girls and women aged 12 to 24 years to take part in sport by organising talks by athletes and professionals from the world of

sport. It is estimated that the project will benefit more than 5,000 minors in their school districts.

Iberdrola SuperA Awards

Iberdrola group also presented the [Iberdrola SuperA Awards](#) to recognise and give visibility to the best initiatives in Spain in favour of equality and the empowerment of women through sport.

In sports, success is often based on lives full of sacrifice and stories with soul.

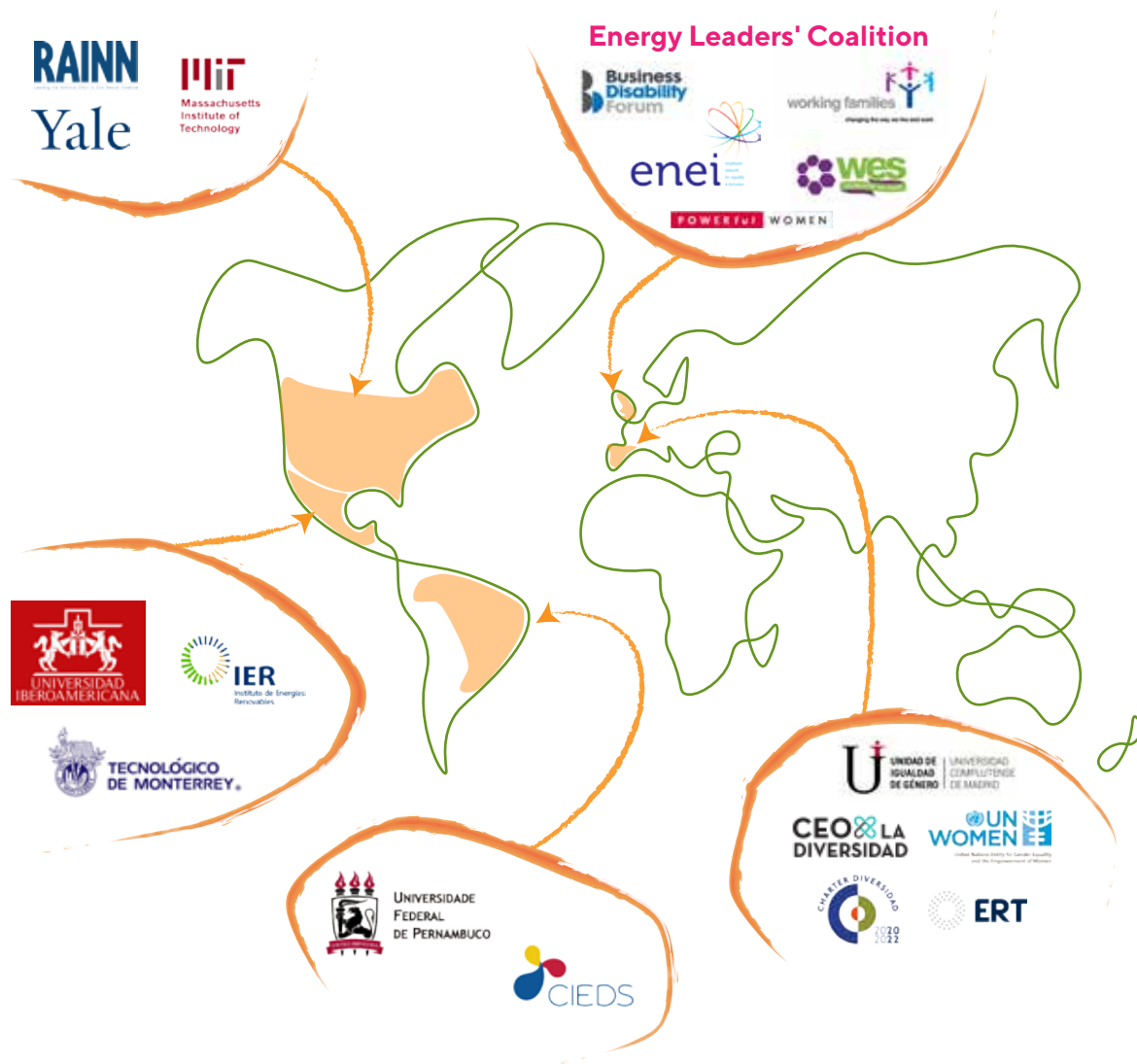
What do our champions think about the role of women in sport?

If you'd like to know more, visit the [website](#).



Alliances that maximise Iberdrola's impact

Iberdrola is aware that, in order to advance and maximize the positive impact of its activities, there must be alliances in order to increase its efforts through the multiplier effect. Iberdrola works with public and private institutions to foster and promote diversity and inclusion:



Awards/Recognitions



Parque eólico Mel II (RN)

EKITALDI IRAUNKORRA



[First Ibex-35 company to certify its General Shareholders' Meeting](#) as a sustainable event (2016), and first to renew this certificate in 2019 according to the international ISO 20121 standard.



Recognition granted by AENOR and by the Basque government's public environmental agency IHOBE, through its "Erronka Garbia" seal.



Included in the [Blomberg Gender Diversity Index](#) the only Spanish utility included in all editions.



[Best Corporate Governance \(Spain 2019\)](#) Award by the prestigious publication World Finance. Acknowledges efforts to ensure boards are more diverse and dynamic through long-term strategies.



Certification as a [Healthy Company](#) in compliance with the World Health Organization (WHO) model, awarded by AENOR, showing its commitment to the global care of all its professionals.



Recognized by CDP Supply-Chain as [CDP Supplier Engagement Leader](#) por su estrategia de compromiso con su cadena de proveedores.



[Accessibility Certificate issued by Ilunion Tecnología y Accesibilidad](#) for its corporate website. Additional recognition for its efforts in the area of universal accessibility and service to disabled persons.



Iberdrola stands out in the Workforce Disclosure Index (WDi) with [above-average performance](#) for its quality employment initiatives..



ScottishPower has retained the [Disability Confident Standard](#) award for its commitment to policies that support people with disabilities.



Enrique Alba, CEO of **Iberdrola Mexico** received the Leaders of the Decade in Energy Leadership award as part of the [Women's Economic Forum \(WEF\)](#), held for the first time Mexico, with the aim of promoting initiatives for the economic advancement of women.

