

**Renewable Energy & Human Rights Benchmark 2023
Company Profile**

Company name Iberdrola
Sub-sector Project developer
Overall score 31.6% weighted average

Section score	Weighting	For section
69.1%	20%	1. UNGP core indicators
15.2%	40%	2. Salient human rights risks
0.0%	20%	3. Serious allegations
58.3%	20%	4. ACT assessment as conducted by the World Benchmarking Alliance*

Please read the disclaimer at the end of this scorecard and refer to the full methodology when perusing this scorecard. The methodology as well as additional analysis can be found here: business-humanrights.org

The use of the label "Not met" in the research does not necessarily mean that the company does not meet the requirements as they are described in the accompanying bullet point short text. Rather, it means that the analysts could not find information in public sources that met the requirements as described in full in the 2023 Renewable Energy & Human Rights Methodology document. It is possible that a Company meets the criteria without yet publishing the relevant evidence of doing so. This may include cases where a company has claimed to meet the criteria in the engagement phase or otherwise but where the public record was still not sufficient to meet the criteria by the relevant cut off dates.

Detailed assessment

1. UNGP core indicators based on the 2022 CHRB methodology (20% of total)

A. Policy commitments and governance

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: General HRs commitment: The Company's Code of Ethics states: 'The companies of the Iberdrola Group hereby state their commitment and connection to the human rights recognised in domestic and international legislation, pursuant to the Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, [...] the conventions of the International Labour Organization (including convention 169)...' [Governance and Sustainability System, 28/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> Met: Commitment to UNGPs: See above. [Governance and Sustainability System, 28/04/2023: iberdrola.com] Met: Commitment to OECD MNE Guidelines: See above. [Governance and Sustainability System, 28/04/2023: iberdrola.com]
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commitment to ILO core principles: As indicated below the Company is committed to respect each ILO core area. [Governance and Sustainability System, 28/04/2023: iberdrola.com] Met: Explicitly lists all four ILO core principles: The Company's Policy on Respect for Human Rights states: 'the Group also explicitly makes the following commitments: a. to reject child labour, forced or compulsory labour, and any form of modern slavery; b. to respect freedom of association and collective bargaining; c. to respect the right to freedom of movement within each country; d. to not

* For information on the ACT methodology and scoring criteria please refer to the [World Benchmarking Alliance](https://worldbenchmarkingalliance.com).

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			<p>discriminate due to any condition'. [Governance and Sustainability System, 28/04/2023: iberdrola.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Expects suppliers to commit to ILO core principles: The Company has provided comments regarding this subindicator. See below. [Governance and Sustainability System, 28/04/2023: iberdrola.com] • Not Met: Explicitly lists all four ILO core principles for suppliers: The Company's Policy on Respect for Human Rights also states that its suppliers 'must also show strict respect for the human rights recognised under domestic and international law in the conduct of their activities. The Company believes that its suppliers are a key ally for compliance with this Policy and thus assume a shared responsibility with the Group. In particular, suppliers and their professionals must: (i) adopt such measures as may be needed to eliminate all forms or types of forced or compulsory labour and any form of modern slavery; (ii) expressly reject the use of child labour in their organisation; (iii) respect their workers' freedom of trade association and right to collective bargaining by their professionals, avoiding all discriminatory practices in connection with employment and labour'. However, in relation to freedom of association and collective bargaining, the actual supplier code states that: 'The freedom of union association and the right to collective bargaining of professionals must be respected by suppliers, subject to the law applicable in each case'. It is not clear whether the Company requires to respect those rights in all contexts, as it indicates 'subject to the law applicable in each case'. In these cases (companies referring to local laws in freedom of association and collective bargaining), companies are expected to require alternative mechanisms or equivalent workers bodies where the right to freedom of association and collective bargaining is restricted under law. The Company has provided evidence to BHRRC regarding this sub-indicator regarding freedom of association and collective bargaining. However, evidence was already in use. [Governance and Sustainability System, 28/04/2023: iberdrola.com]
A.1.4	Commitment to remedy	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commitment to remedy adverse HRs impacts: The Company's Policy on Respect for Human Rights declares that 'In order to achieve the objectives and commitments set forth above, the Group adopts and promotes the following main principles of conduct, which must inform its activities in all areas: [...] have a due diligence system that identifies situations and activities with a higher risk of violating human rights, in order to develop mechanisms for the prevention and mitigation of such risk and to redress the impacts if they occur'. [Governance and Sustainability System, 28/04/2023: iberdrola.com] • Not Met: Expects suppliers to make this commitment: In its efforts to ensure a sustainable value chain, Iberdrola promotes that its main suppliers are subject to sustainable development policies and standards. <p>Beside the requirements established in the Suppliers' Code of Ethics, the company evaluates the commitment of its suppliers with sustainability. To this end, a supplier evaluation model based on ESG criteria has been developed by Iberdrola. This evaluation model considers specifically 43 factors, among them the adoption of policies and practices with relation to the remedy of impacts that may have been caused by the suppliers activities. These factors evaluated are:</p> <ul style="list-style-type: none"> - The adoption of measures to prevent and remedy specific impacts regarding human rights impacts, such as harassment and threats in the work place. - The implementation of Human Rights Due-Diligence Systems. <p>Iberdrola also highlights in its Compliance System Transparency Report its requirement that the main suppliers of the Group, among other third parties it deals with, to:</p> <ul style="list-style-type: none"> - Establish effective compliance systems similar to those of the company (As indicated in indicator A.1.4.1.a, Iberdrola is committed to remedy adverse impacts), and - Responds to the requirements of analysts, investors and sustainability frameworks. (Compliance System Transparency Report. Page 14). <p>However, evidence for policy indicators are expected to be placed in formal policy documents, and require a formal requirement for supplier to commit to remedy adverse impacts. [Suppliers' Code of Ethics, 06/2023: iberdrola.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to collaborate with judicial or non-judicial mechanisms: The Whistleblowing Protection System Policy states the following Iberdrola's main Principles of Conduct: 'Provide all assistance and cooperation that may be requested by internal or judicial and administrative bodies and domestic or international institutions and entities, including competition authorities, to

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			<p>investigate acts that are allegedly improper, illegal or contrary to law or the Governance and Sustainability System that may have been committed by the members of the management bodies or the professionals of the Company or of the other companies of the Group and that relate to or affect the scope of their activities.' However, it is not clear, whether the Company commits to collaborating beyond the investigation of 'allegedly improper, illegal, or contrary to law' acts to provide access to remedies. The extent of the Company's commitment to collaboration with judicial or non-judicial mechanisms for such purposes is not explicitly stated. The Human rights report states that 'The company does not, in any way, impede access to state judicial or nonjudicial mechanisms and cooperates in good faith with them'. However, this indicator requires commitments to be placed in formal policy documents, rather than reports. [Compliance and internal reporting and whistleblower protection system policy, 20/06/2023: iberdrola.com]</p> <p>• Not Met: Commitment to work with suppliers on remedy: The Human rights report states that 'Iberdrola is committed to providing compensation in relation to the impacts that it causes or contributes to in its operations and/or through its value chain or other business relationships'. However, this subindicator looks for formal policy documents committing to work with suppliers in remedy provision. [Human Rights Report 2022, N/A: iberdrola.com]</p>
A.2.1	Commitment from the top	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Board level responsibility for HRs: The Board of Directors has the Sustainable Development Committee, which 'possesses the following remits, among others, within the field of human rights: To oversee performance in sustainable development matters and, in particular, to ensure its practices in environmental and social matters are in line with the strategy and policies approved by the Board of Directors, and to report on it. To report to the Board of Directors information received on the measures and procedures adopted in the group in order to implement and monitor the provisions of the Policy on Respect for Human Rights'. [Human Rights Report 2022, N/A: iberdrola.com] • Met: Describes HRs expertise of Board member: Sara de la Rica Goiricelaya, the chair of the Sustainable Development Committee, holds a 'Ph.D. in Economics from the University of the Basque Country and professor at this institution, She has dedicated a large portion of her professional life to the study of and search for solutions on issues such as immigration, the labour market, gender equality and poverty.' Additionally, Nicola Mary Brewer's (member of the Committee since April 2020), professional background includes her appointment through open competition as the first Chief Executive of the newly established Equality and Human Rights Commission in Great Britain. [Sara de la Rica Goiricelaya- Professional profile and biographical data, 2023: iberdrola.com] & [Nicola Mary Brewer- Professional profile and biographical data, 2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Board member/CEO signal importance of HRs in their communications: Although the Human Rights report is prefaced by the CEO/Chairman, the communication is expected to discuss why human rights matter or any challenges to respecting human rights encountered by the business. The Company has provided the following evidence to BHRRC regarding this sub-indicator: Chairman's statement: 'At the Iberdrola Group, we respect human rights with conviction and always act responsibly and with respect for people, the environment, and the communities in which we are present. We are aware that large companies have a very positive impact on society, but we also know that there are certain aspects of the performance of our value chain in which we must be very vigilant.' However, no details included as per why human rights are important for the Company and its operations, or whether the Company has faced any challenges in upholding human rights within its business. [Human Rights Report 2022, N/A: iberdrola.com] & [Press release: We are pioneers with our Human Rights report..., 16/01/2023: iberdrola.com]

B. Embedding respect and human rights due diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Score of 1 on A.1.2.a

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			<ul style="list-style-type: none"> • Met: Senior responsibility for HRs implementation and decision making: The Company's Corporate Sustainable Development and Reputation Committee, 'has the duties of defining the basic corporate lines of evolution of practices focused on the sustainable growth of the social dividend and improvement of the Group's reputation, approving and monitoring the plans for development in both areas, being aware of the most significant advances, and cooperating in the preparation of the public information disclosed by the Company with respect to these areas'. These include human rights. [Governance and Sustainability System, 28/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes day-to-day responsibility for implementing HRs commitments: The Company's Human Rights Report discloses: 'Through its Governance and Sustainability System and the Human Rights Governance Model, Iberdrola describes the allocation of responsibilities at the appropriate levels within the group. In addition, to facilitate the integration of the management of Human Rights topics into the day-to-day running of the company, Iberdrola has provided itself with an internal organization and responsibilities with adequate budget allocations and supervision processes that allow it to offer agile and effective responses [...] The allocation of these responsibilities is influenced by the definition of human rights adopted by the group. [...] Therefore, the human rights due diligence system is based on various sub-systems and their procedures. The implementation of those corresponds to different areas (Compliance, Safety and Health, Environmental, Purchasing, Cybersecurity, among others).' [Human Rights Report 2022, N/A: iberdrola.com] • Met: Day-to-day resources and expertise allocation in own operations: The Company's Human Rights Report discloses: 'In order to ensure that the principles relating to respect for human rights are effectively applied group-wide, and that the associated responsibilities are correctly allocated in the sub-holding companies, the teams responsible for dialogue with local communities have been bolstered, especially in areas of potential impact, through training, communication of good practices, and in close coordination with the Iberdrola, S.A. team. This responsibility includes: Identifying potentially relevant issues; Analysis of the components of the Human rights due diligence system and documenting them; Maintaining relations with local and indigenous communities; Ensuring a complete report; Guaranteeing the existence of participation channels, procedures and reporting; Implementing mitigation and compensation measures'. [Human Rights Report 2022, N/A: iberdrola.com] • Met: Resources and expertise allocation in supply chain: Iberdrola's Purchase Report informs: 'The Procurement Division is an active member of the Sustainable Development Committee and is particularly attuned to the demands and interests of suppliers as strategic stakeholders. [...] The Procurement Division at Iberdrola has had the goal of improving the sustainability of its suppliers for more than 16 years, linked to the team's variable remuneration. [...] The current priorities of the Procurement Division are: [...] Sustainability: [...] Transferring it to our supply chain is one of our key activities as a leading company in the market. The Procurement divisions of the businesses and countries have annual targets for improving their suppliers' sustainability. [...] Governance and compliance: The Procurement process must be robust and ensure compliance with the guidelines established in Iberdrola's corporate policies. Procurement support systems make it possible to increase guarantees that the process complies with the established procedures and to identify deviations to take corrective actions. [...] The Procurement organisation is comprised of a centralised management and over 284 professionals strongly rooted in the local community. This enables us to benefit from the talent and proximity to operations of the business areas and corporate fabric of the countries in which we work.' The Report also discloses that 'Buyers have been able to tell their suppliers about the requirements and priorities in terms of sustainability, and in some cases, they have even had to carry out educational work in order to explain some of the elements of the Group's evaluation model and even advise in which possible lines of action they could begin to reach the required level.' Also, the Regulations of the Compliance Unit state: 'The Unit shall be supported by the division in charge of the procurement function in the dissemination of the Code of Ethics among the suppliers.' [Procurement and Supplier Management activity report 2022-2023, 06/2023: iberdrola.com] & [Governance and Sustainability System, 28/04/2023: iberdrola.com]
B.2.1	Identifying human rights risks and impacts	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes process of identifying risks in own operations: The Company's Human Rights Report discloses that 'In order to identify the actual and potential

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			<p>impacts on human rights, Iberdrola undertakes detailed analyses that are carried out by independent experts, as well as substantial consultations with potentially affected Stakeholders, paying special attention to any vulnerable groups that may be exposed to greater risks, as established by the UNGPs [...] In 2019 [...] Iberdrola commissioned an independent expert organization to identify actual and potential impacts as the first phase of a broader analysis of its due diligence system. The methodology for identifying potential impacts considered the operational context (country risk) as well as the activity sector (sector risk) in accordance with the recommendations of the UNGPs and their Interpretative Guide. This process included all the countries the company operates in, including the five main subsidiaries of the group and the countries where it carries out procurement. The annual review of the Human rights risk map of the Iberdrola group in 2021 was carried out by an independent expert organization, that incorporates the particularities of Iberdrola's specific activity, identifying impacts in a manner that is better adjusted to the company's activity in each country that is analyzed.' [Human Rights Report 2022, N/A: iberdrola.com]</p> <ul style="list-style-type: none"> • Met: Describes process for identifying risks in business relationships: The Company's 2022 Sustainability Report declares that 'Iberdrola understands the Human Rights Due Diligence System as an ongoing process intended to identify and manage the risks and impacts associated with the performance of all phases of its operations (planning, construction, operation, maintenance, and closure of electricity and energy sector facilities), considering the geographic and social context and the characteristics of its supply chain.' [Sustainability Report 2022, 24/02/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes global risk identification system incl. stakeholder consultation: The Company's 2022 Human Right Report states that 'As a consequence of adopting of a broad definition of human rights, which entails a great diversity of issues and potential impacts, the group's Human rights due diligence system is supported by various subsystems and their corresponding procedures (for example, Compliance, Health and Safety, Environmental, Purchasing, Cybersecurity, among others), which handle the matters they are responsible for. Annually, it is assessed that these subsystems adequately cover these issues from a human rights perspective. The ultimate goal is to facilitate autonomous and efficient management of each area consistent with an integrated and cross-cutting vision of all human rights issues [...] In order to identify the actual and potential impacts on human rights, Iberdrola undertakes detailed analyses that are carried out by independent experts, as well as substantial consultations with potentially affected Stakeholders, paying special attention to any vulnerable groups that may be exposed to greater risks, as established by the UNGPs.' In regards to the mentioned 'substantial consultations' the Report also states: 'Dialogue with Stakeholders is another main source of information for identifying impacts. This is carried out in the context of regular operations and through specific one-off consultations. The implemented Global Stakeholder Engagement Model is an internal tool that promotes continuous dialogue and facilitates the analysis of its outcomes and subsequent decision-making.' In addition, about the independent experts the Report discloses that 'The annual review of the Human rights risk map of the Iberdrola group in 2021 was carried out by an independent expert organization, that incorporates the particularities of Iberdrola's specific activity, identifying impacts in a manner that is better adjusted to the company's activity in each country that is analyzed.' [Human Rights Report 2022, N/A: iberdrola.com] • Met: Describes how risk identification system is triggered by new circumstances: The Company's 2022 Sustainability Report discloses: 'Environmental Impact Assessment studies prior to the construction of facilities include a Social Impact Assessment in accordance with current law in each of the countries, and must be approved by the competent public authorities [...] These evaluations include an analysis of potential impacts on human rights, such as the right to a safe, clean, healthy and sustainable environment, through an evaluation of the natural environment.' [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Met: Describes risks identified in relation to new circumstances: The Company's 2022 Human Right Report discloses: 'The Social Impact Assessment (SIA) carried out during the planning phase of the project [Cuyoaco Photovoltaic Plant (Mexico)], detected potential human rights impacts, including the occupation and affectation of land, impacts on local traffic and impacts on health. It also detected affectation of land during the operation of the plant, as well as residual impacts during the dismantling phase, amongst other cumulative issues.' [Human Rights Report 2022, N/A: iberdrola.com]

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B.2.2	Assessing human rights risks and impacts	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes assessment process and discloses salient HRs risks: The Company's 2022 Sustainability Report declares: 'Iberdrola has a human rights risk map that covers both the country in which the group operates and those from which it obtains its supplies. The map is updated on a regular basis through independent external specialists. Unlike other generic indices on the market, it allows the risks specific to the energy sector to be weighted and supplemented with the particular characteristics of Iberdrola's activities, providing results more closely aligned with the company's reality. The results of the risk map are cross-checked with the list of the main locations of operation to identify those facilities where there may be a greater risk of human rights violations [...] Iberdrola carries out a human rights risk analysis at 100% of its main locations of operation (259 locations of operation). The result of this analysis in 2022 showed that 60% of these locations, in the United States, Brazil, Mexico and Greece, present possible risks in one or more of the following human rights issues: labour conditions; environmental impact; occupational safety and health; public safety; indigenous peoples; and lands and property.'. Also, see evidence for indicator B.2.1. [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Met: Describes how process applies to supply chain: The Company's 2022 Human Rights Report states that 'Iberdrola understands the Human Rights Due Diligence System as an ongoing process intended to identify and manage the risks and impacts associated with the performance of all phases of its operations [...], considering the geographic and social context and the characteristics of its supply chain.' Also see above. [Human Rights Report 2022, N/A: iberdrola.com] • Met: Public disclosure of results of HRs risk assessment: In its 2022 Human Rights Report, the Company discloses: 'According to [...] the Stakeholders consulted, the main relevant human rights issues for Iberdrola are: Labor practices; Local communities and the rights of indigenous peoples (including the environment); Cybersecurity and information privacy; Public insecurity and labor practices in the contracting of security services.'. Also, the Company's 2022 Sustainability Report informs the following: 'Based on the Iberdrola group's risk map for 2022 drawn up by BHR (a specialised consulting firm), and taking into account the suppliers of goods and services from countries identified in 2022 as being at high risk of human rights violations, the following risks may emerge: in connection with the risk to freedom of association and collective bargaining, in 1.5% of the volume of purchases made in 2022, in connection with child labour, in 0% of the total volume of purchases made in 2022, and in connection with forced labour, in 1.5% of the total volume of purchases made. With regard to fuel supplies, no purchases were made in countries where there is a risk of violation of the rights to freedom of association and collective bargaining, child labour and forced labour. There was no identification in 2022 of any contracting with suppliers that has generated incidents relating to freedom of association, collective bargaining, or the use of child or forced or compulsory labour, nor is there evidence of receiving complaints on these grounds.' [Human Rights Report 2022, N/A: iberdrola.com] & [Sustainability Report 2022, 24/02/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Meets all requirements under score 1 • Met: Describes how assessment involved affected stakeholders: The Company's 2020 Sustainability Report reveals that 'along with the human rights due diligence project, Iberdrola has developed a Stakeholder relations model ensuring that there are appropriate communication channels for each of them, making it possible to better identify significant matters and facilitating both prevention and mitigation of possible impacts, helping the company to respond as expeditiously as required'. The Report also discloses: 'Iberdrola plays a proactive role in the participation of local communities during the planning and construction of projects, expressing its points of view and making its knowledge and experience available to the government authorities. All these processes, which are included in the facilities' impact assessment studies, are regulated, and they are determining factors in order to secure the construction and operating permits for the power plants; in addition, they are completed with processes voluntarily performed by the company, like human rights assessments.' [Statement of Non-Financial Information Sustainability Report 2020, 15/02/2021: iberdrola.com]
B.2.3	Integrating and acting on human rights risks and impact assessments	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes system to prevent, mitigate and remediate HRs issues: The Company's 2022 Sustainability Report indicates that 'After identifying the potential impacts, Iberdrola triggers measures to prevent and mitigate them, which are

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			<p>horizontally integrated across all levels of the company. However, even valid risk prevention systems are unable to prevent adverse impacts in all cases. For this reason, when the due diligence system detects an actual negative impact, mitigation plans are implemented to reduce the magnitude of the impact.' In addition, the 2022 Human Rights Report dedicates a section to the integration of human rights measures for employees, communities, and the supply chain, including working conditions (salary, safety and health, mental health), diversity and inclusion, security in power grids, population displacement, access to natural resources, and indigenous peoples. Regarding the supply chain, the integration of measures is described in relation to its management and risk assessment, modern slavery and forced labour and the hiring of security services. It also describes mitigation plans for employees, suppliers, and communities in the vicinity of the facilities. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com]</p> <ul style="list-style-type: none"> • Met: Describes how global system applies to supply chain: The 2022 Sustainability Report also states: 'In the area of Labour Practices, Iberdrola has also taken action to ensure that the labour practices adopted in its supply chain make it possible to prevent or mitigate the impacts identified. Thus, the company has integrated various factors to ensure respect for human rights in the various stages of its engagement with its suppliers, together with other support and training initiatives for their improvement [...] Within Labour Practices, other relevant issues are modern slavery and forced labour, which are some of the most serious human rights impacts that may arise, both regarding company employees and those in its supply chain. The group pays special attention to the potential risk of forced labour, due to its seriousness and to the fact that ScottishPower is bound by the UK Modern Slavery Act and Iberdrola Australia is bound by the Commonwealth Modern Slavery Act. For this reason, in 2022 the company modified its Policy on Respect for Human Rights to specifically state its commitment on this matter.' [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Met: Example of actions decided on at least 1 salient HRs issue: The human rights report provides a description of actions related to the topics mentioned in the previous sub-indicator. For instance, in China- where the Company has identified there is a high risk of forced labour- 'Iberdrola is asking its suppliers to take extraordinary measures to guarantee the absence of forced labor. In order to identify the origin of the materials and components of the solar modules and, in particular, of polysilicon, Iberdrola is implementing the following measures: Express declarations from suppliers rejecting forced labor (in addition to acceptance of them Iberdrola Code of ethics); Confirmation by suppliers that they do not use polysilicon or other components originating from the Uyghur Region; Traceability mechanisms of the components incorporated in the solar panels; [...] In the photovoltaic panel purchase contracts, Iberdrola is currently negotiating the inclusion of the right to carry out, through an independent third party, inspections to audit the traceability of the supply and to ensure knowledge of the origin of the materials despite the difficulties that this exercise entails in this territory'. The company also reports on actions taken in stakeholder initiatives in the United States and Europe regarding this issue. [Human Rights Report 2022, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Meets all requirements under score 1 • Met: Describes how stakeholders involved in decisions about actions taken: While the company claims to have developed a stakeholder engagement model to gather information for the due diligence system, there is no information available on how they have consulted with the affected stakeholders regarding the actions to be taken to address the relevant human rights aspects. The Company has provided the following comments to BHRRC regarding this sub-indicator: 'In order to better manage and mitigate the impact on the communities in which the group has a presence, Iberdrola has a Guide for the implementation of good practices in relations with local communities, which ensures that public consultation processes are in line with UNGP recommendations. To implement this guide, areas have a digital tool that facilitates the management and documentation of consultations with communities. Both tools promote better management of the process, thus making it possible to efficiently monitor the steps set forth in the action, mitigation and remediation plans with respect to any impact in the vicinity of the facilities'. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes system for evaluation effectiveness of actions: The Company's 2022 Sustainability Report states: ' Iberdrola has also implemented a system to monitor the due diligence measures adopted, allowing for examination of the way in which the company has responded to an impact, and whether this response served to prevent and mitigate it and the extent to which it did so. To achieve this goal, regular assessments are carried out through internal monitoring of all relevant human rights information, independent experts are consulted, and quantitative and qualitative indicators are used to specify potential improvement actions. This monitoring is based on internal and external sources of information, including ethical mailboxes and channels for complaints and grievances, among others. 'In addition, the Company's 2022 Human Rights Report states: 'In order to track the effectiveness of its prevention and mitigation measures, Iberdrola has implemented a series of mechanisms that allow active listening to potentially affected parties and the assessment of its mechanisms by independent parties. These systems allow Iberdrola to track the effectiveness of its responses.' [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Example of lessons learned from evaluation effectiveness of actions: The Company has provided comments regarding this subindicator. It states that 'The Company presented additional evidence about Norte Energia's (Subsidiary in Brazil) YADE Project: 'The Yade Project – Communication for All – aims to strengthen communication between the Company and the indigenous populations in the venture's area of influence. The project consists of translating Company communications into indigenous languages of the Macro-Jê, Tupi, and Karib language trunks and families, spoken by the nine ethnic groups in the region. It was set off in April 2020, when Norte Energia started translating official Covid-19 health protocols into the languages spoken in the villages, aiming to broaden access to information. From then on, taking into account the indigenous cultural differences, new types of announcements were added to the program, since those written in Portuguese were well understood only by the indigenous leaders and the younger population in the villages who spoke the language. Once translated, the announcements are included in the agenda of the indigenous radiophone system maintained by the Company's Indigenous Communication Program (PCI)' However, it is unclear if this was related to the evaluation of actions taken regrading human rights issues in particular. Additional source provided evidence of suppliers' self-assessment followed by dialogue. Evidence was not material. Additional evidence was not related to lessons learned regarding human rights issues. [Norte Energia Sustainability Report 2022, 2023: norteenergiasa.com.br] & [Human Rights Report 2022, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Involves stakeholders in evaluation effectiveness of actions: The Company's 2022 Human Rights Report states: 'In order to track the effectiveness of its prevention and mitigation measures, Iberdrola has implemented a series of mechanisms that allow active listening to potentially affected parties and the assessment of its mechanisms by independent parties. These systems allow Iberdrola to track the effectiveness of its responses'. Although the Company describes internal and external sources, it is not clear the link with the assessment of the specific measures implemented to prevent or mitigate impacts. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. This subindicator look for evidence of how they Company systematically involves affected stakeholders in the review of effectiveness of broad action plans taken to face salient human rights issues. [Human Rights Report 2022, N/A: iberdrola.com]
B.2.5	Communicating on human rights impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Provides two examples of comms with stakeholders: The USA subsidiary of the Company, Vineyard Wind, has established a dedicated team with an expanded mandate, consistently engaging with fishermen affected by the wind farm. This proactive approach includes maintaining open channels and organizing regular meetings to foster connections and facilitate the sharing of concerns. An illustrative instance of the team's initiatives is the observance of "Monthly Port Hours," during which the company's fisheries liaisons are accessible to address commercial and recreational fishing inquiries, receive comments, and gather feedback. Furthermore, the Company provide details of a complaints procedure established for 'recording and responding to public complaints and stakeholder

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>notices' for an offshore project in Scotland. However, the Company is expected to provide an example of the system in motion, with a particular case of concern raised and the company engaging with affected stakeholder. The Company further indicates that 'The Company presented additional evidence about Norte Energia's (Subsidiary in Brazil) YADE Project: 'The Yãde Project – Communication for All – aims to strengthen communication between the Company and the indigenous populations in the venture's area of influence. The project consists of translating Company communications into indigenous languages of the Macro-Jê, Tupi, and Karib language trunks and families, spoken by the nine ethnic groups in the region. It was set off in April 2020, when Norte Energia started translating official Covid-19 health protocols into the languages spoken in the villages, aiming to broaden access to information. From then on, taking into account the indigenous cultural differences, new types of announcements were added to the program, since those written in Portuguese were well understood only by the indigenous leaders and the younger population in the villages who spoke the language. Once translated, the announcements are included in the agenda of the indigenous radiophone system maintained by the Company's Indigenous Communication Program (PCI)' However, it is unclear if this concerns human rights issues raised by the communities or on their behalf.</p> <p>[Vineyard Wind- Monthly Port Hours: Point Judith, Rhode Island (website), 2023: vineyardwind.com] & [Norte Energia Sustainability Report 2021, 2022: norteenergiasa.com.br]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes challenges to effective comms and how it is working to address them: The Company's Stakeholder Engagement Policy declares that two of the main characteristics of its 'Global Engagement Model' is that [1] 'It contains the guidelines to ensure that the Stakeholders have sufficient capacity to communicate with the Company, through regular evaluation of the available channels and the characteristics thereof (number, type and frequency of use) by the persons in charge of them. The channels are constantly evolving to adjust to the needs and realities of each moment and to maximise their effectiveness in establishing close, robust and long-lasting relationship' and [2] 'It contains the main guidelines to design and monitor action plans that respond to issues that are significant for the Stakeholders based on an assessment of the risks and opportunities thereof, while improving communication and relations therewith.' <p>Also, the Company presented additional evidence about Norte Energia's (Subsidiary in Brazil) YADE Project: 'The Yãde Project – Communication for All – aims to strengthen communication between the Company and the indigenous populations in the venture's area of influence. The project consists of translating Company communications into indigenous languages of the Macro-Jê, Tupi, and Karib language trunks and families, spoken by the nine ethnic groups in the region. It was set off in April 2020, when Norte Energia started translating official Covid-19 health protocols into the languages spoken in the villages, aiming to broaden access to information. From then on, taking into account the indigenous cultural differences, new types of announcements were added to the program, since those written in Portuguese were well understood only by the indigenous leaders and the younger population in the villages who spoke the language. Once translated, the announcements are included in the agenda of the indigenous radiophone system maintained by the Company's Indigenous Communication Program (PCI)...'</p> <p>[Governance and Sustainability System, 28/04/2023: iberdrola.com] & [Norte Energia Sustainability Report 2021, 2022: norteenergiasa.com.br]</p>

C. Remedies and grievance mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance mechanism(s) for workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism accessible to all workers: The Code of Ethics states that 'The Company has established an ethics mailbox in order to promote compliance by its professionals with legal provisions and with the rules of conduct established in this Code of Ethics and the reporting of possible improper activities or acts contrary to law or to the rules of conduct laid down in this Code of Ethics (the "Professionals' Ethics Mailbox")'. [Governance and Sustainability System, 28/04/2023: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and workers made aware: The Company's 2022 Sustainability Report reveals that 'Training and communication are two fundamental pillars of the Compliance System to ensure that all of its professionals are aware of and comply with the Code of Ethics. Within this context, the Compliance Unit and the compliance divisions plan their training and communication activities on an annual basis in collaboration with the corresponding human resources and communications divisions.' The Company describes multiple thematic communication channels for each stakeholder group to make complaints or inquiries. However, no evidence has been found regarding whether the channels for employees are available in all relevant languages for the Company, which has a presence in English, Spanish, and Portuguese-speaking countries, as well as Germany, Italy, and France. The Company has provided evidence to BHRRC regarding this sub-indicator, indicating that its ethical mailboxes are available in the Company's official languages, which are Spanish, English, and Portuguese. However, it's important to note that the Company conducts business in regions where languages like German, Italian, and French are the predominant means of communication. [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Met: Describes how workers in supply chain access grievance mechanism: Iberdrola's Code of Ethics reveals that 'The Company has established a suppliers' ethics mailbox (the "Suppliers' Ethics Mailbox") as a channel of communication so that suppliers of the Company and the companies that they in turn hire to provide services or supplies to the Company (the "Subcontractors"), their respective professionals, and companies that have participated in service or supply bidding to be suppliers may report conduct that may involve a breach by a professional of the Iberdrola Group's companies of the Governance and Sustainability System or an illegal act or the commission by a supplier, one of its Subcontractors or their respective professionals of an illegal act or act in violation of the provisions of this Code of Ethics within the framework of their commercial relationship with the Company or the companies of the Group'. [Governance and Sustainability System, 28/04/2023: iberdrola.com] • Met: Expects suppliers to convey expectation to their suppliers: See above.
C.2	Grievance mechanism(s) for external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism accessible to all external individuals and communities: The Company's Human Rights Report discloses: 'Iberdrola has established grievance mechanisms, both at the operational and company level, with the aim of identifying adverse impacts, taking the adequate measures and, where appropriate, providing early and directly remediation for adverse impacts and preventing abuses from becoming exacerbated and grievances from escalating. These channels allow those who may be adversely impacted (local communities, workers, suppliers or any other Stakeholder) to bring their concerns, complaints or claims to the company. There are several types of complaint and grievances mechanisms for human rights issues: Ethical web/intranet mailboxes: worker mailbox and supplier mailbox (owned by the Compliance Unit); Facilities complaint and claim channels: face-to-face, by telephone, mail or through the installation; website (owned by the corresponding site); Corporate mailboxes (owned by the corresponding area or business); Judicial and/or administrative claims, which are sent to the Legal Services of the challenged company.' [Human Rights Report 2022, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware: The Company's 2020 Sustainability Report discloses that 'During the development phase of each project, relations are established with local authorities, communities and any other groups that may be relevant to the project, and dialogue channels are established with the main Stakeholders. All information concerning the planned development is presented through newsletters, exhibitions, forums, meetings, the group's websites, etc. There are also e-mail addresses to allow local communities to communicate with the company during the process, and public information days are occasionally held for this purpose. It should also be noted that new channels have been incorporated into the Environmental Management System so that Stakeholders can send their concerns, complaints, requests for information or any other kind of request to minimise impacts in the area.' It is presumed that the channels are available in the appropriate languages, as they are established for each project at the local level. [Statement of Non-Financial Information Sustainability Report 2020, 15/02/2021: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes how external individuals/communities access grievance mechanism: The Company's Human Rights Report states: 'Iberdrola has established grievance mechanisms, both at the operational and company level, with the aim of identifying adverse impacts, taking the adequate measures and, where appropriate, providing early and directly remediation for adverse impacts and preventing abuses from becoming exacerbated and grievances from escalating. These channels allow those who may be adversely impacted (local communities, workers, suppliers or any other Stakeholder) to bring their concerns, complaints or claims to the company.' Additionally, the Supplier's Code of Ethics mandates that when suppliers contract with a Company within the Group, they 'undertake to inform their professionals and their Subcontractors [...] of the existence of the internal reporting channels set forth in the Compliance and Internal Reporting and Whistleblower Protection System Policy, as well as to require their Subcontractors to inform their professionals thereof.' Nevertheless, this subindicator looks for evidence that suppliers' external stakeholders (such as local communities at suppliers') are able to file complaints in relation to suppliers' behaviour or impacts. [Human Rights Report 2022, N/A: iberdrola.com] & [Suppliers' Code of Ethics, 06/2023: iberdrola.com] • Not Met: Expects supplier to convey expectation to their suppliers: The Company has provided evidence to BHRRC regarding this sub-indicator. However, as indicated above, suppliers' are expected to cascade down requirements including possibility for suppliers' external stakeholder to file complaints.
C.7	Remedying adverse impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes approach taken to remedy adverse HRs impacts: The Company indicates that 'The Ailes Marines consortium, 100% owned by Iberdrola, is in charge of the development, construction and operation of the offshore wind farm in the area defined by the French Government in the Bay of Saint Brieuc off the coast of Brittany. The company has implemented all possible measures to avoid and reduce any inconvenience to fishermen. However, the unavoidable exclusion of the fishing companies from the construction zones constitutes a damage that Iberdrola intends to compensate. Since May 2021, a sequence of actions has been launched to reduce the impact of the project on fishing activity. To facilitate the accompaniment of the affected fishing professionals, Ailes Marines has independent expert support to reach the necessary consensus. Iberdrola have set up a freely accessible web page that contains information on the project, as well as the mitigation and compensation measures deployed. There is a specific space for the beneficiaries of the financial compensation measures for the fishing sector. The implementation of these measures is subject to consultations with fishermen's committees, institutions and fishing industry organizations. The company has set up a compensation system to help address the challenge of resolving the damage suffered by the fishing companies, which are significantly restricted in their activities as a result of the construction of the wind farm'. Then the Company describes the steps followed by the system. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Describes how remedy would be provided if no adverse impact identified <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes changes to systems, processes and practices to prevent future impacts: The Company's Human Rights Report discloses: 'The right to the highest attainable standard of physical and mental health is a fundamental human right that is indispensable for the exercise of other rights. In the context of COVID-19 especially, but even before, mental health has been a major focus for ScottishPower. The company has developed extensive worker surveys on mental health issues and has established a worker assistance helpline and offers training for mental health first aid in a work environment that encourages an open and nurturing conversation on workers wellbeing'. However, it is not clear if the Company has caused or contributed to those adverse impacts mentioned, which is the focus of this sub-indicator. The Company provided additional evidence, however, it was not material. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Describes approach to monitoring/implementing agreed remedy: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Describes approach to learning from incidents if no adverse impacts identified

CSI. Responsible lobbying and political engagement fundamentals

Indicator Code	Indicator name	Score (out of 2)	Explanation
CSI.18	Responsible lobbying and political engagement fundamentals	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Publicly available policy statement(s) (or policy(ies)) setting out lobbying and political engagement approach.: The Company states that 'Iberdrola is registered with the Transparency Register created by European Institutions to provide adequate transparency to the relations of such institutions with Companies [...]'. Iberdrola's record in such register can be found on the EU's website. Iberdrola has a neutral position from a political standpoint'. On its website, Iberdrola has its statement on Public Affairs, which declares: 'The Iberdrola Group is firmly committed to sustainable development, respect for Human Rights and the fight against climate change. [...] We advocate and promote collaboration between governments, institutions and organizations to accelerate the energy transition and the decarbonization of the economy. Then The Company discloses its participation in different initiatives and describes that 'In this area, the group carries out an annual analysis of the degree of alignment of these organisations with the company's Statement of commitment to sustainable development, respect for and defence of Human Rights and the fight against climate change. The group's professionals responsible for the engagement with each association carry out the alignment analysis, taking into account the extent to which the positions and objectives pursued by these organisations and the activities they carry out are consistent with the aforementioned frameworks'. [Public Affairs- Website, N/A: iberdrola.com] & [Transparency Register: Iberdrola's record, 09/11/2022: ec.europa.eu] • Not Met: Publicly available policy statement that specifies the Company does not make political contributions: Iberdrola's Code of Ethics states: 'The companies of the Group, either directly or through intermediaries, are strictly prohibited from directly or indirectly making contributions (regardless of the legal form thereof, such as donations, loans or advances) to Spanish political parties, including federations, coalitions and groups of electors.' A similar statement is found in Neoenergia's Code of ethics: 'It is expressly prohibited for Group companies, whether on their own account or through intermediaries, to make, directly or indirectly, donations, even in the form of loans or advances, to politicians, candidates, and politically exposed persons, including related parties, as well as political parties, party coalitions or trade unions.' However, the Company's website discloses: 'In the financial year 2022, none of the group companies, with the exception of the United Kingdom, the United States and Australia, contributed to the financing of political parties.' [Neoenergia's Code of Ethics, 04/06/2019: ri.neoenergia.com] & [Public Affairs- Website, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Disclosure of expenditures on lobbying activities: The Company's 2022 Sustainability Report discloses: 'Iberdrola has a neutral position from a political standpoint. In financial year 2022, none of the group's companies, with the exception of the United Kingdom and the United States, contributed to the financing of political parties. In the United Kingdom, ScottishPower has contributed a total of €35,882, distributed among different parties across the political spectrum, for the sponsorship of conferences and events, in accordance with the Political Parties, Elections and Referendums Act (2000). These events are an important opportunity for the group to present its views to representatives across all political camps on a nonpartisan basis. This contribution does not signal support for any specific party. In the United States, AVANGRID's Renewables Business has contributed a total of €559,550 (\$589,000) to candidates and political parties, reporting these contributions in accordance with current legislation. These represent the contributions made by the company and do not include additional voluntary contributions from employees. In Australia, IBERDROLA Australia contributed a total of €11,807 euros (AUS\$17,900) for the annual membership to sponsor conferences and events, reporting it to the Australian electoral commission.' However, the Company discloses only political contributions. No disclosure of lobbying expenditures were found. [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Not Met: Requirement for third-party lobbyists to comply with the Company's lobbying and political engagement policy (or policies): The Company has provided evidence to BHRRC regarding this sub-indicator indicating that third-party lobbyist have the consideration of suppliers and therefore are required to comply with the supplier code. However, this code doesn't contain the Company's Lobbying and Political engagement policies and approach [Suppliers' Code of Ethics, 06/2023: iberdrola.com]

2. Salient human rights risks (40% of total)

D. Indigenous Peoples' and Affected Communities' Rights

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.PD	Commitment to respect indigenous peoples' rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment to respect indigenous peoples' rights with explicit reference to UN Declaration: The Human Rights report states that 'Iberdrola, in accordance with its Code of Ethics and Policy on Respect for Human Rights', is committed to respecting the rights of indigenous peoples and ethnic minorities, in accordance with current legislation and the obligations established by the ILO Convention No. 169 and other international instruments. Likewise, in each country, local laws, principles, and regulations are respected in relation to indigenous peoples, establishing mechanisms to guarantee their rights'. The policy for human rights states that 'the Group also explicitly makes the following commitments: [...] to respect the rights of ethnic minorities and of indigenous peoples in the places in which it carries out its activities, and to favour an open dialogue that includes different cultural frameworks'. However, no evidence of an explicit policy statement committing to respecting the UN Declaration on the Rights of Indigenous Peoples was found. No evidence was found of a similar requirement for the value chain. The Company has provided evidence to BHRRC regarding this sub-indicator. However, despite references to ILO C 169 and commitment to human rights recognized in domestic and international legislation, this subindicator requires and explicit commitment referencing the UNDRIP. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Governance and Sustainability System, 28/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Description of process for identifying indigenous persons and customary lands. <p>Commitment to FPIC (in line with ILO No.169): The Human Rights report states that 'Iberdrola understands this term [indigenous peoples] based on international standards resulting from ILO Convention No. 169: Self-identification as indigenous peoples at the individual level and accepted by the community as their member. Historical continuity with pre-colonial and/or pre-settler societies. Strong link to territories and surrounding natural resources [...]'. However, no further details were found, including what constitutes customary, ancestral, or collective lands, territories and resources. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. One source was in Portuguese and the other didn't contain a description of the Company's general process for identifying indigenous peoples and what constitutes customary land and resources. This should include and explicit commitment to FPIC. [Human Rights Report 2022, N/A: iberdrola.com] • Met: Recent example of obtaining FPIC or not pursuing indigenous people's land/resources: The Company reports that 'a leading sustainable energy company and part of the Iberdrola Group, and the Navajo Tribal Utility Authority (NTUA), the largest multi-utility enterprise owned and operated by a Native American tribe, today announced they have signed a Memorandum of Understanding (MOU) to explore opportunities to develop up to 1 GW of green energy projects within the Navajo Nation in the states of New Mexico and Arizona. This partnership will allow the two parties to collaborate and study the feasibility of developing wind and solar projects, as well as battery storage solutions, to create new jobs, create economic development on the Navajo Nation, offset lost revenue on the Navajo Nation, and bring reliable, affordable, and renewable energy to power Navajo Nation businesses and residents [...] As part of this partnership, AVANGRID and NTUA will explore how the projects being contemplated could benefit from the Inflation Reduction Act ("IRA"), the largest climate investment in the U.S. and global history. The IRA opens a path to meaningful emissions reductions in Indian tribes through the development of projects that can help them transition to a cleaner energy economy'. [Press release: AVANGRID And The Navajo Tribal Utility Authority Announce Plan..., 17/04/2023: avangrid.com] </p>
D.2.PD	Engagement with all affected communities	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes how local communities identified and engaged in the last two years: The Sustainability Report 2022 states that the initial identification and selection of stakeholders was conducted by the management team. 'For the proper management of each of the Stakeholders, Iberdrola's various areas and businesses identify different subgroups that they deem relevant for more specific treatment. The Company's 'Stakeholder Engagement Model' is 'based on the AA1000 Stakeholder Engagement Standards 2015 [...], the AA1000 Accountability Principles

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>2018 [...], and its four principles of inclusiveness, materiality, responsiveness and impact'. The report shows a graph that describes the process and states 'this process is implemented in the management of Iberdrola's eight Stakeholder group in the five main countries and at most of the Generation and Sustainable Energy facilities, as well as in the various geographic areas of the Networks business'. The model considers three points of view 'impact of reputational risks on Iberdrola; the impact of these action plans on Stakeholders; and the impact of significant events on stakeholders'. It also indicates that it keeps the relationship channels with its Stakeholders updated and makes continuous efforts to identify the issues that are most important to each of them. An analysis of these issues shows that, while there are issues exclusive to each geographical area, most are common to Iberdrola's five main countries. The company also identifies best practices in relation to Stakeholders, which are shared by the entire group'. The Human Rights report shows engagement with local communities in the UK, USA and Mexico in an impact/monitoring context. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com]</p> <ul style="list-style-type: none"> • Met: Provides two examples of engagement with communities: AVANGRID's press release discloses: 'AVANGRID (NYSE: AGR), a leading sustainable energy company and part of the Iberdrola Group, and the Navajo Tribal Utility Authority (NTUA), the largest multi-utility enterprise owned and operated by a Native American tribe, today announced they have signed a Memorandum of Understanding (MOU) to explore opportunities to develop up to 1 GW of green energy projects within the Navajo Nation in the states of New Mexico and Arizona.' Vineyard Wind, a subsidiary of Iberdrola's Group signed a memorandum of Agreement (MOA) with the Bureau of Energy Management (BOEM), the Massachusetts State Historic Preservation Officer and the Advisory Council on Historic Preservation, all three government bodies (at federal and/or state level) related to historical preservation and cultural heritage or in the case of the BOEM to managing the exploration and development of energy resources on the Outer Continental Shelf (OCS) of the United States. The MOA includes agreed actions to resolve adverse visual and physical effects to identified historic properties. The Consultation Process to decide those mitigating actions was outlined by the government bodies as it was the identification of stakeholders (Delaware Tribe of Indians, Mohegan Tribe of Indians of Connecticut, the Narragansett Indian Tribe, the Shinnecock Indian Nation, and the Wampanoag Tribe of Gay Head-Aquinnah) In this regard, the MOA document states: 'Vineyard Wind will provide Tribal representatives with the opportunity to be present for all stages of work, including core collection, core opening, and core sub-sampling. Vineyard Wind will send formal invitations to the consulting Tribes with schedules for the mitigation study activities. In the interest of collaboration, a communication matrix will be distributed for key team members who are available all the time for consultation, questions, and information requests. Vineyard Wind will hold these meetings in person unless public health or safety considerations warrant remote meetings. The specific timeframe for the consultation process will be defined in the future, but will include a study kickoff meeting, a pre-field planning meeting, a field mobilization vessel tour, a post-field program core sample review, and a study results meeting;' [Press release: AVANGRID And The Navajo Tribal Utility Authority Announce Plan..., 17/04/2023: avangrid.com] & [MOA among BOEM, MSHPO, Vineyard Wind, LLC, and ACHP (Vineyard Wind 1 project), 26/04/2021: static1.squarespace.com] • Met: Examples of engagement refer to marginalised groups and provide additional detail: As indicates above, the Company and the Navajo Tribal Utility Authority (NTUA), the largest multi-utility enterprise owned and operated by a Native American tribe, today announced they have signed a Memorandum of Understanding (MOU) to explore opportunities to develop up to 1 GW of green energy projects within the Navajo Nation in the states of New Mexico and Arizona.' Vineyard Wind, a subsidiary of Iberdrola's Group signed a memorandum of Agreement (MOA) with the Bureau of Energy Management (BOEM), the Massachusetts State Historic Preservation Officer and the Advisory Council on Historic Preservation, all three government bodies (at federal and/or state level) related to historical preservation and cultural heritage or in the case of the BOEM to managing the exploration and development of energy resources on the Outer Continental Shelf (OCS) of the United States. The MOA includes agreed actions to resolve adverse visual and physical effects to identified historic properties. The Consultation Process to decide those mitigating actions was outlined by the government bodies as it was the identification of stakeholders (Delaware Tribe of Indians, Mohegan Tribe of Indians of Connecticut, the Narragansett Indian Tribe, the Shinnecock Indian Nation, and the Wampanoag Tribe of Gay Head-Aquinnah) In

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>this regard, the MOA document states: 'Vineyard Wind will provide Tribal representatives with the opportunity to be present for all stages of work, including core collection, core opening, and core sub-sampling. Vineyard Wind will send formal invitations to the consulting Tribes with schedules for the mitigation study activities. In the interest of collaboration, a communication matrix will be distributed for key team members who are available all the time for consultation, questions, and information requests. Vineyard Wind will hold these meetings in person unless public health or safety considerations warrant remote meetings. The specific timeframe for the consultation process will be defined in the future, but will include a study kickoff meeting, a pre-field planning meeting, a field mobilization vessel tour, a post-field program core sample review, and a study results meeting;' Furthermore, the Company states that for the Hollandmeyer Renewable Energy Development in the UK 'SPR has kept the four Community Councils local to the proposed Development and the local councillors from the Wick and East Caithness and Thurso and Northwest Caithness electoral wards informed of project progress. SPR also sent emails to the Community Councils and local community councillors to introduce the proposed Development in July 2020, invite them to participate in the PIEs in October 2020 and January 2021 [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Analysis of stakeholder views on company's HRs issues: The Sustainability Report shows which are the 'significant specific issues' for the different stakeholders. It also states that 'Iberdrola's Generation, Networks and Sustainable Energy facilities mainly manage three Stakeholders: Regulatory Entities, Society and Environmental. The most significant issues of interest refer to regulatory compliance, the economic and social impact of the facilities on local communities, and environmental impacts and the mitigation thereof'. However, no evidence was found of specific topics of concern and the views of stakeholders on them on at least two case studies, or a summary analysis of the views of stakeholders on specific human rights issues. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Not Met: Describes how stakeholders views influenced company's HRs approach: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.
D.3.PD	Benefit and ownership sharing policy	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment to identify benefit and ownership sharing: Iberdrola's CONVIVE Programme 'integrates specific actions for each project and its location, as well as global actions. There are 3 main areas of action: [1] Contributing to socio-economic development: Initiatives that enable the projects' contribution to economic and social development at the local as well as national level...' Also, Iberdrola's subsidiaries, ScottishPower and Iberdrola Australia have in place Community Energy Funds. For the Clauchrie Windfarm the Company indicates that the Scottish Government is encouraging companies to explore ownership sharing models and that therefore these will be explored in the EIA report. However, it is not clear if the Company has a general commitment to identify benefit and ownership sharing models. The Company provided further feedback regarding this subindicator, however it was not material for the assessment. No further evidence was found leading to ownership sharing or co-ownership models. [CONVIVE Programme- Iberdrola's website, N/A: iberdrola.com] & [Clauchrie Windfarm: scottishpowerrenewables.com] • Met: Commitment includes right to decide own priorities for communities: Scottish Power has in place Community Energy Funds in the UK: 'ScottishPower Renewables empowers communities to determine how community benefit funds they receive from its operational windfarms will best address local needs. Our funds can be used to deliver a wide range of local initiatives to improve local facilities and services, to enable upskilling and education, to make energy efficiency improvements to community buildings and to deliver heritage and tourism initiatives, amongst many other things. We also support several communities that choose to direct funds towards initiatives to help local people address rising energy costs through a Community Energy Fund. A Community Energy Fund operates by providing households in the local area a contribution towards their energy bills.' Additionally, Iberdrola Australia's website states: 'We aim to foster lasting relationships with community organisations by funding local initiatives and local not-for-profit organisations. Iberdrola Australia sponsors community projects that aim to make a positive difference in the areas of education, fire and police

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>departments, social welfare, country shows, indigenous groups, sports clubs, art festivals and youth programs.' [Community Energy Fund- ScottishPower's website, N/A: scottishpowerrenewables.com] & [Community Funds and Sponsorships-Iberdrola Australia's website, N/A: iberdrola.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Disclosure of statistics for each project describing demographics of benefit/ownership sharing: While the Company has provided various items of evidence regarding its projects' contributions to the local economies of the communities in which they are installed (such as tax revenue, lease payments, and social funds), this sub-indicator aims to obtain systematic disclosure of statistics for each of its projects. This disclosure should describe the demographics of the benefits and the ownership-sharing processes, including any final agreements, the percentage of project revenue, and/or equity shares paid to local communities. However, no such evidence was found. • Met: Disclosure how affected communities participated in decision-making: See above. Also, Dumfries and Galloway Fund, South Ayrshire Fund, and Argyll and Bute Fund (ScottishPower's projects) are examples of community benefit-sharing schemes in which ScottishPower contributed financial resources to initiatives developed and implemented by civil organizations within the affected communities. [Creating a better future, quicker in Dumfries and Galloway, 11/2020: scottishpowerrenewables.com] & [Creating a better future, quicker in South Ayrshire, 05/2022: scottishpowerrenewables.com]
D.4.PD	Local wind & solar energy access, affordability	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Actions taken to support access and affordability of renewable energy in the value chain: The Sustainability report states that 'The companies of the Neoenergia group have continued to develop rural electrification programmes, undertaken jointly with government authorities, as an instrument for the social inclusion and development of rural homes not served by electric utilities. In 2022, the funds allocated to these programmes totalled €88 million (478 million Brazilian reais) in consolidated terms for the group. Globally, Iberdrola has launched the Electricity for All Programme in response to the call of the international community to ensure universal access to affordable, reliable and modern energy services. Iberdrola has set the ambitious goal of providing electricity to 16 million persons who currently lack it by 2030'. The website discloses different projects included in this programme. Mexico, in alliance with Ilumexico, has launched the 'Luces de esperanza' project 'that will bring electricity to 60 rural communities in Mexico [...] thanks to the installation of solar panels in homes, schools, health centres and community areas. The programme carried out in two phases, has an investment of 60 million Mexican pesos and will benefit 12,000 people over the next five years. The Company also discloses information on the 'light for all' project in Brazil undertaken by Neoenergia (Iberdrola) in conjunction with the Federal Government', which ended in 2021.'within this programme, Iberdrola's Brazilian subsidiary has brought electricity to the Indians in the village of Patiburi [...] The initiative benefited 25 families of Tupinambá origin, the first inhabitants of Brazil, and has made the functioning of a school possible, to be attended by some 30 children of the community. However, no evidence was found of similar actions taking place in the value chain. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. One of the pieces is related to the sustainable car park project did not address the specific criteria being assessed, which was about supporting renewable energy access and affordability in communities. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Electricity for all' Programme, N/A: iberdrola.com] • Not Met: Including a timebound actions plan and reporting targets: No information was found on whether targets were developed in consultation with local communities including marginalised groups at heightened risk of poverty. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. It is in Spanish and not clear if the communities including traditionally marginalised groups were consulted on deciding the timebound actions set and reporting on targets. <p>Score 2</p> <ul style="list-style-type: none"> • Met: Public support for government policies addressing energy access: In relation to customers, the Sustainable Development Policy states that '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 according to the policies established by the competent government administrations in each case'. As indicated above, the project 'Light for all' in Brazil was undertaken 'in conjunction

Indicator Code	Indicator name	Score (out of 2)	Explanation
			with the Federal Government of Brazil to promote universal access to electricity in rural areas'. Although it seems that the project was supposed to end in December 2021, it is within the last three reporting years' timeframe. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Electricity for all' Programme, N/A: iberdrola.com]

E. Land and resource rights

Indicator Code	Indicator name	Score (out of 2)	Explanation
E.1.PD	Respect for land and natural resource tenure rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment to respect land ownership/natural resources as in VGGT. Discloses how identifies legitimate tenure holders.: The Biodiversity policy includes among its principles to 'avoid locating new infrastructure projects in spaces that are protected due to their ecological, biological, cultural and/or landscape value or areas catalogued as having high value for biodiversity'. The Human rights report also mentions land rights and the right to private property in the context of potential impacts description. Finally, regarding population displacement, it states that 'during the planning phase of new projects, Iberdrola makes an assessment of the land that will potentially be occupied by activity, opting for those that involve less displacement of people. The Company analyzes the economic, environmental and social consequences of the project in collaboration with the Public Administrations, and consults with the local communities to define the appropriate corrective measures. However, no public commitment was found to respecting legitimate tenure rights as set out in the VGGT, including where land and ownership rights are customary and/or non-formally recorded. The Company indicates that 'During the planning phase for new projects, Iberdrola evaluates the land that will potentially be occupied, choosing the land that involves the least displacement of people who either reside in the immediate area or whose economic activities will be affected. In the event of displacement, Iberdrola and the relevant government authorities review the economic, environmental and social consequences of the projects, and jointly hold consultations with the local communities to adopt suitable corrective measures. In addition, in the case of indigenous communities, pathways of dialogue are established with the participation of the government and of various organisations representing them, to report on the projects with the required transparency and integrity. No details were found, however, of the particular process by which it identifies holders, particularly those vulnerable. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. [Governance and Sustainability System, 28/04/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Disclosure of locations of projects including numbers in urban, rural, natural areas: The Company discloses the facilities where there is a presence of indigenous communities, which currently includes 7 facilities. Additionally, subsidiaries (ScottishPower, Iberdrola Mexico, AVANGRID, Iberdrola Australia, and Neoenergia) disclose the locations of their renewable energy projects on their websites. However, no evidence was found of a comprehensive disclosure of the project locations, including the number or percentage of projects located in urban, rural, or natural areas. [Sustainability Report 2022, 24/02/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Extends expectation to business relationships: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Steps taken to use leverage to resolve land rights issues or disclosure that no such issues arose: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. It seems to refer to a consultation process rather than a resolution of contested land rights (or disclosing that it has not involved in that situation)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E.2.PD	Just and fair physical and economic displacement policy implementation including free, prior and informed consent	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment to follow IFC PS 5 for physical and economic displacements: The Human Rights Report states: 'During the planning phase of new projects, Iberdrola makes an assessment of the land that will potentially be occupied by the activity, opting for those that involve less displacement of people. The company analyses the economic, environmental and social consequences of the project in collaboration with the Public Administrations, and consults with the local communities to define the appropriate corrective measures. Likewise, in the case of indigenous communities, channels of dialogue are established with the participation of the State and different organizations that represent them, to report with due transparency and integrity on the project and its effects, and to carry out the necessary consultations.' However, no evidence was found to indicate a commitment to adhere to IFC Performance Standard 5 when physical and economic displacement is determined to be necessary for a project. The Company has provided comments to the BHRRC regarding this subindicator. However, these didn't contain a commitment to follow IFC PS5. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Commitment not to relocate without FPIC and to providing compensation: The Company has provided evidence to BHRRC regarding this sub-indicator. However, publicly available evidence didn't show a commitment to not relocated without FPIC and providing compensation agreed during FPIC. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Publishes statistics on numbers affected by relocations (current and planned projects): The Company discloses that, regarding the 'Tâmega hydroelectric plant', 'until 2021, 51 homes have been relocated, 39 during the year [...] For the years 2022 and 2023, 8 more families will be relocated'. Neoenergia's sustainability report, discloses that 'there were no population displacements in 2022' No further details were found. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Publishes regular reviews of living conditions after relocation: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Description of approach to physical and economic displacement: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.

F. Security and conflict-affected areas (incl. responsible mineral sourcing)

Indicator Code	Indicator name	Score (out of 2)	Explanation
F.1.PD	Operating in or sourcing from conflict-affected areas	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment to heightened HRDD in conflict affected areas: The Company has provided comments to the BHRRC indicating that it does not operate in countries considered to be in conflict or high-risk areas. However, this subindicator also expects the Company to show a commitment to address heightened human rights associated with CAHRAS [Conflict-Affected and High Risk Areas] in its sourcing operations, in line with recommendations of the UN Working Group on business and Human rights. The letter from the Procurement and Services Director in the Procurement and Supplier Management activity report states that 'Executing this level of investment in a context of increased volatility and demand pressure is a challenge for the procurement function, as we must ensure that we have reliable sources for the strategic supplies required for the development of the plan. In 2023, we are taking specific actions to secure the supply of key equipment for the investment plan to 2025 and, in some categories, up to 2030. This year we have made progress in the strategy of reducing dependence on certain countries with high risks associated with geopolitical and social conflicts and we continue with our historical commitment to our local suppliers. Accordingly, and among other initiatives, we are collaborating to promote the installation of photovoltaic module manufacturing plants in Europe, which will start supplying equipment in 2024'. However, even if the Company indicates in its feedback comments that it does not operate in countries of high risk, this subindicator requires a commitment to address those risks should they appear or an explanation in a public source showing that they have no exposition.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Steps taken to assess and mitigate these risks with conflict sensitive lens: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. The Company is expected to describe the steps it takes to assess and mitigate risks with a conflict-sensitive lens in supply chain. In case of own operations, the Company is expected to show (in public sources) that its assessments determined that it is not exposed to CAHRAS Score 2 • Not Met: How stakeholders are involved in the process to mitigate risks: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.
F.2.PD	Evidence of security provider human rights assessments	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Regularly conducts risk assessment regarding security forces: The Company indicates that 'Another relevant risk in the supply chain results from the contracting of security services with potential impact on the physical security of communities, including human rights defenders. The Corporate security policy and the specific procedures adopted by the Corporate Security Department for each situation and country are compatible with both international human rights standards and the laws of the countries in which the company is present. The action protocols are defined and implemented across all the activities and services provided by the Corporate Security Department, with a Quality Management System which has been certified since 2003 in accordance with the ISO 9001 Standard. It is annually and externally reviewed by AENOR in the countries where it is established, to ensure compliance with the requirements of the Standard and those of the management system. The hiring of security and surveillance service providers is carried out in accordance with the current purchasing policy, model, and procedures. The Corporate Security Department is responsible for setting the technical specifications and criteria to be met by suppliers, both in terms of physical security, resources, training, cybersecurity, and their annual evaluation during the performance of their contract'. However, evidence refers to the Company's assessment of security contractors. The Company is expected to provide evidence of risk assessment on the risks related with security forces and publicly report on the outcome. The Company has provided additional comments, however, evidence supplied doesn't include the missing requirements of this subindicator. [Human Rights Report 2022, N/A: iberdrola.com] & [Governance and Sustainability System, 28/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to Voluntary Principles on Security and HRs: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: If applicable, discloses use of private security providers and uses only ICoCA members. <p>If direct employment of security, commitment to follow ICoCA itself.: The Company indicates that 'security services are outsourced but Iberdrola requires that the contractors' personnel is trained in human rights by approved organizations'. However, no evidence found that the Company uses only contractors that are signatories to the ICoCA. [Human Rights Report 2022, N/A: iberdrola.com]</p>
F.3.PD	Responsible sourcing of minerals: Arrangements with suppliers	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Statement on OECD Guidance aligned due diligence: The Company indicates that 'impacts on the supply chain arising from the increasing use of metals and minerals for wind and photovoltaic energy generation and storage' are among what the Company considers emerging human rights issues. No further details were found, including whether it conducts due diligence in accordance with OECD Guidance. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence provided does not show how it undertakes due diligence in accordance with the OECD Guidance for Responsible supply chains of minerals from CAHRAS. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Requirement on OECD Guidance aligned due diligence in contracts/codes with suppliers: The Company has provided evidence to BHRRC regarding this sub-indicator. However, no evidence was found showing requirements or contracts for suppliers including requirement to perform due diligence in accordance with the OECD Guidance on conflict minerals.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes work with suppliers on risk assessment and improving DD: The Human Rights Report declares: 'In order to guide progress and support its suppliers towards a strategy of mutual improvement and learning, Iberdrola develops different initiatives, including: [...] Online awareness module on human rights, available on the corporate website and accessible to all suppliers. Support materials that allow the implementation of best practices in sustainability'. However, this sub indicator looks for evidence of how the Company contributes to building supplier capability in due diligence in responsible mineral sourcing. [Human Rights Report 2022, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Disclosure of supply chain mapping: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.
F.4.PD	Responsible sourcing of minerals: Risk identification in mineral supply chains	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes risk identification and disclosure in line with OECD Guidance: The Company indicates that 'the production of minerals is widespread and comes, in large part, from countries with limited governance and traceability frameworks. Therefore, it can be difficult to obtain information regarding labor conditions and risks [...]. Iberdrola has made progress in implementing policies and procedures to guarantee responsible sourcing, but due to the complexity of its supply chain in some segments, there could be potential impacts related to the extraction of minerals in its value chain and a consequent impact on local communities'. No evidence was found, however, on whether and how it identifies and prioritises risks and impacts in its supply chain as set out in the OECD Guidance. The Company has provided evidence to BHRRC regarding this sub-indicator. However, no evidence was found on the processes for identifying and prioritising risks and impacts in its supply chain as set out in the OECD Guidance on the responsible supply chain of minerals from CAHRAs. [Human Rights Report 2022, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Expectation of suppliers to disclose supply chain mapping: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Risk identification process covers all minerals: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.
F.5.PD	Responsible sourcing of minerals: Risk management in the mineral supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Suppliers using minerals in equipment provided to describe steps taken to respond to risks in supply chain: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Those suppliers to describe monitoring of risk prevention/mitigation measures: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Those suppliers to disclose significant improvement over time: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: How suppliers and affected stakeholders engaged on strategy: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Processes cover all minerals: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.

G. Protection of human rights and environmental defenders

Indicator Code	Indicator name	Score (out of 2)	Explanation
G.1.PD	Commitment to respect the rights of human rights and environmental defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Zero tolerance of threats/attacks on HRDs: In the context of security services, the Company states that 'another relevant risk in the supply chain results from the contracting of security services with potential impact on the physical security of communities, including human rights defenders'. However, no further details were found, including a commitment to not tolerate nor contribute to threats, intimidation and attacks against human rights defenders. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Expectation on business partners in value chain to make this commitment: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Description of how working with HRDs to create safe and enabling environment: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material since it was related to the consultation process with indigenous communities. This sub-indicator seeks evidence that describes how the Company collaborates with HRD to establish safe and enabling environments for civic engagement and human rights at local, national or international levels.

H. Labour rights (incl. protection against forced labour)

Indicator Code	Indicator name	Score (out of 2)	Explanation
H.1.PD	Health and safety	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Discloses quantitative H&S information (injury rates or lost days, and fatalities): The Company reports on injured workers, with leave, without leave, days lost, injury rates and fatalities for the last three reporting years. [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Not Met: Expectation extends to relevant business relationships: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence is not publicly available. This subindicator looks for requirements for suppliers to report to the Company quantitative data on safety performance, going beyond contractors, or the Company disclosing that information (including both suppliers and contractors). <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Sets targets for H&S performance (including injury rates or lost days and fatalities): Although the Company indicates that in its health and safety management system, there are targets and indicators, and states that its basic goals include achieving a 'gradual reduction in accident rates at the Iberdrola group's businesses', no evidence found of the actual targets related to injury rates, lost days or frequency rates and fatalities for the last reporting period. In its ESG Targets Update Presentation, the Company has established a target to reduce its 'accidentality rate' by 10% from the 2021 level by 2025 and by 21% by 2030. No evidence found, however, of targets related to fatal accidents. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [ESG Targets Update Presentation, 11/2022: iberdrola.com] • Not Met: Met targets or explains why not or how improve H&S management systems: The Company has provided comments to CHRB regarding this indicator. However, the actual explanation of trends toward meeting the target provided was not found in publicly available sources. Evidence found show figures for last three reporting years. The Company also refers to a chart, however, this chart doesn't seem to show the trends against the target indicated above. [Sustainability Report 2022, 24/02/2023: iberdrola.com]
H.2.PD	Forced labour risk management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Board level oversight over policies on forced labour in supply chain. How relevant stakeholders informed board discussions: The Company indicates that 'The Sustainable Development Committee possesses the following remits, among others, within the field of human rights: To oversee performance in sustainable development matters and, in particular, to ensure its practices in environmental and social matters are in line with the strategy and policies approved by the Board of Directors, and to report on it. To report to the Board of Directors information received on the measures and procedures adopted in the group in order to implement and monitor the provisions of the Policy on respect for Human Rights'. The provisions of human rights policy include requirements for suppliers. No evidence was found, however, on how experiences of affected stakeholders informed board discussions.' The Company has provided evidence to BHRRC regarding this sub-indicator. However, no evidence was found in public sources provided how experiences of affected stakeholders (unions, workers or their representatives, affected communities, etc.) informed Board Committee discussions on forced labour. [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Suppliers to have these arrangements in place: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence does not show how suppliers' are required that their boards supervise their own supply chain policies on forced labor and affected stakeholders informing their own board discussions.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Discloses ongoing efforts to prevent and mitigate forced labour in own ops and supply chain: The Human rights report discloses calculations of risk exposure to forced labour in different contexts and identifies the situations where forced labour can take place. In the supply chain, it indicates that the percentage of purchases made in countries at risk of violation of the rights of [...] forced labor was 0%'. It also states that the '0,82% value associated to forced labor risk is related to the potential risk in the Xinjiang region in China [...] The company is working on different avenues to minimize this risk, including the possibility of carrying out audits and the study of component traceability mechanisms, as well as participating in the Solar Power Europe sector initiative'. However, it is not clear what is the actual work that is carried out on this matter. Scottish Power, a Company's subsidiary released a modern slavery statement due to its activities taking place in the UK. In the document the Company explains its recruitment processes and supplier screening, as well as its communication and awareness activities in its own operations, such as 'anti-slavery day and holding a week-long focus on Modern slavery through a variety of Company-wide communications to educate employees on the subject' It also refers to work conducted in the context of the 'Slave-Free Alliance' such as 'engagement with other members on best practice in tackling the issue of Modern Slavery and through bespoke training support for targeted employees. However, the evidence here seems to refer specifically to this subsidiary. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence does not show proactive work conducted with suppliers to improve their performance on this matter. [Human Rights Report 2022, N/A: iberdrola.com] & [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Not Met: Factors to be considered when ending a business relationship: The Company has provided evidence to BHRRC regarding this sub-indicator. However, despite its comments on supplier level of performance, no evidence was found in supporting sources whether these factors may be considered when ending a business relationship.
H.3.PD	Prohibition of forced labour: Wage practices	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Requirements on paying in full and on time in supplier codes and contracts: The Company has provided evidence to BHRRC regarding this sub-indicator: 'Suppliers shall pay their professionals in accordance with the provisions of applicable wage laws, including minimum wages, overtime and social security benefits.' However, this sub-indicator seeks evidence that the Company requires its business partners, through contractual agreements or supplier codes, to pay wages to their workers in full and on time. [Suppliers' Code of Ethics, 06/2023: iberdrola.com] • Not Met: Describes work with suppliers on paying workers regularly, in full and on time: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. This subindicator looks for evidence of proactive work conducted with suppliers to improve their performance on this matter. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment scope of failure to pay workers in full and on time in supply chain: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. This subindicator looks for evidence that the company assesses the level of presence of this issue in its supply chain, even if to proof there isn't. • Not Met: Analysis of trends demonstrating progress: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material.
H.4.PD	Prohibition of forced labour: Restrictions on workers	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Requirements on free movement in supplier codes and contracts: The Company's Supplier Code states: 'Suppliers shall reject all forms of forced or compulsory labour and all forms of modern slavery and must adopt within their organisation appropriate measures to eliminate all such practices and promote the adoption of such measures within their supply chain.' However, this sub-indicator looks for evidence that the Company explicitly prohibits suppliers from retaining personal documents or restricting workers' freedom of movement. [Suppliers' Code of Ethics, 06/2023: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes working with suppliers on free movement of workers: The Company has provided evidence to BHRRC regarding this sub-indicator. However, it refers mainly to compliance monitoring. This subindicator looks for evidence of proactive work conducted with suppliers to improve their performance on this matter. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of movement in supply chain: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material. • Not Met: Capacity building to enable suppliers to cascade forced labour policies down supply chain: The Human Right Report discloses that 'In order to guide progress and support its suppliers towards a strategy of mutual improvement and learning, Iberdrola develops different initiatives, including: [...] Online awareness module on human rights, available on the corporate website and accessible to all suppliers. Support materials that allow the implementation of best practices in sustainability. Awards for suppliers that encourage, promote and recognize excellence, sustainable development and corporate social responsibility amongst other things. There are also awards for the prevention of occupational hazards.' However, it is not clear how the Company ensures that suppliers effectively implement forced labour policies throughout their supply chain as a result of these training and support materials. [Human Rights Report 2022, N/A: iberdrola.com]
H.5.PD	Freedom of association and collective bargaining	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment on FoA/CB and requirements in suppliers codes and contracts: The Company's policy on Respect for human rights states that 'the Group also explicitly makes the following commitments: [...] to respect freedom of association and collective bargaining'. The Code of Ethics, in relation to labour practices of suppliers, requires the following: 'the freedom of union association and the right to collective bargaining of professionals must be respected by suppliers, subject to the law applicable in each case'. However, it is not clear whether the Company requires to respect those rights in all contexts, as it indicates 'subject to the law applicable in each case'. In these cases (companies referring to local laws in freedom of association and collective bargaining), companies are expected to require alternative mechanisms or equivalent workers' bodies where the right to freedom of association and collective bargaining is restricted under law. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence was not material, as it didn't refer to supply chain requirements. [Governance and Sustainability System, 28/04/2023: iberdrola.com] & [Human Rights Report 2022, N/A: iberdrola.com] • Not Met: Describes work with suppliers on FoA/CB: The Human Rights Report discloses: 'In order to guide progress and support its suppliers towards a strategy of mutual improvement and learning, Iberdrola develops different initiatives, including: [...] Online awareness module on human rights, available on the corporate website and accessible to all suppliers. Support materials that allow the implementation of best practices in sustainability.' However, it is not clear if these training and support materials cover freedom of association and collective bargaining. [Human Rights Report 2022, N/A: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Assessment of scope of restriction of FoA/CB in supply chain: The Company discloses the outcome of suppliers risk assessment in 2021, which is 'assessed in relation to the suppliers' purchasing volume in countries with potential risk'. The human rights report indicates that among goods and services suppliers, 0,82% of the purchases volume in relation to the risk of breaching the rights of freedom of association and collective bargaining'. This percentage is 0% in fuel supply chain. [Human Rights Report 2022, N/A: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Analysis of trends demonstrating progress: The Company has provided evidence to BHRRC regarding this sub-indicator: 'Based on the Iberdrola group's risk map for 2022 drawn up by BHR (a specialised consulting firm), and taking into account the suppliers of goods and services from countries identified in 2022 as being at high risk of human rights violations, the following risks may emerge: in connection with the risk to freedom of association and collective bargaining, in 1,5% of the volume of purchases made in 2022 [...] With regard to fuel supplies, no purchases were made in countries where there is a risk of violation of the rights to freedom of association and collective bargaining, child labour and forced labour. There was no identification in 2022 of any contracting with suppliers that has generated incidents relating to freedom of association, collective bargaining, or the use of child or forced or compulsory labour, nor is there evidence of receiving complaints on these grounds.' Similar data is disclosed in the Sustainability Report 2021: 'Based on the sources consulted, and taking into account the suppliers of goods and services from countries identified in 2021 as being at high risk of human rights violations, the following risks may emerge: in connection with the risk to freedom of association and collective bargaining, in 0,82% of the volume of purchases made in 2021 [...] With regard to fuel supplies, the percentage of purchases made in countries where there is a risk of violation of the rights to freedom of association and collective bargaining, child labour and forced labour was 0%. There was no identification in 2021 of any contracting with suppliers that has generated incidents relating to freedom of association, collective bargaining, or the use of child or forced or compulsory labour, nor is there evidence of receiving complaints on these grounds'. However, this subindicator looks for evidence that the Company directly compares year-on-year performance from its supply chain on this matter, even if to point out that there were 0 non-compliances on these issues. Current evidence picks data from different reports to determine relevancy of these risks. [Sustainability Report 2022, 24/02/2023: iberdrola.com]
H.6.PD	Living wage (in supply chains)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Requirements on living wage in supplier codes and contracts: The Company indicates that 'according to Iberdrola's general principle of action and commitment to good employment standards, the company ensures a living wage above the minimum wage in its countries of operations'. No reference was found, however, in relation to the supply chain, as to whether there are requirements for suppliers to pay workers a living wage. The Company has provided evidence to BHRRC regarding this sub-indicator: 'Suppliers shall pay their professionals in accordance with the provisions of applicable wage laws, including minimum wages, overtime and social security benefits.' However, the requirement refers to 'minimum wages', it is not clear if those wages (in accordance with applicable laws) adequately cover the basic needs of the worker and their family or dependents, along with providing some discretionary income. [Human Rights Report 2022, N/A: iberdrola.com] & [Suppliers' Code of Ethics, 06/2023: iberdrola.com] • Not Met: Describes work with suppliers on living wage, beyond tier 1 suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Requirement for suppliers to regularly review definition of living wages with relevant trade unions

I. Right to a healthy and clean environment

Indicator Code	Indicator name	Score (out of 2)	Explanation
I.1.PD	Environmental impact assessment and remediation	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Conducts public EIA and CIA for renewable energy projects: The Company indicates that 'Iberdrola has various systems for identifying impacts on the local communities surrounding its facilities and has developed the necessary measures to manage these impacts. The Environmental Impact Assessments (EIA), carried out in the planning phase prior to the construction of the facilities, include an assessment of social impacts in accordance with the applicable legislation in each country. In those countries with indigenous communities, a specific social impact study is also carried out for this group. Both assessments include an analysis of potential human rights impacts from an environmental and social perspective. To assess the potential impacts on the right to a safe, clean, healthy and sustainable environment, an assessment of the natural environment is carried out, including environmental impacts such as emissions, discharges, waste, fires, effects on biodiversity, changes in land use, changes in the aesthetics and quality of the landscape, restriction of access to water resources and forestry'. In the context of the Company explaining its Biodiversity action plans, it states that 'The Plan also reinforces the work done by the company to implement the mitigation hierarchy (avoid, reduce, mitigate, and compensate as a last option) in all project phases, from the design and Environmental Impact Assessment (EIA) processes to decommissioning after operation'. In its Landscape and Visual Impact Assessment (LVIA) for Project Cumberhead West Wind Farm, ScottishPower indicates: 'The LVIA also considers any cumulative landscape and visual effects which may arise as a result of the Proposed Development in conjunction with other wind farm developments [...] the approach adopted in the cumulative LVIA has been to focus on other wind farms which are either operational, under construction, consented or the subject of a full planning application and which have the potential to give rise to significant cumulative effects when considered in combination with the Proposed Development.' The Company has also provided similar examples for other projects in the UK and Spain. In future assessments, the Company will also be expected to explain or demonstrate under what circumstances it undertakes Cumulative Impact Assessments for its renewable energy projects in order to meet this criteria. [Human Rights Report 2022, N/A: iberdrola.com] & [Landscape and Visual Impact Assessment - Project Cumberhead West Wind Farm, 2020-2021: scottishpowerrenewables.com] • Not Met: Assessments comply with Espoo Convention and/or the EU Environmental Impact Assessment Directive and fulfil certain standards: The Company provided comments that are not backed up by public sources. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Reports on compliance with government-mandated remediation fund requirements: The Company provided comments to this subindicator regarding the casuistic in the UK and the restoration bond, although evidence was not found in public sources, or the link provided was to an internal folder. The Company also reports having Environmental liability insurances and civil liability coverage for sudden accidental pollution. However, this subindicator looks for remediation funds allocated. [Sustainability Report 2022, 24/02/2023: iberdrola.com] • Not Met: Reports on how an entity guarantees payment for environmental restoration or compensation: The Company 'has insurance policies that cover environmental risks. The main types of corporate insurance policies that the company has obtained with environmental coverage are: Environmental Liability Insurance; Civil Liability Coverage for Sudden Accidental Pollution in the general civil liability policy'. However, this subindicator looks for funds specifically allocated for environmental restoration, in addition to compensation to people who may suffer from Company operations. [Sustainability Report 2022, 24/02/2023: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
I.2.PD	Life cycle assessment	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Expectation for suppliers to conduct regular public life cycle assessments (including risks related to raw material sourcing, waste, and decommissioning): The Company has provided evidence to BHRRC regarding this sub-indicator: 'The Iberdrola group also actively participates, along with the manufacturers themselves, in the main industry-led initiatives, such as Solar Power Europe and WindEurope, with the aim of establishing common standards and tools that allow objective evidence to be obtained that human rights have been respected throughout the process of manufacturing the equipment used in these projects.' Furthermore, WindEurope's Industry Principles for Supply Chain Sustainability declares: 'Ensure delivered products incorporate environmental aspects throughout the product life cycle, from design through manufacturing and use, to re-use, recycling and disposal.' However, it is not clear if the Company expects its suppliers to regularly conduct public life cycle assessments of its primary technologies according to ISO 14040. Moreover, these assessments should encompass risks related to raw material sourcing and waste generation, including minerals and metals, as well as decommissioning. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [WindEurope's Industry Principles for Supply Chain Sustainability, 09/2018: windeurope.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Requires suppliers to have action plans to address adverse impacts identified: The Company has provided evidence to BHRRC regarding this sub-indicator. However, the evidence provided does not show how it requires suppliers to have action plans in place to address potential adverse impacts identified during LCA, including recycling/end of life.

J. Transparency and anti-corruption

Indicator Code	Indicator name	Score (out of 2)	Explanation
J.1.PD	Anti-corruption due diligence and reporting	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commitment to prohibiting bribes to public officials: The Company's code of ethics states that 'Not offer or grant, or solicit or accept, whether directly or through an intermediary, unjustified advantages or benefits that are directly or indirectly intended to obtain a benefit, whether present or future, for the companies of the Iberdrola Group, for themselves or for a third party. In particular, they may not give or receive any type of bribe or commission from, or made by, any other party involved, such as government officials (whether Spanish or foreign) or personnel of other companies, political parties, authorities, customers, suppliers or shareholders. Acts of bribery, which are expressly prohibited, include the offer or promise, whether direct or indirect, of any kind of improper advantage, any instrument designed to conceal them, and influence-peddling. [Governance and Sustainability System, 28/04/2023: iberdrola.com] • Met: Expectation extends to relevant business relationships: The Scope of application of the code of ethics includes 'professionals and suppliers of the Companies of the Group'. It also indicates that 'the Code of Ethics sets forth the Company's commitment to the principles of business ethics and transparency in all areas of activity and establishes a set of principles and guidelines for conduct designed to ensure ethical and responsible behaviour by [...] suppliers of the Iberdrola Group's companies'. [Governance and Sustainability System, 28/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Reports on any complaints on corruption and bribery: The Sustainability report discloses information regarding the existence of cases of corruption during the last financial year. It reports 2 cases. It also reports on 'proceedings from prior years with an impact on the financial year'. [Sustainability Report 2022, 24/02/2023: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
J.2.PD	Payments to governments & contract transparency	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Publishing a tax CbCR in line with GRI 207-4, or discloses payments made to governments at project-level including for purchase or rent of land or natural resources related to its renewable energy projects: The Company has provided BHRRC with examples of payments to government bodies, specifically in the context of the Teles Pires Hydro Power Plant and Belo Monte Hydro Power Plant in Brazil. Norte Energia Sustainability Report discloses: 'Given the magnitude of Belo Monte and its location, we present the amount we collected for each municipality in 2022, both through the payment of own taxes and third-party withholding taxes and through Financial Compensation for the Use of Water Resources (royalties).' The amount collected through those royalties in 2022 was (R\$) 229.960.687,22 and the 'charges and taxes' paid amounted to (R\$) 163,249,489. However, no evidence was found that the Company's subsidiaries, aside from Norte Energia, disclose payments made to governments at the project level. Furthermore, the Company's Tax Transparency Report does not disclose tax payments at the project level. The Company however publishes a full CbCR, in line with GRI 207-4. In future assessments, the Company will be expected to demonstrate it publishes a tax CbCR and a report on its payments to governments at project level, including for purchase or rent of land or natural resources related to its renewable energy projects [Norte Energia Sustainability Report 2021, 2022: norteenergiasa.com.br] & [Statement of Non-Financial Information Sustainability Report 2020, 15/02/2021: iberdrola.com] • Not Met: Disclosure of terms, contracts, agreements for those payments <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Supports governments to disclose contracts and licenses on renewable energy project in line with EITI

K. Diversity, equality and inclusion

Indicator Code	Indicator name	Score (out of 2)	Explanation
K.1.PD	Diversity, equality & inclusion training for management and employees	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Provides mandatory and regular training as per ILO No 190: The Company 'Diversity and Inclusion report' reports that 'to continue evolving along these lines [diversity and inclusion], we encourage the development of leaders in the area of diversity and inclusion, providing them with the knowledge and tools necessary to apply appropriate role models and drive inclusion within their teams as ambassadors'. It indicates that 'by 2022, more than 750 of our leaders participated in D&I trainings'. It then discloses the different actions that this framework includes. It also reports on awareness-raising campaigns and events in different group companies. It is not clear, however, if it provides regular, mandatory training to its staff on equality/diversity anti-discrimination, including the mechanisms for addressing it. The Sustainability Report also discloses diversity and inclusion activities and training. However, as indicated, it is not entirely clear if these activities are generally provided to the staff through regular, mandatory training. The Company has provided evidence to BHRRC regarding this sub-indicator. However, the provided evidence does not clarify the scope (in terms of staff, not geographies), frequency, and whether the Company's I&D training is mandatory or voluntary. [Diversity and inclusion Report 2022, 04/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Requires suppliers to do the same: The Company has provided evidence to BHRRC regarding this sub-indicator: 'We offered workshops and awareness-raising and training sessions on diversity and inclusion, among other aspects, to SME suppliers.' However, this sub-indicator looks for evidence that the Company require its suppliers to conduct mandatory and regular training for their staff on equality, equity, diversity, and anti-discrimination (including gender-based violence) along with the supplier's policies and mechanisms to address these issues. [Diversity and inclusion Report 2022, 04/04/2023: iberdrola.com] • Not Met: Provides materials and access to resources for trainings: Iberdrola, through its website, provides access to an 'online sensitivity-training module on human rights, which is accessible to all of providers'. However, this training does not specifically address equality, equity, diversity, anti-discrimination (including gender-based violence), or provide resources for trainers, which are the elements this sub-indicator is seeking. [Online module: Human rights and your business, N/A: iberdrola.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
K.2.PD	Gender balance and sensitivity	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Timebound action plan to integrate gender lens to all relevant documents including on value chain: The Company has provided evidence to BHRRC regarding this sub-indicator. Nevertheless, the provided evidence does not indicate the Company's commitment to adopting a timebound action plan for integrating a gender perspective into its human rights policies and practices, including human rights due diligence, risk management, and remedy processes, across the Company's operations and throughout its value chain. [Human Rights Report 2022, N/A: iberdrola.com] & [Diversity and inclusion Report 2022, 04/04/2023: iberdrola.com] • Not Met: Demonstrates progress through annual reporting: Although the Company publishes a Diversity and inclusion report this subindicator, following up on the above, requires evidence of progress towards the integration of gender lens into human rights policies, due diligence processes and risk management. [Human Rights Report 2022, N/A: iberdrola.com] & [Diversity and inclusion Report 2022, 04/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Women and non-binary people make up at least 40% of the Company's board of directors and executives, or executive board: The Sustainability report indicates that 'Iberdrola is a leader among IBEX-35 companies, with 43% in female representation on the Board of Directors. Moreover, at the end of 2022, women occupy 26.1% of leadership positions at Iberdrola, with 34.0 % of positions of responsibility held by women'. Therefore, it meets the requirement only at the Board of Directors level. [Sustainability Report 2022, 24/02/2023: iberdrola.com]
K.3.PD	Gender wage gap reporting	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Has closed gender wage gap: The pay ratio of men/women in 2022 was 94.8% in 2022, against 93.3% in 2021 and 93.2% in 2020. However, this means that the gender pay gap still is not fully closed. The Company has provided explanations to BHRRC regarding why the gender pay gap remains, but these explanations are not publicly available. This subindicator requires 100% in order to be awarded. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Diversity and inclusion Report 2022, 04/04/2023: iberdrola.com] • Not Met: Timebound commitment to close gender wage gap: One of Iberdrola's ESG targets for 2025 is to achieve an 'Equal Pay external certification'. However, it is not clear how this entails gender wage gap. [ESG Targets Update Presentation, 11/2022: iberdrola.com] • Met: Reports information at company level across multiple pay bands: The Company reports pay gap by age groups for the past three years. Pay groups include 'up to 30 years', 'between 31 and 50 years', 'over years'. It also indicates that 'In application of Requirement 6 of GRI 1, the company considers that the pay gap indicator segmented by professional category and country is not applicable, replacing it with an indicator segmented by age. The nature of the industry and the limited representation of women in technical careers for the last three decades mean that age explains the pay gap better than occupational category'. [Sustainability Report 2022, 24/02/2023: iberdrola.com] & [Diversity and inclusion Report 2022, 04/04/2023: iberdrola.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Expects business relationships to do the same: The Company has provided evidence to BHRRC regarding this sub-indicator. However, it does not show formal expectation for suppliers to close wage gap or having a timebound requirement to do so.

JT. Just transition[†]

Indicator Code	Indicator name	Score (out of 2)	Explanation
JT.1	Fundamentals of social dialogue and stakeholder engagement in a just transition	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <ul style="list-style-type: none"> • Met: Public commitment to engage in social dialogue with appropriate parties for purposes of bipartite or tripartite negotiations • Not Met: Discloses the categories of stakeholders it engages with on a Just Transition and how they were identified. • Not Met: Disclosure of steps taken to engage with identified stakeholders and its approach to supporting a just transition. • Not Met: Demonstrates social dialogue and meaningful engagement with stakeholders on all aspects of a just transition.

[†] Assessment for this sub section has been conducted by the World Benchmarking Alliance, see: <https://www.worldbenchmarkingalliance.org/climate-and-energy-benchmark/>

Indicator Code	Indicator name	Score (out of 2)	Explanation
JT.2	Fundamentals of just transition planning	0	<p>The individual elements of the assessment are met or not as follows:</p> <ul style="list-style-type: none"> • Not Met: Demonstrates how it engages in social dialogue, especially with unions and with stakeholders, in the development of its transition planning. • Not Met: Sets time-bound and measurable indicators to mitigate the social impacts of low carbon transition on workers. • Not Met: Sets time-bound and measurable indicators to mitigate the social impacts of low carbon transition on affected stakeholders • Not Met: Sets time-bound and measurable indicators to mitigate social impacts of low carbon transition on business relationships.
JT.3.PD	Fundamentals of creating and providing or supporting access to green and decent jobs for an inclusive and balanced workforce	1	<p>The individual elements of the assessment are met or not as follows:</p> <ul style="list-style-type: none"> • Met: Public Commitment to create and provide or support access to green and decent jobs, as part of the low carbon transition. • Not Met: Assesses and discloses the risk of employment dislocation caused by low carbon transition and related impacts on affected stakeholders. • Met: Demonstrates measures taken to create and support access to green and decent jobs for affected stakeholders. • Not Met: Demonstrates measures taken to ensure green and decent jobs promoting equality of opportunity for women and vulnerable groups
JT.4.PD	Fundamentals of retaining and re-and/or up-skilling workers for an inclusive and balanced workforce	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <ul style="list-style-type: none"> • Not Met: Public commitment to re-and/or up-skills workers displaced by the transition to a low carbon economy. • Not Met: Disclosure of its process(es) for identifying skills gaps for workers and affected stakeholders, in the context of the low carbon transition. • Not Met: Demonstrates measures taken to provide re-and/or upskilling, training or education opportunities for relevant stakeholders. • Met: Demonstrates measures taken to ensure that the re-and/or upskilling, training or education opportunities promoting equality of opportunity for women and vulnerable groups.
JT.5.PD	Fundamentals of social protection and social impact management for a just transition	0	<p>The individual elements of the assessment are met or not as follows:</p> <ul style="list-style-type: none"> • Not Met: Discloses contribution to social protection systems for relevant stakeholders, and expectations on business relationships to contribute to social protection of affected stakeholders. • Not Met: Discloses its processes for identifying impacts of low carbon transition on workers' and affected stakeholders' social protection. • Not Met: Demonstrates contribution to addressing the impact of the low carbon transition on workers' social protection. • Not Met: Demonstrates contribution to addressing the impact of the low carbon transition on affected stakeholders' social protection.
JT.6.PD	Fundamentals of advocacy for policies and regulation on green and decent job creation, employee retention, education and reskilling, and social protection supporting a just transition	0	<p>The individual elements of the assessment are met or not as follows:</p> <ul style="list-style-type: none"> • Not Met: Discloses process(es) for aligning its lobbying activities with policies and regulation supporting the just transition. • Not Met: Discloses where its lobbying activities do not align with policies and regulation that support the just transition. • Not Met: Discloses action plan addressing misalignment of lobbying activities with policies and regulation that support just transition. • Not Met: Demonstrates lobbying for just transition and regulations enabling green and decent jobs, reskilling and/or social protection

M. Responses to Serious Allegations (20% of total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
M(0).0	Serious risks of supply chain forced labour		<p>According to recent data, approximately 35% of the world's polysilicon, and 32% of global metallurgical grade polysilicon, the material from which polysilicon is made, is produced in Xinjiang Uyghur Autonomous Region (XUAR). Investigations by UN bodies, academics and journalists have presented evidence on a number of human rights abuses including the use of forced labour in XUAR. In its July 2022 report to the UN General Assembly, the UN Special Rapporteur on Contemporary Forms of Slavery "regards it as reasonable to conclude that forced labour among Uyghur, Kazakh and other ethnic minorities has been occurring in the Xinjiang Uyghur Autonomous Region of China" and finds that some instances of forced labour in the Region "may amount to enslavement as a crime against humanity". The Special Rapporteur states he "considers that indicators of forced labour pointing to the involuntary nature of work rendered by affected communities have been present in many cases" in the context of "State-mandated systems". Further analysis by independent UN experts concluded that the violations in the Region "may constitute international crimes, in particular crimes against humanity" and have urged China to address their "repeatedly raised concerns about widespread violations of the rights of Uyghurs and other Muslim minorities in the Xinjiang Uyghur Autonomous Region (XUAR) on the basis of religion or belief and under the pretext of national security and preventing extremism". [United Nations General Assembly, 19/07/2022, "Contemporary forms of slavery affecting persons belonging to ethnic, religious and linguistic minority communities - Report of the Special Rapporteur on contemporary forms of slavery, including its causes and consequences": documents-dds-ny.un.org] [United Nations Special Procedures, 07/09/2022, "Xinjiang report: China must address grave human rights violations and the world must not turn a blind eye, say UN experts": ohchr.org] [Sheffield Hallam University, May 2021, "In Broad Daylight - Uyghur Forced Labour and Global Solar Supply Chains": shu.ac.uk] [Business and Human Rights Resource Centre, 02/08/2021, "China: Significant proportion of global solar value chain vulnerable to alleged forced labour in Uyghur Region, says major study": business-humanrights.org]</p>
M(0).1	Publication of independently verified full solar panel supply chains to raw materials level, including names of suppliers and locations for all destination markets	0	<ul style="list-style-type: none"> • Not Met: The Company states that 'The company makes efforts to fully map its supply chain back to the raw material level. In many cases Iberdrola solar panel suppliers include a full supply chain mapping in their offers, although this does not happen in 100% of the cases. In this sense, a third-party has been hired to help us in better mapping our solar supply chain. In particular, traceability studies of modules up to the polysilicon level to three manufacturers are about to be mapped in 2023. This effort is additional and complements the Solar Stewardship Initiative in which we are also involved.' The Company further indicates that 'Purchases made in countries considered high risk are periodically analysed, according to the country-risk map in human rights prepared by an independent third party, which reflects the risks considering the operational context and the sector of activity, as recommended by the United Nations Global Compact. This map updated in 2022 covers the 23 countries where the group operates, as well as the 56 countries where it supplies'. In addition, the company indicated to BHRRC that: 'Notably, the Company's Procurement and Services Division stated as one of its goals for 2023 'the development of a new model to identify the origin of Tier-n suppliers in the supply chains of critical equipment and material suppliers and with potential social and sustainability risks.' This model should include independent verification and include the full supply chain.' To meet the requirements of this indicator, the mapping of the company's solar supply chain will need to be publicly disclosed. [Procurement and Supplier Management activity report 2022-2023: iberdrola.com] [Iberdrola's response]

Indicator Code	Indicator name	Score (out of 2)	Explanation
M(0).2	<p>If mapping identifies suppliers linked to regions where there is a high risk of forced labour including those identified by UN bodies, the company explains steps taken and how these align with steps expected by the UN Guiding Principles (including reference to assessment of severity of risks, leverage, and crucial nature of business relationships). The company indicates that this information is relevant to all destination markets.</p> <p>•Note: Any disengagement needs to be verified and decision-making to continue engagement with “crucial business relationships” in high-risk area needs to be explained, in line with OHCHR Guidance on Business & Human Rights in Challenging Contexts: “Where a business enterprise has determined that a relationship is indeed “crucial” within the meaning of Guiding Principle 19, and that it will be continuing with the relationship on that basis, it should be transparent with stakeholders and the public at large about the decision-making process used to arrive at that determination and the criteria used, which should be objectively reasonable.”</p>	0	<p>• Not Met: The Company states that 'Even though Iberdrola has had no knowledge of a demonstrated forced labour case related to its solar panel supply chain, since 2021, the Company has increased its due diligence in human rights, in general terms and, in particular, regarding those suppliers directly or indirectly linked to XinJiang region'. The Company indicates it is working on supply chain diversification. It states that 'Given the current market situation and in order to increase supply chain resilience and minimize risks, including forced labour and modern slavery, Iberdrola is working actively to increase local production capacity and is involved in 2 new manufacturing facilities in Spain'. The Company further states that 'Iberdrola has established a permanent working group to specifically monitor developments and efforts in relation to forced labour related to the solar equipment supply chain.' However, no evidence of verified full disengagement was found as outlined in the indicator. In addition, the company's response did not meet the criteria on explaining how steps taken align with steps expected by the UN Guiding Principles (including reference to assessment of severity of risks, leverage, and crucial nature of business relationships) at the time this research is conducted. [Iberdrola's response, 2023]</p>

Disclaimer

This scorecard is based on assessments of publicly available documents on companies' websites by the EIRIS Foundation and BHRRC. Preliminary assessments were shared with companies for feedback. Feedback provided by companies has been analysed and incorporated when relevant to the indicator assessed. Information published or provided by companies after established and communicated cut-off dates[‡] are not included for this year's Benchmark. As such this scorecard should be seen as a reflection of feedback received as of September 2023[§].

The use of the label "Not met" in the research does not necessarily mean that the company does not meet the requirements as they are described in the accompanying bullet point short text. Rather, it means that the analysts could not find information in public sources that met the requirements as described in full in the 2023 Renewable Energy & Human Rights Methodology document. It is possible that a Company meets the criteria without yet publishing the relevant evidence of doing so. This may include cases where a company has

[‡] Cut-off dates: 30 June 2023 for companies that did not engage with the benchmark; the expiration of the feedback period (between Aug/Sep 2023) for companies that engaged with the benchmark.

[§] Further outreach and engagement with a subset of companies on the specific issue of exposure to forced labour risks was conducted in October 2023.

claimed to meet the criteria in the engagement phase or otherwise but where the public record was still not sufficient to meet the criteria by the relevant cut off dates.

While the EIRIS Foundations and BHRRC have made reasonable endeavours to ensure that the methodology reflects best and emerging business and human rights practice in identifying, preventing, mitigating and remedying human rights harms as well as other responsible business conduct, it is not currently possible to measure certain human rights harms or other negative impacts directly. As such, a low score in respect of a particular indicator should not be read as implying that harms are necessarily taking place: rather it is a sign that companies have not demonstrated the steps set out in the methodology to reduce the risk of such harms or to uphold other responsible business conduct in the ways described. Conversely, a high score in a particular section or for a specific indicator should not be interpreted as a guarantee of future absence of human rights harm.

Scores for companies in the different project developer sub-categories (electric utilities, oil and gas, independent power producers) should not be compared to one another as these categories have been designed to allow for integration of an assessment of efforts towards full decarbonisation of energy production for electric utilities and oil and gas companies, based on the World Benchmarking Alliance's Oil & Gas and Electric Utilities Benchmark, using ACT methodologies. **Scores for equipment (wind turbines and solar) manufacturers should not be compared to project developer scores** as indicators have been tailored to reflect their position in renewable energy value chains.

Caution should be exercised in interpreting small differences in scores between companies within the same category and particularly small differences in the overall weighted scores because of the diversity of independent elements that are combined to produce the overall weighted scores. Scores should be understood in the context of the methods and weightings explained in the Methodology.

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