



Diversity and Inclusion Policy



15 December 2020

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|---------------------------------|----------|
| 1. Purpose | 2 |
| 2. General Principles | 2 |
| 3. Main Lines of Conduct | 2 |

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The Board of Directors of IBERDROLA, S.A. (the “**Company**” or “**Iberdrola**”) expresses its commitment to forming and maintaining a workforce based on the principles of diversity and inclusion, reflecting the social reality in which the Company operates. It also believes that the reinforcement of these principles has a real impact on the commitment, satisfaction and increase in talent and leadership quality of its professionals.

For these purposes, and in accordance with the provisions of the *Human Resources Framework Policy*, the Board of Directors has approved this *Diversity and Inclusion Policy* (the “**Policy**”).

1. Purpose

This *Policy* seeks to create a favourable environment that facilitates and strengthens the diversity and inclusion of the professionals of the Company and of the other companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).

Diversity is understood as the set of characteristics that make people unique and singular, that is, the richness that each person contributes thanks to their variety, including visible and non-visible conditions.

Inclusion, on the other hand, refers to how differences between individuals are valued and opportunities are generated so that everyone can realise their full potential. In other words, a conscious strategy that focuses on developing the structures, systems, processes and culture that generate respect for the individual characteristics of all people within the organisation, while also promoting a sense of belonging that makes them feel valued and part of a group or community.

Within the framework of its firm commitment to diversity and inclusion, the Group ensures non-discrimination among its professionals based on any personal conditions or circumstances that should be protected on the basis of this commitment, observing applicable law in each country and following the best international practices, as well as the provisions in this area set out in the fifth of the Sustainable Development Goals (SDGs) approved by the United Nations.

The Group maintains a firm commitment to its human capital as a principal strategic asset and the key to its business success, and is committed to a people management model that is committed to professional excellence and quality of life. In this regard, Iberdrola has an unwavering commitment to creating a diverse and inclusive work environment where all people feel represented and that faithfully reflects today's society.

2. General Principles

The Company is firmly committed to the various manifestations of diversity and to the promotion of inclusion in accordance with the following general principles:

- a. Promote the contribution of the knowledge, experiences and abilities of the Group's professionals, regardless of any personal or social conditions or circumstances.
- b. Foster a sense of inclusion within the Group that seeks to ensure that all professionals are considered part of the business enterprise and of its role in the local, national and international community, so that Iberdrola's values, principles and objectives are assumed as their own and that their contribution to them is perceived as an essential component of not only professional but also personal development.
- c. Strengthen the promotion and empowerment of women, to take into account gender diversity, in accordance with the *Equal Opportunity and Reconciliation Policy*.
- d. Recognise the coexistence of different generations as a source of continuous enrichment, due to their diverse skills and approaches, for both professionals and for the various businesses and corporate areas, and as a decisive contribution to the adaptation of the services provided by the Company to the needs of the communities in which it does business.
- e. Take into consideration that certain limitations in skills that might be an obstacle for performing some tasks in fact represent significant added value in other duties. In any case, not identify such circumstances in advance and without justification as obstacles to proper integration in the workplace.
- f. Recognise that the international character of the Group and the contribution made thereto by people of different origins, races or ethnicities represents a permanent and decisive source of enrichment for the Group, which is preserved and encouraged.

3. Main Lines of Conduct

In order to achieve the purpose set out in this *Policy*, and to comply with the general principles set out in the preceding section, the Group adopts and promotes the following basic lines of conduct:

- a. Promote information and communication with the various communities in which the Group does business so that Iberdrola is recognised as an ideal place for the professional development of its various groups as a result of its inclusive practices.
- b. Ensure that selection and hiring processes are based on neutral and objective standards of merit and ability and, consequently, minimise biases or prejudices against diversity, while establishing specific actions to promote the inclusion of groups with less easy access to the labour market.
- c. In the establishment of working conditions, respect the principle of equal working conditions for jobs that represent the same demands and the same value, thus taking advantage of the talent that can be provided by all professionals in their diversity.

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- d. Address with due measures of integration and reconciliation, among others, the situations of single, married, unmarried, divorced, separated, widowed and plurally cohabiting persons, with or without children, and with other particular family and emotional circumstances, including the specific bond arising with animal companions.
- e. Ensure that decisions on professional promotion and professional development are based on equitable criteria, eliminating from all business decisions in this regard reasons, grounds or consequences detrimental to diversity, promoting the proper inclusion of all groups of professionals.
- f. Exclude prejudices that may exist with respect to persons whose social, cultural or educational status does not correspond to models traditionally considered to be standard or customary, and which may unduly inhibit professional progress based on the merit and ability of people.
- g. Ensure that, in the training of each professional, regardless of the group to which the professional belongs, the professional is provided with sufficient knowledge, aptitudes and skills for the appropriate performance of the professional's work, while providing for specific actions in such training from the perspective of accepting diversity and rejecting discrimination.
- h. Encourage the use of inclusive language in all types of internal and external corporate communications, and in any case eradicate the use of discriminatory language.
- i. Maintain an environment free of harassment at work, especially that with an intention of or based on direct or indirect discrimination, ensuring the establishment of agile and effective grievance channels.
- j. Constantly develop awareness-raising policies for the professionals within the Group, especially those with management responsibilities, so that they value and promote the contribution that diversity represents for Iberdrola.
- k. Include within leadership programmes behaviours that encourage better decision-making and a diversity-based culture, as well as an internal communications strategy that can convey the plurality and inclusiveness of the Group.
- l. Facilitate internal mobility and interaction within the organisation to create networks of contacts and teams that take advantage of multiculturalism, and constantly monitor and update management processes and procedures so that contacts and teamwork enhancing inclusive diversity take place.
- m. In line with the *Policy on Respect for Human Rights*, guarantee the internationally established rights of freedom of association in order to preserve the choice of each person in their relationship with trade unions and the conduct of these organisations in the defence of their legitimate interests.

The Company and the Group have the management responsible for achieving the objectives established in this *Policy*, which management reports to the Company's Human Resources Division, which is in charge of implementing, monitoring and verifying compliance with this *Policy* and the *Equal Opportunity and Reconciliation Policy*.

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This *Policy* was approved by the Board of Directors on 15 December 2020.