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*Iberdrola's General Shareholders' Meeting, the first of an IBEX 35 company to allow voting by means of a QR code, was attended by 65.83% of the share capital.*

### Ignacio Galán: we will beat our investment record by investing up to €17 billion in 2021 to consolidate the recovery of the economy and of employment

*In his address, the chairman of Iberdrola referred to trends in the price of electricity, saying "We welcome the recent statements by the Government in Parliament on the possible reduction of taxes, charges and levies, since these now represent nearly 60% of the bill paid by citizens. Let's not forget that the main beneficiary of high electricity prices, especially in a scenario like the present one, with the high price of CO<sub>2</sub>, is the Ministry of the Treasury, which receives not only substantial tax revenue in proportion to the price of energy but also the proceeds of the sale of CO<sub>2</sub> emission rights, which could reach €2.5 billion this year."*

- **Overwhelming support of shareholders for the conduct of the Group's business.** All the groups into which the 27 proposed resolutions on the agenda were divided received more than 98% votes in favour, testimony once again to investors' confidence in Ignacio Galán's management. This year the General Meeting saw a significant increase in the participation of institutional investors, both Spanish and international.
- **Thanks to the employees** for their work in an unprecedented year "in which we never stopped supplying electricity with an excellent level of service," for the work of the company's more than 10,000 volunteers and a **message of solidarity** with employees and "everybody who has suffered the consequences of this illness."

#### MESSAGES FROM THE CHAIRMAN OF IBERDROLA TO SHAREHOLDERS

- **Record investments.** "In 2020 we invested a record €10 billion, which this year we will break again, reaching €17 billion." These investments allowed the company to commission close to 4,500 green megawatts in 2020 and to start construction of a further 8,700 MW.
- **Contributing to economic reactivation and employment.** "Since the beginning of 2020 we have placed orders worth €18 billion with our suppliers, thanks to which we have been able to protect 400,000 jobs in our value chain, 85,000 of them in Spain." What is more, in the same period 6,000 new employees were hired.
- **Validity of the strategy and of the business model.** "Twenty years ago, we defined a strategy and a business model, and since then we have invested €120 billion in renewable energy, smart grids and energy storage, carrying out an unprecedented international expansion, to transform our Group into a global leader by size and results."
- **Contribution to the public purse and shareholder remuneration.** In 2020, the company paid €7.475 billion in taxes worldwide, of which €3.38 billion were paid in Spain. Total shareholder return amounted to €0.42 per share, 5% more than in the previous year. The company expects to increase it further this year, to €0.44 per share, in both cases exceeding the floor established for 2022.

The chairman of Iberdrola, Ignacio Galán, today addressed the Company's more than 600,000 shareholders in the company's second and the IBEX 35's first 100% remote General Shareholders' Meeting, which allowed voting by means of a QR code to facilitate access to voting in these times of

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pandemic. During his address from Bilbao's Iberdrola Tower, he reaffirmed the company's commitment to investing in order to contribute to mitigating the consequences of the pandemic and consolidating the recovery of the economy and of employment: "In 2020 we invested a record €10 billion, which this year we will break again, reaching €17 billion." These investments allowed the company to commission close to 4,500 green megawatts in 2020 and to start construction of a further 8,700 MW.

Attendance reached 65.83% of the share capital, particularly significant given the fact that the General Meeting was held by remote electronic means. This year the General Meeting saw a significant increase in the participation of institutional investors, both Spanish and international. All the groups of proposed resolutions included in the agenda received more than 98% of votes in favour, details as follows:

- ✓ Group 1 (results of the conduct of the company's business): 98.52%.
- ✓ Group 2 (governance and sustainability system): 98.48%.
- ✓ Group 3 (shareholder remuneration): 99.49%.
- ✓ Group 4 (Board of Directors): 94.23%.
- ✓ Group 5 (authorisations and delegation of powers): 99.68%.
- ✓ Group 6 (consultative votes): 91.67%

During his address, Ignacio Galán highlighted the fact that "twenty years ago we defined a strategy and a business model, and since then we have invested €120 billion in renewable energy, smart grids and energy storage, carrying out an unprecedented international expansion to transform our Group into a global leader by size and results."

And he stressed that "we were pioneers in promoting the energy transition, and ever since then we've been driving it forward, despite the scepticism of those who believed that nothing would change. And I can now proudly say that we have become an indisputable leading world energy company. Those who took cover at the time behind arguments that have since been disproved, may continue to attack us with other pretexts. But they failed then and they will fail now. We have the experience, the knowledge, the technology, and a diverse, committed, and qualified team ready to face new challenges. We are in the best sector, at the best time and in the best company. Our project makes more sense today than it ever has, because never before has there been such a need for solid and responsible companies capable of creating progress, employment and well-being while guaranteeing a sustainable future for its employees and for the societies we serve."

The chairman of Iberdrola also looked to the future in his remarks: "we look upon the almost unanimous agreement regarding the need to speed up the energy transition with satisfaction and we are addressing this worldwide context of commitment to electrification from a solid and geographically diversified position, which will be strengthened over the next few years with our plan to invest €75 billion between now and 2025. This could go reach €150 billion by 2030, tripling our renewable capacity to 100,000 MW by the end of the decade, with at least 12,000 MW in offshore wind power and continuing to expand and strengthen our transmission and distribution networks to cater to the growing demand for electricity."

### Pull effect on Spanish industry

The company's investment efforts have re-energised its value chain and contributed to preserving and creating jobs. "Since the beginning of 2020 we have placed orders worth €18 billion with our suppliers, the biggest volume placed in such a short space of time in our one-hundred-year history. Thanks to this we have been able to protect the 400,000 jobs that our activity generates throughout the value chain, 85,000 of them in Spain." What is more, in the same period 6,000 new employees joined the Group.

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This pull effect also carried over into other areas: in 2020, the group paid €7.475 billion in taxes worldwide, of which €3.38 billion were paid in Spain. The company also maintained its commitment to innovation and training and to people, promoting gender equality, work-life balance and diversity, for which it was once again recognised by the international *Bloomberg Gender Equality* index.

### International expansion and strategic partnerships

During his address to the General Meeting, the chairman of Iberdrola made reference to the green financing strategy to accelerate growth -“we remain world leaders in green and sustainable financing, with more than €32 billion”- as well as to the corporate transactions carried out in the past few months despite the restrictions on mobility. In this regard he made particular mention of the acquisitions carried out in the USA (PNM Resources, the electric utility company of New Mexico and Texas); in Brazil, with the takeover of the Brasilia distributor and in Australia with the integration of the country's main renewable energy company, now called Iberdrola Australia. He also highlighted the creation of new growth platforms in the offshore wind market in countries such as Sweden, Ireland, Poland and Japan.

There was also concrete progress on strategic partnerships “with companies such as Volkswagen, Renault and Mercedes in the automotive sector; Total, BP and Mitsubishi Power in the energy sector; Mapfre in the financial sector; and a whole host of industrial companies with which we are promoting the use of green hydrogen, renewable energy and energy efficiency.”

### Growth in results and shareholder remuneration

The pace of this investment and the company's activity is reflected in its results, its share price and shareholder remuneration. In 2020, EBITDA came to more than €10 billion and net profit amounted to €3.611 billion, and increase of 4.2%, or 10% when adjusted for the impact of COVID-19.

In 2020, Iberdrola's share price gained 27.5%, compared with a fall of 15.5% for the IBEX 35 and comfortably outperforming the EURO STOXX 50 index and European electric utilities as a whole. This performance, together with the dividend paid, gives a total shareholders return of 32.7%. During the year market capitalisation reached a new record, comfortably exceeding €70 billion and increasing sixfold relative to 2000. This positions Iberdrola as one of the world's three largest electric utility companies by market capitalisation, the biggest on the Spanish Stock Market, one of Europe's top 15 companies by capitalisation in any sector and one of the 150 largest anywhere in the world.

In this context, the General Shareholders' Meeting - at the proposal of the Board of Directors - approved a supplementary dividend of €0.252 per share, payable in July. Added to the interim dividend, this represents total remuneration of €0.42 per share, 5% more than in the previous year. “We expect to increase it further in 2021, to €0.44 euros per share, in both cases exceeding the floor established for 2022,” he commented.

### Openness to dialogue and commitment to defending stakeholders' interests

In his address to the shareholders, the chairman of Iberdrola also commented on current legislative developments in Spain: “We are confident that the Draft Bill recently submitted in Spain, introducing unwarranted charges on non-polluting technologies, will be suitably amended during its progress through Parliament to seek solutions that ensure full consistency between energy policies aimed at decarbonisation and a stable and reliable legislative and regulatory framework.”, he commented.

“There are many factors that affect the price of electricity, but without doubt the most significant one is the burden of taxes, charges and levies imposed and that has to be borne by citizens. Accordingly we welcome the recent statements by the Government in Parliament on the possible reduction of

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taxes, charges and levies, since these now represent nearly 60% of the bill paid by citizens,” he added.

“The main beneficiary of high electricity prices, especially in a scenario like the present one, with the high price of CO<sub>2</sub>, is the Ministry of the Treasury, which receives not only substantial tax revenue in proportion to the price of energy but also the proceeds of the sale of CO<sub>2</sub> emission rights, which could reach €2.5 billion this year.” And he noted that “as has been indicated in comments on the draft law by a wide range of agents and bodies as well as the main financial analysts and rating agencies, it is essential for the regulatory framework to safeguard legal certainty and investors’ legitimate confidence.”

“You may rest assured that at Iberdrola we will not only remain open to dialogue but will also maintain our commitment to defending your, our shareholders’ interests and those of our other stakeholders,” he concluded.

### Objective, climate neutrality

In the General Shareholders’ Meeting, the chairman of Iberdrola also highlighted the company’s advances and its firm commitment to social contribution, in full accord with the UN’s Sustainable Development Goals: “Our CO<sub>2</sub> emissions now stand at just 28 gr/kWh in Europe, 10 times less than our peers, and our goal is to achieve climate neutrality by 2030, 20 years before the European target.”

Climate action is a priority axis which was submitted to a consultative vote of the company’s shareholders. “We continue working on staying ahead of the new challenges posed by sustainability and remaining at the forefront of the best corporate governance practices,” Galán explained. Accordingly, “we have structured our internal governance around ESG principles and taken on new environmental, social and corporate governance commitments.”

And so, together with the consultation on the content of the company’s climate policy, and marking another first, Iberdrola’s shareholders approved an amendment to the By-laws requiring the Board of Directors to approve and periodically update a climate action plan to allow the company to attain the objective of climate neutrality.