



Diversity and inclusion report / 2020

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





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Introduction



"We seek to be an inclusive and diverse company that reflects as faithfully as possible the diversity of the world around us".

At Iberdrola we believe that our success depends on the success of our employees, of our customers, of the companies and professionals who interact with us and, in general, of the communities in which we do business and which we serve. And when we speak of success, we mean that all people have the same opportunities for personal and professional development, working to build a culture based on respect that removes barriers relating to age, gender, origin, culture, experience or values that are left over from the past and that cannot possibly be accepted in today's society.

We know that there is still a long way to go, but we are also aware of our potential to actively influence our environment and to contribute to achieving a true change leading to a more plural, inclusive and just society at all levels. This is why we embrace the commitment and nurture the ambition to achieve a world in which we all grow together as a part of it, a world that makes each one of us different and unique.

Specifically, we seek to be an inclusive and diverse company that reflects as faithfully as possible the diversity of the world around us. We strive to foster the development of each person's individual abilities, because we know that each person contributes a special and unique talent and because helping to cultivate that talent benefits us all. We also actively convey our message of commitment to diversity and inclusion to all those who directly or indirectly interact with us: partners, shareholders, suppliers and customers.

This gives us significant advantages: it allows us to have a remarkably talented team, to be more innovative and, above all, to understand and better respond to the needs of society, which, of course, is also diverse.

We have been working in furtherance of diversity and inclusion for years now, like one more "citizen" capable of exerting a positive impact on their environment. During these years we have implemented numerous initiatives. We are pleased to share the progress made in 2020 in pursuing this exciting goal, in this second diversity and inclusion report, which summarises Iberdrola's contribution to a more plural, egalitarian and just world.

Ignacio S. Galán

Chairman of the Board of Directors and CEO of Iberdrola, S.A.



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The path to diversity and inclusion



This is the third year that Iberdrola has reported its initiatives focused on a more just and egalitarian environment. In 2018 it was one of the first companies to publish in a single document an overall vision of the group's efforts to ensure effective equality between men and women.

In 2019 Iberdrola expanded the scope of the report and collected the initiatives implemented to generate a plural, just and egalitarian environment in other areas of diversity, both within the company and in the relations with all its Stakeholders. However, its commitment to diversity and inclusion dates back to the beginning of the century, as shown by the data and initiatives described below:

In 2007 Iberdrola resolved to implement the uninterrupted flexible work schedule in Spain. This unprecedented initiative at a major industrial company and a pioneer on the IBEX-35 marked a turning point particularly in Spain, **as it was the first company in the country to fully address work reconciliation.**

- In 2008 Iberdrola published the Equal Opportunity and Reconciliation Policy, which has since then evolved into the **Equality, Diversity and Inclusion Policy.**
- In 2012 Iberdrola was the first energy company **to offer accessible service to its customers with disabilities through Comuñca**, a pioneering sign-language video-interpretation service in the customer service area.
- Since 2013 Iberdrola has become one of the **companies with the largest percentage of female directors among the IBEX-35 companies.** The company now has 42% of female external directors on its Board of Directors.
- Since 2016 Iberdrola has positioned itself as the main promoter of female sport in Spain, providing **continued support to hundreds of thousands of sportswomen through 16 federations.** The company wishes to contribute to talent growth, effective equality and social development, which are among its key objectives in the area of sustainable development.
- In 2017 the renewable subsidiary of AVANGRID appointed its first **female CEO & Chairwoman.** In 2018 Ángeles Santamaría was appointed as CEO of Iberdrola España, and in 2020 Eva Mancera was appointed as CEO of i-DE, Redes Eléctricas Inteligentes.
- Since 2018 Iberdrola has been included on the **Bloomberg Gender Equality Index (GEI) and has joined UN Women.**



- Since 2019 there is a review of the performance of **suppliers relating to diversity and inclusion**, accounting for **more than 5,000 million euros** of the group's purchases.
- 2020 saw the creation of the **Iberdrola group's first Global diversity and inclusion Committee**, whose object is to define, approve and validate the company's positioning in terms of diversity and inclusion and to foster its implementation in line with the **Equality, Diversity and Inclusion Policy approved by the Board of Directors**.

The aforementioned initiatives are only a token of Iberdrola's firm commitment to diversity and inclusion.





3

Pillars, actions and results



Iberdrola has almost **40,000 employees in direct employment and approximately 400,000 in indirect and induced employment, with a presence in more than 35 countries**. This scale of business entails a high level of responsibility in everything we do and strengthens the commitment to creating diverse environments in terms of origin, gender, age and beliefs, where everyone feels free to contribute **different viewpoints, knowledge and experiences**, regardless of their origin, values and culture.

At Iberdrola, the commitment to diversity and inclusion is an integral part of the **Governance and Sustainability System of the group**. The Governance System constitutes the internal framework of rules for Iberdrola and its group, established to ensure through such rules the realisation of its purpose and its values and the achievement of its business ends and goals.

The long-term goal of the organisation is to strengthen an inclusive culture, and in order to achieve it, the focus must be on specific initiatives in areas like **gender, generations, culture and disabilities**, while also recognising the value of **including other groups, like the LGTBIQ+ community and veterans**, in the work environment.

The commitment to fostering an inclusive culture is actively shared by Iberdrola with all those directly or indirectly interacting with the company, as it considers it strategic to align its suppliers with its sustainable development standards in connection with human rights, codes of conduct, health and safety standards, and environmental strategy.

Iberdrola is well aware of the long road it has started to walk and knows that in order to make further progress on that road, it is necessary to maintain the unwavering commitment of its governance bodies, leadership, processes and policies, as well as the alignment of its entire ecosystem with a view to achieving a plural, egalitarian and just culture, such that it may become a reality for all.

3.1 Diverse and inclusive culture

Our response: Endeavour to ensure respect for the principles of equality, diversity and inclusion, both within the company and in our relations with those outside the company.

Iberdrola has established four guidelines in order to achieve a diverse and inclusive culture:

- 1. Awareness-raising and training:** Any process of change requires the involvement of all the employees so that inclusive behaviours become an integral part of their habits and conduct. For this reason, Iberdrola has implemented **awareness-raising and training actions in order to highlight the value contributed by diversity** and to sensitise about existing biases, promoting inclusive leadership programmes that favour better decision-making and management based on meritocracy and equal opportunity.



2. **Flexibility and co-responsibility:** Iberdrola works to ensure the **well-being of its employees**, and knows that a work-life balance is key to attaining this objective. Along these lines, the company has proposed and closed agreements with its employees regarding the flexible work schedule, taking into account the specific needs of each person and the demands of the business.
3. **Egalitarian and equitable treatment:** Iberdrola's roadmap towards diversity and inclusion includes **monitoring talent management processes and procedures** in order to ensure that its decisions are free from biases. The company thus works on a continuous improvement process to identify potential biases in them and to take action in order to remove them, following neutral and meritocratic standards.
4. **Encouragement of D&I at the company:** Iberdrola believes it is as important to ensure **respect for and adherence to the principles of equality**, diversity and inclusion within the company as it is to convey, **disseminate and promote those values among its Stakeholders**.

Noteworthy initiatives in 2020

1. Raising awareness among the workforce about the value contributed by diversity

In various countries in which the group operates, **networks of employees** have been created in order to exchange knowledge and promote change with a view to achieving a diverse and inclusive environment, where all differences are recognised and made a part of the company.

In Brazil, **specific groups** have been formed **with a focus on gender, race, people with disabilities and LGTBQ+ groups** in order to submit projects and help design good practices. Diversity standards like the representation of other business areas have been followed in setting up these groups.

In the United Kingdom the group has five networks of employees: **SP Connected Women, In-Fuse, Future Connections, SP Carers and the VIBE multi-ethnic network**.

In the United States the group also has five different networks: **WomENergy, AVAN-Veterans, the AVANGRID African-American Council for Excellence, Pride @ AVANGRID and ¡Hola!**

In several countries where the company operates, there are **special campaigns to mark diversity days** (Women's Day, Disability Day and LGTBQ+ Pride Day, among others).



Vibe



Carer Network



Infuse Network



Future Connections



Connected Women



77% of the employees who have responded to the climate survey consider that the company is committed to creating a diverse and inclusive work environment.

2. Favouring flexibility and co-responsibility measures

One of the steps towards the achievement of a more diverse workforce is the adoption of measures allowing for easier reconciliation between the personal and work responsibilities **of employees**.

In Spain, Iberdrola was the first major IBEX-35 company to establish **the uninterrupted work schedule as the general schedule throughout the year**.

In the United Kingdom, the company has implemented a **number of measures allowing for a better work-life balance**, like adoption leave, time off to care for children, dependants' leave, maternity and paternity leave, shared parental leave, etc. With the support of **Working Families**, these measures are regularly compared with the external market. This comparative evaluation is the starting point for the development of additional measures that will continue throughout 2021.

In addition, the **SPACE** network has been created in order to provide the employees with access to and guidance about all aspects of being a parent or carer. A new initiative to provide **Maternity/ Paternity Coaching to the employees** has also been rolled out. The purpose of this initiative is to combine practical support and the provision of advice to both the participants and those in charge of them, as well as to offer professional guidance focused on maximising the participants' potential with a view to their future progress.

In 2020, 73% of the employees who responded to the climate survey considered that Iberdrola promotes balance between their working life and their personal life.

In the United States, **new programmes to provide support to working families have been launched**, including paid parental leave, resources for the care of elderly people and children, and aids for fertility treatments, adoption and surrogate parenthood.

In Mexico, the organisation offers a series of **measures facilitating reconciliation due to maternity or other family reasons**, including a longer holiday period than that established by Mexican law, the possibility of having a reduced or more flexible work schedule, maternity leave both before and after childbirth following expiration of the maternity leave provided by law, and the right of female employees to return to the same job after the period of leave.

In the last 5 years, 71% more parents have exercised their right to parental leave.



3. Training employees to ensure egalitarian and equitable treatment

The company has made available to all employees **training that seeks to sensitise them about unconscious biases** and to raise awareness about their impact on decision-making and on team performance.

In the United Kingdom, training in unconscious biases was mandatory in 2020 for **334 leaders with responsibilities in selection processes and HR teams** (in addition to the 600 leaders already trained in 2018-19). Moreover, **inclusive hiring courses** began in 2020 for a group of 130 people with such responsibilities.

At the global level, the Leadership School has offered a new cycle of the **“Leading in the Age of Disruption”** programme together with Headspring (a joint venture of Financial Times and Instituto de Empresa), which has included specific content regarding **unconscious biases**.

Using the virtual space available to the company at the School of Leadership (**E-Leaders** platform), content has been shared about diversity and inclusion issues, including the importance of female leadership.

Finally, in the United States, **objectives** have been defined **to ensure that the majority of the workforce takes part in training activities designed to prevent unconscious biases**.

4. Encouraging diversity within communities and among suppliers

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 both for the businesses and for society and to obtain products and services.

Suppliers subject to sustainable development standards

The Iberdrola group is committed to having a sustainable value chain, with the aim of increasing the number of suppliers subject to sustainable development policies and standards.

For this purpose, in 2020 the group expanded the use of its supplier sustainability evaluation model. This model is more demanding than the previous assessment and allows for a more detailed evaluation of suppliers in terms of sustainability, including diversity and inclusion aspects.

Purchases from suppliers belonging to diverse groups

In Spain, the volume contracted in 2020 with Special Employment Centres (with the aim of helping and collaborating with the community of people with disabilities) came to **2.4 million euros**.



In the United States, AVANGRID sponsors the **Supplier Diversity Program**, aimed at encouraging diversity among its suppliers and increasing purchases from suppliers having diverse groups (ethnic minorities, LGBTQ+, veterans, people with disabilities, marginalised people, etc.).

In 2020, AVANGRID awarded 141 million euros to suppliers belonging to diverse groups.

RETO Awards

The company also has the **Reto al Proveedor** awards under the heading RETO (meaning 'CHALLENGE' in Spanish and standing for *Recuperación* (Recovery), *Energías limpias* (Clean energy), *Transición energética* (Energy transition) and *ODS* (SDGs) to highlight its commitment to the energy transition, innovation, entrepreneurship, employability, talent, equality, the contribution to the SDGs and involvement in connection with COVID-19.

Further information: [RETO Awards for Supplier of the Year - Iberdrola](#)

5. Investing in the communities where Iberdrola does business

Creating opportunities, breaking barriers

Personal, family or community circumstances often hold back the development of many young people. This problem has been worsened by the consequences of the global pandemic and has prompted Iberdrola to step up the initiatives implemented in order to support those within this group, especially if they are in vulnerable situations.

These initiatives include the work performed by the local foundations (**ScottishPower Foundation, AVANGRID Foundation, Fundación Iberdrola México, Instituto Neenergia and Fundación Iberdrola España**), as are the efforts to promote equal opportunity in access to education by the young.

For information on the actions undertaken by each country in this area, see the group's [Sustainability Report 2020](#).





Facilitating access to energy

The ***Electricidad para todos (Electricity for all)*** programme is Iberdrola's response in order to ensure universal access to affordable, reliable and modern energy services for people and groups that did not have access to them.

Since 2014, **Iberdrola has contributed to more than 8,200,000 people** in emerging and developing countries having **access to electricity** through various initiatives like project financing, investment in or performance of activities having a social impact, and the implementation of projects and agreements to help vulnerable customers.

In Spain, a Procedure to protect customers in a situation of vulnerability has been established in order to ensure the supply of energy to economically disadvantaged citizens.

In Mexico, the ***Luces de Esperanza (Lights of Hope)*** project is being developed with indigenous communities, offering electrification solutions based on solar energy to rural communities in Huasteca Potosina and Oaxaca without access to electric energy. In 2020 the second phase of this project was started in San Pedro Pochutla, Oaxaca, **with 380 people and 95 households benefiting from it.**

Iberdrola promotes training and information regarding safety and energy-saving measures among groups with disabilities or groups that are underprivileged or at risk of social exclusion.

3.2 Gender diversity

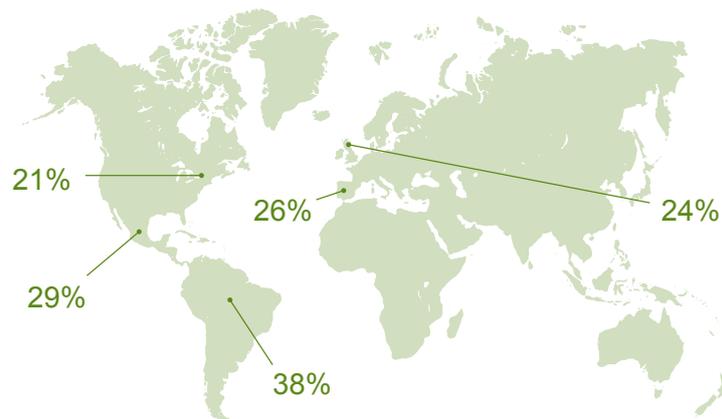
Context

Although the situation has slightly improved over the last years, reality shows that women are still a minority in the fields of engineering and technical studies. Of the total number of graduates in the various areas of engineering, the percentage of women graduates continues to be very low in the countries where Iberdrola operates. If we expand the scope to STEM programmes of study, we can see that only 30% of women choose STEM disciplines worldwide.*

* STEM covers those areas of knowledge involving a career in Science, Technology, Engineering or Mathematics.



Proportion of women graduates from engineering programmes of study*



* Source: [OECD](#)

Our response: Ensuring effective equality between men and women.

Increasing gender diversity is one of Iberdrola's objectives in order to strengthen the promotion and empowerment of women pursuant to the Equality, Diversity and Inclusion Policy. We are aware of the scant female presence in STEM programmes of study and of the difficulty in hiring women for technical positions, also reflected in positions involving greater responsibility, which is a complex structural issue that needs to be addressed.

Iberdrola has established four guidelines in order to encourage gender diversity:

- Promotion of STEM careers:** Iberdrola is part of an industry requiring a large number of STEM profiles. For this reason, one of its primary long-term goals is **to promote the training of women in engineering and in technical programmes of study and their integration** into the professional environment.
- Advancement of women in management positions:** Another goal is to increase **the number of women in Senior Management positions**. Training actions in decision-making are being implemented for this purpose in order to ensure neutrality in hiring. **Mentoring programmes** are also being favoured to give greater visibility to women and their talent.
- Equal pay:** Iberdrola endorses this basic right as one of the commitments included in its **Equality, Diversity and Inclusion Policy**. The remuneration structure of all professional categories within the group is designed in accordance with a gender neutral standard.
- Social contribution:** One of Iberdrola's aims is to encourage and promote the pursuit of sports by women in society at large.

Iberdrola pursues the goal of gradually increasing the presence of women in management positions such that it reaches 30% throughout the group by 2025.



Promoting STEM careers

The group has implemented a **university scholarship programme** to encourage youths and women to study engineering. The group carries out various activities to incentivise the pursuit of this technical vocation, including information campaigns about STEM programmes of study, developing courses in Science, Technology, Engineering and Mathematics, and teacher training. More than 50% of the scholarships were granted to women in 2020.

Iberdrola has already granted almost 1,000 scholarships to receive top-calibre training at institutions all over the world, the majority of them for STEM programmes of study.



Would you like to learn more about Iberdrola's Master's Scholarship Programme? Visit our website



In Mexico, an annual internal event has been held **since 2018** in order to **provide a channel for dialogue about challenges and opportunities in the area of gender equality** in the Mexican energy industry. This is a one-day event featuring lectures, discussion panels and networking activities for collaborators in leadership positions.



Iberdrola Mexico Energy – Second women forum

Watch video



In Brazil, **Neoenergia has had the Electrician's School for Women since 2019**. This programme is focused on fostering female representation in a historically male-dominated sector. In 2020 WeEmpower (a United Nations programme promoting gender equality) gave recognition to the programme as a good business practice to empower women through education and professional development.



Neoenergia Electrician's School

[▶ Watch video](#)

In the United Kingdom, the **RETURN programme** has been implemented, offering scholarships to people who have taken a break of two or more years in their professional career in the STEM sector and want to return to work. Although the programme is open to all candidates, most of the grantees have traditionally been women.

The programme helps candidates refresh their existing skills and knowledge and also strengthens their confidence in the work environment by means of a structured roadmap. Competencies in STEM functions are scarce in the United Kingdom, so investments are made in infrastructure in order to bring this talent back to the workplace and help close the existing gap.

The 2020-21 programme received a **record number of applications**, four times more than the previous year, in a year marked by the loss of jobs as a consequence of the pandemic.

Collaboration with external entities

In 2020 the group continued to support **UN WOMEN**, a United Nations entity advocating progress in the area of equality between women and men. It also collaborated with the "Jobs, Skills and Impact" working group of the **European Round Table** and participated in initiatives to advance the representation of women in leadership positions.

In Spain, Iberdrola is part of "**CEO por la diversidad**" ("**CEO for diversity**"), an alliance whose mission is to bring together CEOs of the major Spanish companies around a common and innovative vision on diversity, equality and inclusion, acting as sponsors and ambassadors. In addition, it maintains its commitment to the principles of the **Diversity Charter**. In 2020 the company formed part of the working group on the **Diversity@work** project within the framework of the Rights, Equality and Citizenship Programme of the European Commission.



In the United Kingdom, the company has joined the **Energy Leaders' Coalition**. In this group, industry leaders meet on a monthly basis to share best practices and expertise and to define joint commitments to improve gender diversity, from recruiting to retention. It also works with a number of organisations that have gained recognition for their commitment to gender diversity, like the **Women's Engineering Society (WES)**, a professional network of women in technological and engineering fields offering inspiration, support and development to future female engineering professionals.

In Mexico, the company is part of the **UN Global Compact's Target Gender Equality** accelerator programme, an initiative seeking to encourage companies to establish and achieve ambitious goals in terms of female representation and leadership.





Iberdrola, a promoter of women's sport

Iberdrola was a trailblazer in its commitment to encouraging women's participation in sports in the same conditions as men, by promoting actions like teamwork and the overcoming of challenges through various projects with the aim of reinforcing the social and cultural dimension of sport and activating support for women's sport.

Owing to this strong commitment, it is now a leader in the promotion of women's talent, effective equality and social development, values that form part of the company's key pillars.

In Spain, the company continues to advance equality through women's sport, working with **16 federations and benefiting 300,000 sportswomen from these federations.**

Support for Rugby

ScottishPower Energy Networks has expanded its rugby associations in Scotland and Wales to support more women in sport. Thanks to this support, the number of young women playing rugby in northern Wales has doubled in recent years.

*The Iberdrola group has been promoting women's sport for years.
Women take up and fight off new challenges. With everyone's
support, they are unbeatable!*

The Iberdrola group has stood by its commitment to equality **despite the health crisis** triggered by COVID-19, adapting its activities to the new circumstances.

The Women, Health and Sport Tour has become a digital event that has been broadcast on Televisión Española's Teledporte network. The aim continues to be to encourage women's sport and convey a message of effort and self-improvement through the development and showcasing of various sporting activities.



**Meet Susana Rodríguez
Paralympic Triathlete**

[▶ Watch video](#)



Our performance in figures

Progress has been constant over the last years, although the figures still reveal differences between men and women:

Women on the Board of Directors

42% of the external directors on the group's Board of Directors are women.

Women in Iberdrola's workforce

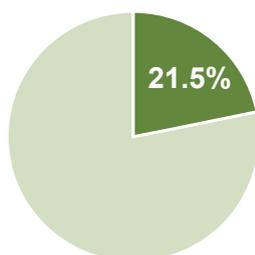
23% female representation, which is above the global female share in the STEM job market, coming to 20% (Source: ILOSTAT).

As regards the last five years:

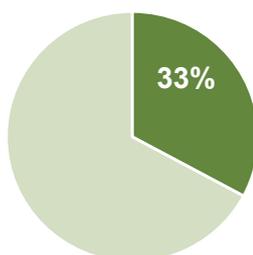
- The **number of women in the workforce** has increased by **38%**.
- The **number of women in management positions** in Iberdrola's workforce has increased by **28%**.
- The **number of women among middle managers and skilled technicians** has increased by **51%**.

Women in various professional categories

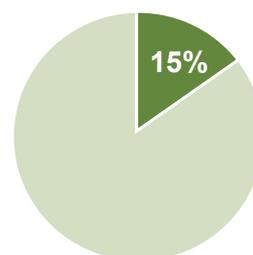
■ Women
■ Men



Women in management positions



Female middle managers and skilled technicians



Female skilled workers and support personnel

Average remuneration by gender

Average remuneration (fixed salary plus variable remuneration) by age and gender groups

Iberdrola (EUR) ¹³²	Men			Women			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Up to 30 years of age	23,994	23,357	22,208	26,093	25,183	23,953	24,451	23,758	22,591
Between 31 and 50 years of age	43,650	43,458	42,685	51,371	50,487	47,882	45,509	45,179	43,991
More than 51 years of age	77,943	75,089	67,787	69,766	66,993	61,064	76,054	73,292	66,378
Total average remuneration	47,232	47,614	45,990	50,679	50,086	47,278	48,038	48,195	46,293



Iberdrola pursues the goal of promoting equal pay for men and women at the group level. This goal is included as one of the parameters of Iberdrola, S.A.'s strategic plan, and therefore forms part of the criteria for evaluation of senior management targets.

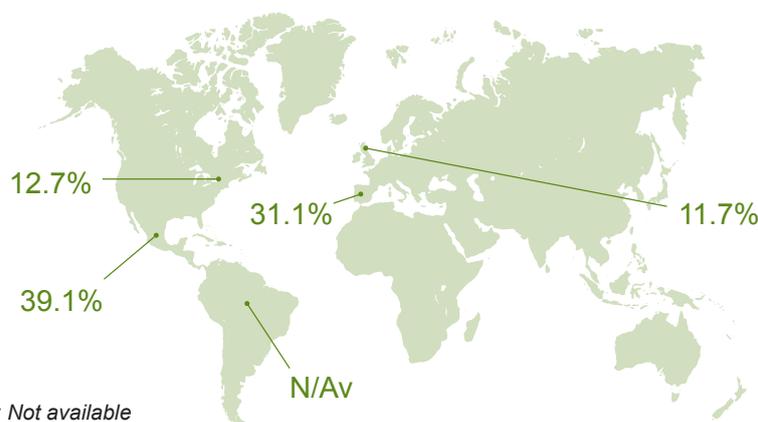
3.3 Disabilities

Context

Iberdrola operates in countries with different realities and posing different accessibility challenges at the companies. The level of inclusion of working-age people with disabilities and specific regulations in the countries where the company operates create the need for personalised management in accordance with this reality.

In most developed countries, the official unemployment rate of working-age people with disabilities is at least double that of people without disabilities.

Unemployment rate of people with disabilities (%)*



* Source: [ILOSTAT](#) – N/Av: Not available

Our response: All abilities count

The existence of certain limitations to the abilities of some employees to perform some tasks is perfectly compatible with their ability to generate quite significant added value in other activities.

The purpose is to sensitise and raise awareness among people so that such circumstances are not rashly identified as potential obstacles to their proper integration in the workplace. Iberdrola is committed to promoting a safe and inclusive environment in which the maximum benefit is obtained



from the talents of people with different abilities, with the aim of increasing the number of disabled people working at the company and striving to standardise it in the corporate environment.

Iberdrola has established four guidelines in order to improve the integration of people with disabilities:

1. **Promoting an inclusive environment** in which people with disabilities feel protected and develop a strong sense of belonging. **Campaigns and training activities** are carried out for this purpose, aimed at facilitating the inclusion of people with disabilities within the group.
2. **Ensuring accessibility:** Iberdrola is committed to **inclusive design and to the creation of facilities, products and services** that meet all the needs of its employees and customers, regardless of their abilities.
3. **Egalitarian and equitable treatment:** Iberdrola is committed to **training its selection managers** to eliminate unconscious biases with a view to attracting the talent of people with disabilities. One of its priorities is **to sensitise all of its employees**, in order to create an environment in which everyone feels comfortable, regardless of their condition.
4. **External collaboration:** Iberdrola works with **external organisations** in order to identify and bring profiles with **disabilities into its teams**. It also collaborates with companies committed to raising awareness in society about the importance of including profiles with different abilities.

Noteworthy initiatives in 2020

1. Promoting an inclusive environment

Iberdrola believes that training can offer job opportunities to people with disabilities, such that they can overcome the difficulty in finding a comfortable and safe environment in which to make a professional career.

In Spain, the **"YO PUEDO" ("I CAN") initiative** has been sponsored in collaboration with the #EmpleoParaTodos (#EmploymentForAll) programme of Fundación Adecco, which trains people with intellectual disabilities and mental diseases to obtain and keep a job.

Campaigns have been launched **to transfer people with disabilities** to internal vacant jobs at Iberdrola. The group is also committed to hiring employees with Down syndrome and to monitor their performance at the company. For example, in Brazil, Neoenergia has implemented **a mentorship programme** (Novo Olhar) for youths with Down syndrome.

2. Access to our services and products

The companies of the group pursue various initiatives to ensure that **communication with customers with specific sensory or speech difficulties is more agile** and simple, thus guaranteeing accessibility, equal opportunity and non-discrimination.



In 2012 Iberdrola was the first energy company **to offer accessible service to its disabled customers through ComunicA**, a pioneering **sign-language video-interpretation service** in the customer service area.

The **'Customers Requiring Additional Support'** programme offers additional services to customers who are disabled, visually or hearing impaired, suffering from chronic illness or over sixty years old.

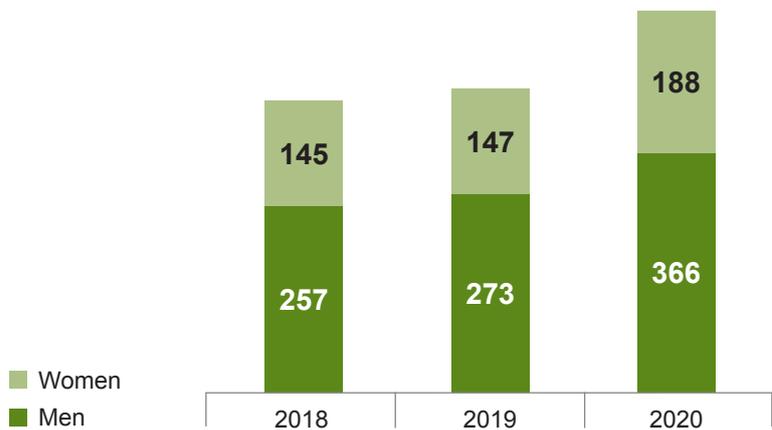
With the **Next Generation Text Service (NGTS)** initiative the company offers an array of tools and services that can help customers with difficulties to communicate by text using a smart phone, tablet or computer.

3. Collaboration with external entities

In the United Kingdom, the **Breaking Barriers programme** is implemented together with the University of Strathclyde and ENABLE Scotland, and includes access to university, a graduation ceremony and an eight-week internship at ScottishPower. The purpose of the programme is to support the aspirations of youths with learning disabilities and **provide equal opportunities to access university courses**.

Our performance in figures*

The number of people with disabilities at Iberdrola has increased by 38% over the last three years. This is a very positive figure that encourages our efforts to further increase it over the next financial years.



* Does not include employees in the United Kingdom as the company does not request this information.



3.4 Generational diversity

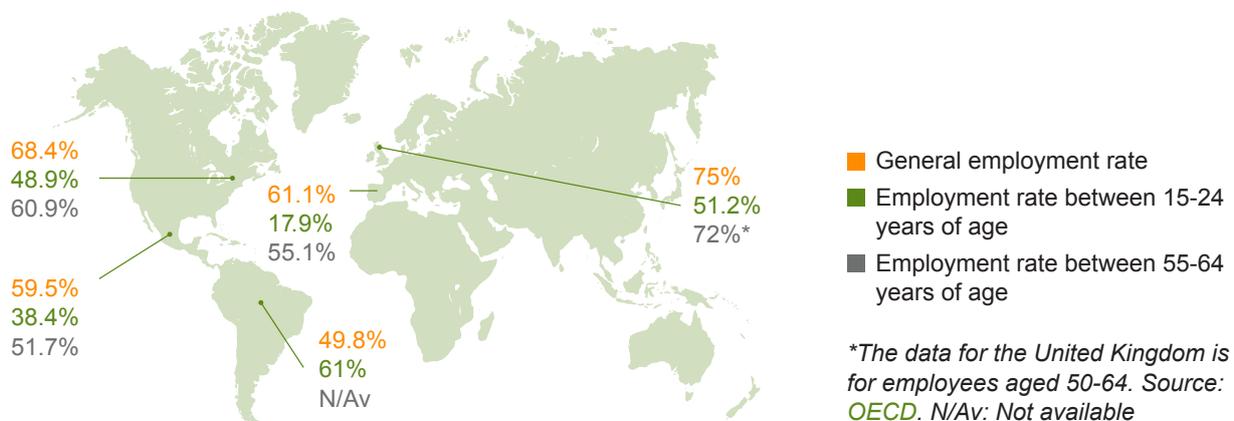
Context

The ageing of the world's population and the rise in inactivity rates pose problems to the economic and social systems. Iberdrola wants to address these challenges in order to ensure a sustainable future in the countries where it operates.

Iberdrola's commitment to youth is supported by several lines of action: encouraging access by an increasing number of people to quality education that allows them to become professionals and to contribute to society; focusing its efforts primarily on underprivileged/minority groups; and sensitising society to the characteristics of each generation, creating opportunities to obtain the best from each of them.

Iberdrola also considers care for the elderly and their guaranteed participation in the business to be a priority in its roadmap towards the achievement of an inclusive culture, as they play a key role both in contributing industry experience and in training the new generations.

Employment rate in general and by age bracket



Our response: Supporting all stages of life

Iberdrola seeks to be an employer of talent contributed by all generations. For this purpose, it has designed lines of action to support employees at the various stages of their life, such that they can find a balance between their professional responsibilities and their personal commitments, and to offer them opportunities for development, regardless of their age.



Iberdrola has established three guidelines in order to improve integration within the company and in society:

1. **Access to university for underprivileged youths:** Iberdrola is committed to helping **youths from an underprivileged background to access a university course of study** if they do not have the means to afford it.
2. **Ongoing training during all stages of life:** Promoting education in **all areas**, but especially among youth engaging in **STEM programmes of study**, facilitating their access to education and to the company, if the possibility arises. The group also recognises the value contribution represented by senior talent and provides **training suitable to the needs of older people**.
3. **The value of experience:** Senior talent contributes essential skills and qualities. Iberdrola supports **the transfer of knowledge** among generations.

Noteworthy initiatives in 2020

1. Access to education and professional courses of study

Iberdrola continues to promote scientific career pathways among youths and female students.

More than 900 youths joined Iberdrola as interns in 2020. Also noteworthy is **the scholarship and aid programme for low-income people** sponsored by the foundations. For more information, see the [Sustainability Report 2020](#).

2. Mentoring Programme

At the global level, the group has launched the first **global Digital Mentoring programme**, in order to **help develop digital skills for** people of all generations, especially those who were not born in the technological era. This initiative has met with success beyond expectations: more than 550 people have enrolled, which has made possible the formation of 185 pairs. 50 of these are made up of employees from different countries and more than 100 of them by employees of different generations. The focus areas in the mentoring programme have included both **technical skills and soft skills**.

ScottishPower launched **Mentor Connect** in February 2020. The purpose of the programme is to link high-potential employees and/or graduates with tutors, in order for them to exchange experiences and work on the development of themselves and others.

3. Sharing the experience of our senior talents

In Spain, the **Senior Talent Harnessing Programme** has been implemented for the benefit of society and in furtherance of the Sustainable Development Goals (SDGs). It was created in order for people who retire or take early retirement to be able to make their **knowledge and expertise available to society, vulnerable groups and social organisations** through the Iberdrola Volunteering Programme.

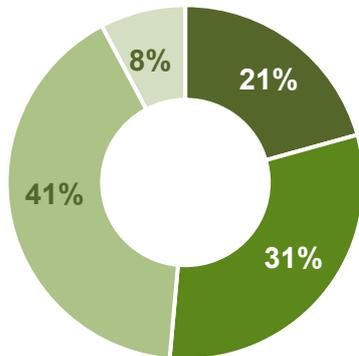


Our performance in figures

In 2020, the workforce consisted of approx. 40,000 employees distributed in four generations.*

Breakdown of the workforce by generation in 2020

The data on the breakdown of the workforce by generation shows that Iberdrola enjoys a combination of different talents to achieve improved business performance.

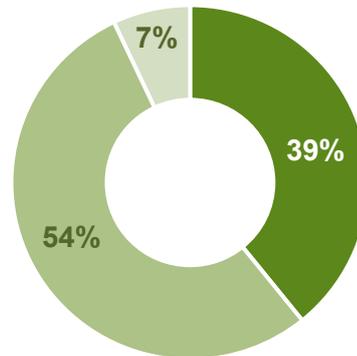


■ Baby Boomers ■ Generation X ■ Generation Y ■ Generation Z

***Baby Boomers** (1949-1968), **Generation X** (1969-1980), **Generation Y or Millennials** (1981-1993) y **Generation Z** (1994-2010)

Diversity reflected in executive positions

Iberdrola has a generational mix in executive positions that favours diversity in terms of thought, talents, perspectives and experiences.



3.5 Cultural diversity

Context

At international companies, one of the main challenges is ensuring clear and efficient communication that bridges language differences and avoids potential culture clashes, not only among the various teams but also with customers and suppliers in the environment in which the organisation does business (51% of communication failures are due to cultural differences). How these challenges are handled may be decisive for the continuation of the business in the country and for the future of the company.*

* **Source.** *Sharing across frontiers. The Economist - Confidential, 15/10/2019*



This challenge entails significant benefits if the diversity dimension is included in management processes, as it provides the flexibility required to undertake major transformation processes and expands the capacity for innovation.

Iberdrola performs ongoing work to analyse metrics by country in terms of multiculturalism and to improve its performance each day through the advantages provided by bringing together all that makes each country and culture different and unique.

Our response: Bringing together what makes each country and culture different and unique

Iberdrola acknowledges the international character of the group and the contribution made to it by persons of different origin, race and ethnic group, who constitute a source of constant and decided improvement for the group, which is preserved and fostered through initiatives designed to enhance it.

Iberdrola has established three guidelines in order to improve cultural integration at the company and in society:

- 1. Harnessing internal talent:** One of the principles underpinning the business culture of the Iberdrola group is the appreciation of its talent, through internal recruitment and international mobility processes, which goes hand in hand with the establishment of teams contributing different knowledge, experiences and cultures. Promoting the integration of these people, and favouring collaboration, camaraderie and the exchange of ideas, are all factors with a direct impact on the improvement of creativity and productivity.
- 2. Encouragement of multicultural teams:** Iberdrola promotes campaigns and events to raise awareness about the cultural differences contributed by all its employees, facilitating dialogue among them and disseminating knowledge about the significance of ethnic models in order to achieve a diverse and inclusive workforce.
- 3. Access to products and services:** Iberdrola guarantees **accessibility to its services**, regardless of language, and thus has all the means required to be able to offer a **global service** available to all.

Noteworthy initiatives in 2020

1. Fostering mobility

The company facilitates internal mobility within the organisation to create teams that take advantage of multiculturalism.

At the global level, the group offers **Mobility Programmes** like Early Career, which provides employees from other countries with the ability to work on transformation and innovation projects for two or three years and then continue with their career in their country of origin.



2. Promoting ethnically diverse teams

These foster training in the main languages spoken within the group: **Spanish, English and Portuguese**, using various learning resources that resulted in more than **121,000 hours of language training at the global level** in 2020.

In the United Kingdom, the **VIBE** network was created recently to promote the formation of **ethnically diverse teams**. In 2020 VIBE provided support to develop and communicate the company's position about **Black Lives Matter** and held an on-line event about the importance of ethnic models as part of the celebrations during National Inclusion Week.

The United Kingdom network launched its "**Educate and Celebrate**" communication programme, focused on **raising awareness about ethnic festivities**, explaining their meaning and significance for the employees who celebrate them.

AVANGRID worked with an external consultant on the development of **12 workshops on racism** in corporate America. AVANGRID executives and members of their team participated in a debate raising awareness about the **history of structural racism in the United States**, and based thereon, they undertook actions to continue the dialogue at the team level.

In addition, in October AVANDRID held "**#HispanicHeritageMonth**", a month dedicated to reflecting upon and respecting the beliefs and cultures of each employee, developing the ability to acknowledge diversity and discussing ways to provide mutual contributions and support.

3. Ensuring access to customer service for customers who do not speak the local language

Iberdrola also ensures that all of its customers can access customer service even if they have difficulty speaking the local language. In the United Kingdom, ScottishPower **has a translation service in place to facilitate communication** if customers have difficulty speaking English.

In the United States, AVANGRID also runs a service to help people with special needs and to advise them on the choice of services that may be useful to them. In addition, the company provides customer service to Spanish-speaking customers through the **In-house Spanish Speaking Representatives** service.



Our performance in figures



*The Mexican nationality was present on the Board of Directors until Ms Georgina Kessel Martínez left office on 20 October 2020.

3.6 Other groups: LGTBIQ+ and Veterans

Context

Average levels of acceptance of LGTBIQ+ people and their rights have increased worldwide over the last decades.

However, the level of acceptance of the LGTBIQ+ group is not the same in all the countries in which Iberdrola does business, which hinders the free expression of sexual orientation by members of this group in their environment and becomes a hindrance to egalitarian treatment in terms of opportunities. This may lead to a loss of talent.

Firmly committed to fostering an inclusive culture, Iberdrola wishes to favour an environment in which the LGTBIQ+ group can express itself with the same freedom as the other employees.

Score on the LGTBIQ+ Global Acceptance Index



* Source: [Williams Institute](#)



LGTBIQ+. Our response: Sensitising and removing any existing prejudices

Iberdrola's aim is to champion equality, understanding and respect for differences, creating and favouring a culture in which everyone can openly express their sexual orientation without being judged.

Noteworthy initiatives in 2020

1. Support for the LGTBIQ+ community

In the United Kingdom, a group of employees has created IN-FUSE, an initiative designed to hold awareness-raising events in this area. They are currently ScottishPower's representatives to Pride in the United Kingdom and contribute to advancing inclusion generally, both within and outside the company.

With the support of Stonewall, the Scottish Trans Alliance and their own network of LGTBIQ+ employees, **In-Fuse**, they have developed guidelines to support **trans employees** throughout the company. The policy was launched as part of the IDAHOBIT celebrations on 16 May 2020. The IN-FUSE network promoted a number of virtual events to raise awareness about the experiences lived by trans people and about different environments within the LGTBIQ+ community.

Since 2017 ScottishPower has improved its score each year on the Stonewall Equality Index, which measures progress in the integration of the LGTBIQ+ collective at the workplace.

Neoenergia celebrates International Family Day, during which it examines the most varied family compositions possible, and also participates in and celebrates LGTBIQ+ Pride Day.



ScottishPower Energy Networks continued supporting Pride in Liverpool despite the pandemic

[▶ Watch video](#)

2. Support for war veterans

Veterans. Our response: We support veterans

In the United Kingdom, ScottishPower is a “**Forces Friendly**” employer, with a population of active reservists. ScottishPower is currently certified as a “silver” employer.

In the United States, AVANGRID implements various programmes to foster the inclusion of veterans. AVANGRID has expanded its Business Resource (affinity) Groups, now having a total of five different groups, including AVAN-Veterans.





Inclusion in times of COVID-19



How has the pandemic affected diversity and inclusion?

In 2020 we witnessed a **series of unprecedented events worldwide as a consequence of the pandemic**. The intensification of acts of **racial injustice and the economic turmoil** have shocked the world, deepening socioeconomic differences, accessibility gaps and the effects of working life on well-being.

Worst hit by the socioeconomic impact were those **people and groups who already experienced inequalities**: those with disabilities or suffering from chronic illnesses, the members of **minority racial and ethnic groups, women, the LGBTIQ+ community, the elderly and low-income people**.

The sudden change **to remote work** has altered many factors in our lives, beyond the parameters of the conventional workplace. Cultural obligations, traditional social roles, parental responsibilities, mental health conditions, access to the internet and many other factors have all shed light on **social and technological inequalities that might have gone unnoticed before people started to work where they live**.

All this has created the need to increase the flexibility of the work schedule.

Iberdrola has launched various initiatives to help the most affected groups and to mitigate the impact of the pandemic on them.

How has Iberdrola responded?

Iberdrola has worked to improve and facilitate the situation not only of **its employees but also of its customers, suppliers and society** in general, doing everything possible to improve the lives of those who were seriously shaken by the economic, social and health crisis as a consequence of the global pandemic.

Society

As **electric infrastructures are critical and strategic assets** in all of the countries in which Iberdrola does business, the company **continued to supply** from the first months of 2020 **this essential service with the highest guarantees of quality and continuity, thus ensuring supply to its customers and to all regions affected**.

Iberdrola activated special plans to establish **priority service channels for hospitals**, health centres and other services essential to the community amid COVID-19, delivering medical supplies in the amount of 30 million euros.

In view of the difficult situation of many people during the lockdown, Iberdrola implemented actions to support **elderly people and people with intellectual disabilities and/or mental illnesses**, who needed care and guidance to emotionally manage the impact of the lockdown.

Furthermore, its employees provided immediate response, creating a network of **9,600 volunteers** in charge of preparing supplies and collaborating in the delivery of food and offering care to people in underprivileged conditions.



Customers and suppliers

In order to contribute to the **economic and employment recovery**, Iberdrola decided to **bring forward orders from suppliers** in the amount of **14,000 million euros in 2020** and to **increase its investments to 10,000 million euros**.

Among other measures, Iberdrola approved plans to **facilitate the payment of bills by its customers and to maintain supply to vulnerable users**.

Employees

Work flexibility measures were adopted in line with the position of each government in the geographic areas where Iberdrola is present, for example: training and tools for essential (field) professionals, maintenance of all jobs despite the crisis caused by COVID-19, training the leadership team to work remotely, and flexibilisation and provision of technological resources and equipment so as to ensure the continuity of their activities.

In addition, **the Occupational Health team** remained available to provide **customised risk assessments**, and **ongoing monitoring** was offered to locked-down employees, as well as guidance and support for those living with a locked-down family member.

Recognitions

Iberdrola is the company in the electricity industry that has demonstrated the highest level of commitment and social responsibility amid the COVID-19 pandemic, according to the report prepared by the Spanish Corporate Reputation Monitor **Merco** (*Monitor Español de Reputación Corporativa*), taking into account values like job maintenance, care for employees, support to the health system, donation of supplies, bringing forward purchase orders from suppliers, contribution of logistical equipment at the service of society, support for the needy and volunteer actions.

In the labour climate survey, 91% of the employees quite positively assessed the response to COVID-19.

For more information in this regard, see the [Sustainability Report 2020](#).





5

Main recognitions



In 2020 the company was recognised for its good performance in the diversity and inclusion area by leading domestic and international institutions.



For the third consecutive year, Iberdrola has been included on the [Bloomberg Gender Diversity Index](#).



Iberdrola stands out on the Workforce Disclosure Index (WDI) with [higher-than-average results](#) for its initiatives to promote a quality environment among its employees.



Iberdrola was the winning company in the first “MAPFRE Inclusión Responsable” awards for its leadership **in commitment to people with disabilities**.



Iberdrola is the only Spanish company recognised as one of the most ethical companies worldwide according to the [2021 World's Most Ethical Companies](#) ranking compiled by the Ethisphere Institute.

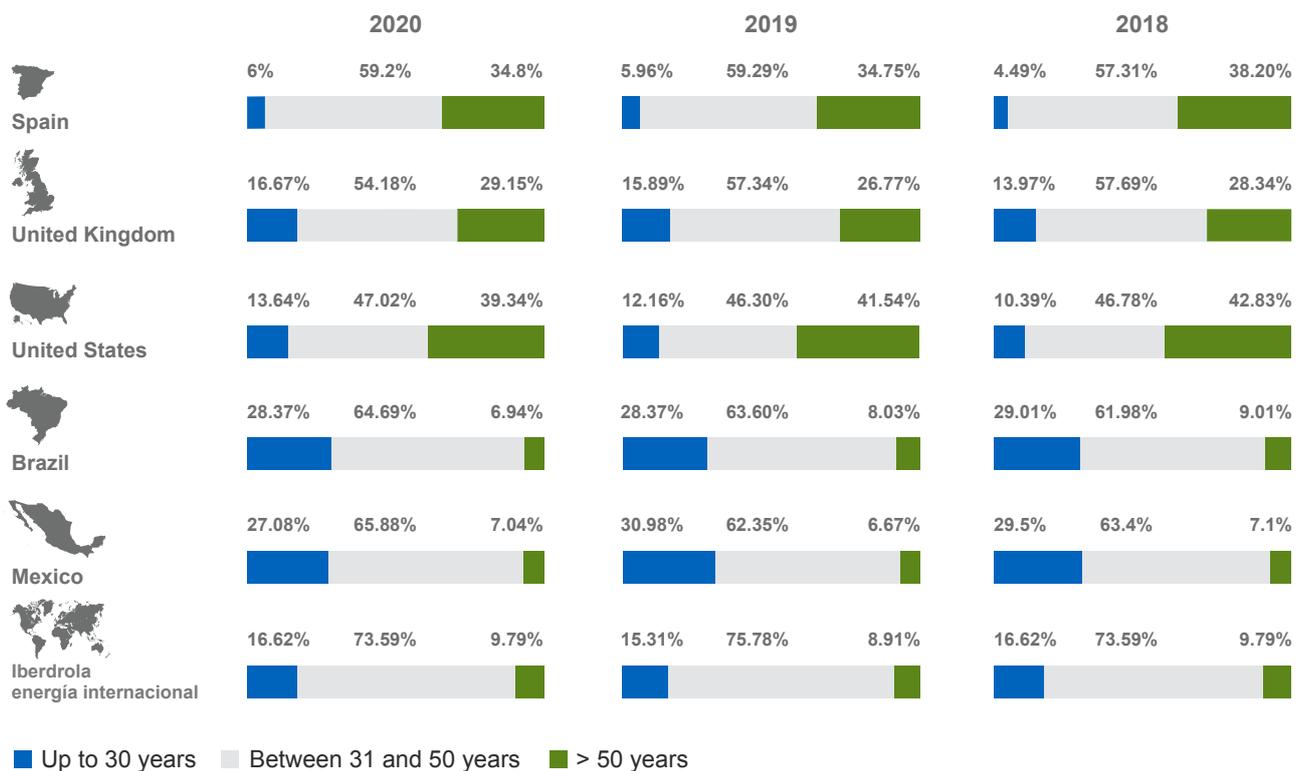


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Annexes: Our diversity in figures

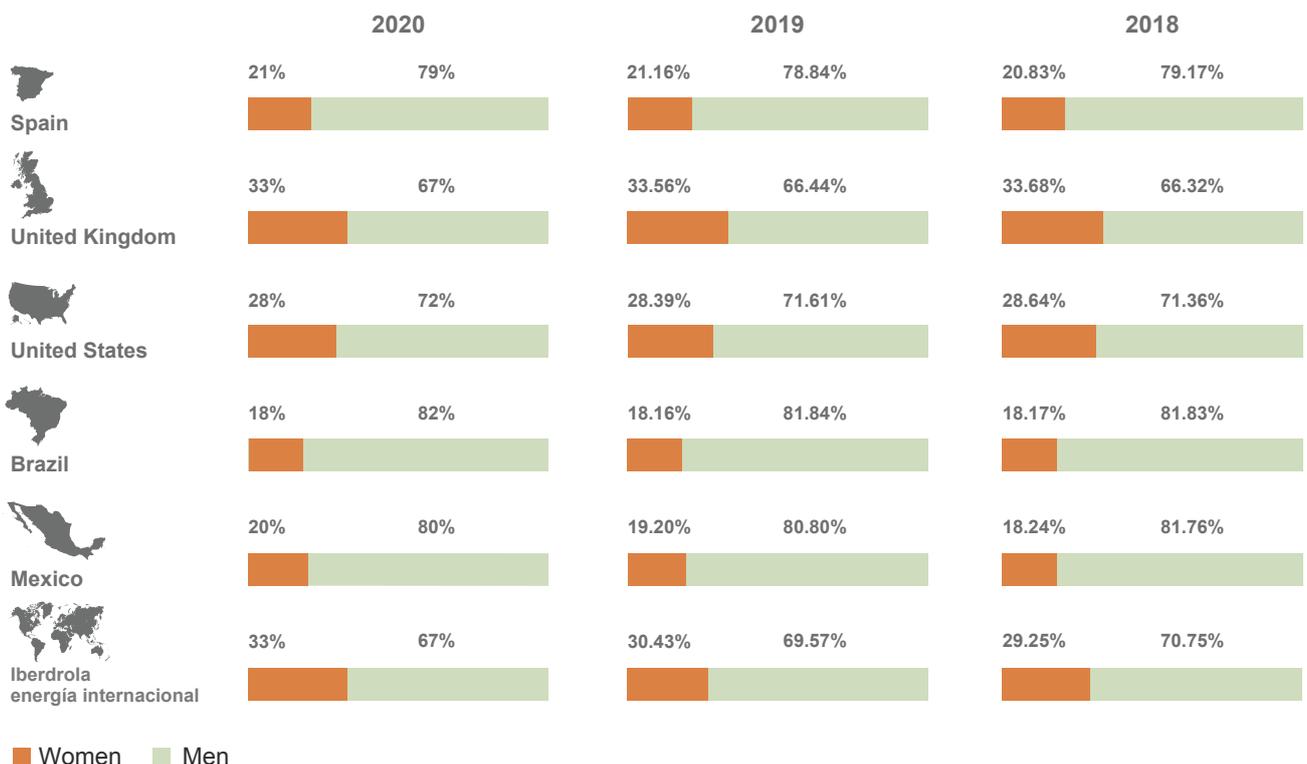


Annex 1. Workforce by country and age over the last three years (2018-2020)



Iberdrola seeks to have employees from different generations in order to obtain the best from each of them, although the reality is different in each country.

Annex 2. Workforce by country and gender over the last three years (2018-2020)





Iberdrola strives for gender equality and also rises to the challenge posed by women representation in the industry, both at the internal level and in society in general.

Annex 3. Workforce by gender and professional category over the last three years (2018-2020)





Annex 4. Average remuneration by age and gender

4.1 Relative average remuneration (base salary plus variable remuneration) by age and gender

Iberdrola (EUR)*	Men's remuneration / Women's remuneration			(Men's remuneration - Women's remuneration) / Men's remuneration		
	2020	2019	2018	2020	2019	2018
Up to 30 years of age	92.0	92.7	92.7	-8.7	-7.8	-7.9
Between 31 and 50 years of age	85.0	86.1	89.1	-17.7	-16.2	-12.2
More than 51 years of age	111.7	112.1	111.0	10.5	10.8	9.9
Total	93.2	95.1	97.3	-7.3	-5.2	-2.8

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

Annex 5. Hiring and promotion of women

5.1 Hires by gender and country (%)

Country	2020			2019			2018		
	New hires	% Men	% Women	New hires	% Men	% Women	New hires	% Men	% Women
Spain	317	67.8%	32.2%	379	73.4%	26.6%	335	66.0%	34.0%
United Kingdom	378	69.3%	30.7%	432	71.1%	28.9%	408	66.2%	33.8%
USA	907	73.8%	26.2%	770	73.5%	26.5%	517	73.5%	26.5%
Brazil	1,786	84.4%	15.6%	1,546	79.0%	21.0%	1,855	85.3%	14.7%
Mexico	109	68.8%	31.2%	240	75.4%	24.6%	235	78.3%	21.7%
IEI	226	61.9%	38.1%	114	74.6%	25.4%	63	55.6%	44.4%

Taking into account the hiring data by gender, and after comparing the 2019 data with those for 2020, one can see the increase in the number of women hired in the majority of the countries. The exceptions are the United States, which has remained at practically the same level, and Brazil, where the number has decreased. The data shows that the gender-related initiatives implemented in this area are yielding good results, though at a slower pace than expected.

**5.2 Promotions by gender and country in 2020 (%)**

Country	No of promotions	% Men	% Women
Spain	411	82%	18%
United Kingdom	594	65%	35%
USA	416	72%	28%
Brazil	828	78%	22%
Mexico	113	88%	12%

The data in the table above reinforces the need to pursue the initiative launched by Iberdrola this year, which seeks to identify potential biases in processes and decision-making as regards talent policies, in order to achieve neutrality and plurality in them.

The results of this project will lead to specific actions to increase the percentage of promoted women and to achieve equality in the medium- and long-term.

% of promotions by category (gender and region)

Country	2020		2019		2018	
	Men	Women	Men	Women	Men	Women
Spain	4.4%	3.7%	10.8%	9.9%	6.1%	7.3%
UK	10.3%	11.4%	12.0%	12.1%	13.6%	12.4%
USA	5.9%	5.9%	6.1%	6.5%	4.5%	5.4%
Brazil	6.1%	8.0%	9.6%	12.8%	8.6%	13.0%
Mexico	9.6%	5.0%	4.9%	3.6%	1.3%	0.5%
IEI	1.5%	0.7%	1.4%	0.0%	0.0%	0.0%
Total	6.2%	6.9%	9.3%	10.0%	7.5%	9.2%



IBERDROLA

BILBAO BIZKAIAR EUSKAL

UPVEHU

EUSTO

CENTRO COMPA
Z URB

