

# PURCHASES AND SUPPLIER MANAGEMENT

## CONTRIBUTION TO GROUP SUSTAINABILITY IN 2019

The high volumes of purchases made by the Iberdrola group drive growth in the countries where the company signs contracts, favouring business, industrial and social development in the regions by creating jobs along the entire supply chain.

### — FIGURES —



€ **20,000 MN** yearly purchasing in equipment, materials, works and services. <sup>(1)</sup>



**89%** purchasing from local suppliers.



**+ 22,000** suppliers.



**13 days** of average supplier payment. <sup>(2)</sup>

<sup>(1)</sup> Including energy raw materials.

<sup>(2)</sup> The information has been prepared in accordance with Law 15/2010, of 5 July.

### — AWARDS —

JOINED BY OUR VALUES



We promote and reward excellence in our suppliers,

celebrating the **Global Supplier of the Year Awards**. In 2019 a total of five local events were held and attended by almost 1,000. The prize for the best CSR performance was awarded at all of them.

### — DIALOGUE AND SATISFACTION —

Transparent and comprehensive behaviour



**8.18** / 10 <sup>\*</sup>

<sup>(\*)</sup> Supplier Satisfaction Survey.

### — EXCELLENCE AND COMMITMENT —

(sustainable management model for the supply chain)

#### WE ASSESS OUR SUPPLIERS' ESG CRITERIA

Our NEW assessment system is divided into the three main areas of sustainability: Environmental, Social and Governance (ESG) criteria.

#### Information assessed

#### ENVIRONMENTAL (40%)

- Existing policies
- Management Systems
- Greenhouse Gases
- Biodiversity
- Climate Change
- Water Management

#### SOCIAL (30%)

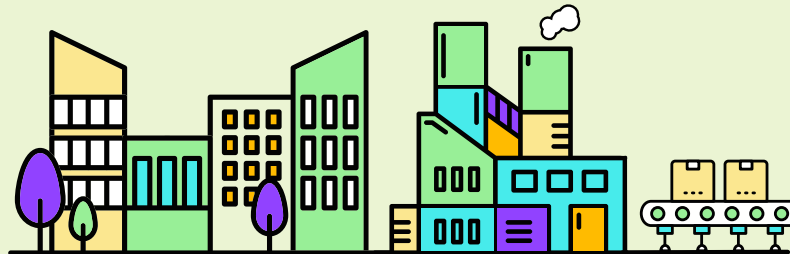
- Human rights
- Diversity
- Management Systems
- Contribution to Society
- Reporting and transparency

#### GOVERNANCE (30%)

- Existing policies
- SDG
- Ethics and Compliance
- Sanctions
- Stakeholders
- Supply Chain

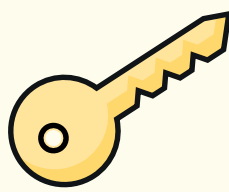
### WE PROMOTE THE COMPLIANCE OF HUMAN RIGHTS FROM OUR SUPPLIERS

Online awareness module 'Together for sustainable development' accessible to all suppliers, their employees and Stakeholders.



### — INNOVATION —

Innovation program with suppliers



Access financing



Spin-off program



Iberdrola innovative purchasing

€ **~280 M** in R&D activities in 2019 <sup>\*</sup>

<sup>(\*)</sup> Data at the close of 2019.

### — CHALLENGES —

(Short and medium term)

**1.** Continue the digital transformation and change of model begun in 2019.

**2.** Conduct the 7th Supplier Satisfaction Survey.

**3.** Award the global prizes to the outstanding suppliers.

**4.** Draw up the action lines for the supply chain as part of the Iberdrola group 2020-2022 Sustainable Development Plan.