

INFORMATIVE NOTE

Based on the criteria most used by the international investment community: environmental, social and corporate governance

Iberdrola reformulates its governance and sustainability system around ESG criteria

- Its regulatory system reorders the company's policies and standards, aligned with its sustainable development strategy and its social dividend
- Approval for a *Diversity and Inclusion Policy* and reinforcement of practices relating to digital disconnection in accordance with the latest trends

Iberdrola's Board of Directors has adapted its Governance and Sustainability System –the new name for its regulatory system–, articulating its content around the three main aspects the international investment community uses to measure the impact and sustainability of its investments: environmental, social and corporate governance (ESG).

Thus, the Governance and Sustainability System is now divided into five books: the Articles of Association; the Proposal that, together with the *Iberdrola Group's Purpose and Values* and *Code of Ethics*, incorporates the *General Sustainable Development Policy* and the *Stakeholder Relations Policy*; the book related to the environment, implemented through environmental and climate change policies; social commitment, which includes social policies and, lastly, corporate governance, which includes, in addition to corporate governance policies, risk policies and governance standards related to preventing market abuse.

This new initiative, aligned with its sustainable development strategy and its social dividend, consolidates the company's position at the forefront of the best international practices in corporate governance in a context in which the impact of COVID-19 has underlined the need for the recovery from the crisis to be based on social and sustainability parameters.

Diversity and inclusion policy and trends in digital disconnection

International trends in social matters highlight the growing importance of diversity and inclusion policies. In this context, along with the reformulation of its internal regulations, Iberdrola's Board of Directors has approved a *Diversity and Inclusion Policy* to incorporate the latest trends in this area into its internal regulations.

The new policy reinforces the company's role as a lever for and engine of change, in addition to strengthening its commitment to addressing current social challenges such as promoting diversity, equality, inclusion and a sense of belonging. Iberdrola seeks to maintain a favourable environment that facilitates and enhances the diversity and inclusion of its professionals, whilst guaranteeing freedom from discrimination.

The first Diversity and Inclusion Report 2019 compiles the initiatives undertaken by the company in those matters considered a strategic priority for the company's sustainable growth in relation to its teams, customers, suppliers and with the communities in which it operates. In the report, Iberdrola chairman Ignacio Galán, explains that "the great differentiating factor for companies' success in the 21st century is talent. For this reason, having a diverse team and a culture that encourages inclusion is essential for any group that aspires to face the challenges



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of a changing reality". And he adds: "A diverse and inclusive company is better at attracting and retaining talent and is more innovative, thereby becoming more productive and more open to the society it serves".

Iberdrola has also included a specific section on digital disconnection and respect for workers' private lives in its Human Resources Framework Policy, codifying the Company's practices in response to the most recent organisational dynamics. The company thus promotes the effective separation of professional and personal areas, with special attention to disconnecting digital devices, without favouring or discriminating against professionals and taking into account the diversity of its different professional groups.

About Iberdrola

Iberdrola is a global energy leader, the number one wind power producer and one of the world's biggest electricity utilities by market capitalisation. The Group supplies energy to almost 100 million people in numerous countries including Spain, the United Kingdom (ScottishPower), the United States (AVANGRID), Brazil (Neoenergia), Mexico, Germany, Portugal, Italy and France. With a workforce of more than 35,000 and assets in excess of €122 billion, it recorded a turnover of over €36.4 billion and a net profit of over €3.4 billion in 2019.

Iberdrola is leading the transition towards a sustainable energy model through its investments in renewable energy, smart grids, large-scale energy storage and digital transformation in order to offer the most advanced products and services possible to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark as a result of its contribution to the fight against climate change and for sustainability.

