

PRESS RELEASE

43% of the company's profit goes to paying taxes, a percentage that rises to 50% in Spain

Iberdrola's direct tax contribution in the world amounted to almost €8.16 billion last year, €217 million more than in 2018

- Iberdrola's global tax contribution was similar to all the investments made by the group during 2019 (€8.16 billion)
- Iberdrola's corporate tax accounted for only 27% of the taxes paid by the company in 2019. Of the amount of €797 million paid on this tax, €367 million, or 46% of the total, was paid in Spain
- Iberdrola's Chairman and CEO, Ignacio Galán, said: "the group is fully aware of its essential contribution to supporting public expenditure and seeks to turn its contribution to public finances into responsible taxation through measures such as making reasonable decisions, enhanced cooperation with the tax authorities and transparency in tax information to third parties"
- The report incorporates two important new features with respect to the first one:
 - It incorporates information provided voluntarily relating to the distribution of profits, taxes and economic activities by tax jurisdiction from the Iberdrola group 2019 *Country-by-Country* report
 - Iberdrola has become the first Spanish company to obtain the AENOR certificate for its *Tax Compliance Management System* in accordance with the requirements established in the UNE 19602 standard



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Madrid. The Iberdrola group's direct tax contribution around the world amounted to almost €8.16 billion last year, €217 million more than in 2018, according to data in the [2019 Report on tax transparency: Our commitment to society](#), which was prepared for the second time by the company and contained detailed information never previously released by an IBEX 35 company.

This worldwide figure includes the taxes it paid and those collected by the group. The amount is similar to the almost €8.16 billion for all the investments Iberdrola made last year, which is a record for the company. The report shows that the company allocated a full 43% of its pre-tax profit to paying taxes.

It should be noted that the corporate tax paid by Iberdrola worldwide amounted to €797 million, a figure that represents 17% of its pre-tax profit, but only 27% of all the company's own taxes in 2019.

In connection with the preparation of the above-mentioned report, Iberdrola's Chairman and CEO, Ignacio Galán, said: "the group is fully aware of its essential contribution to supporting public expenditure and seeks to turn its contribution to public finances into responsible taxation through measures such as making reasonable decisions, enhanced cooperation with the tax authorities and transparency in tax information to third parties."

By issuing this information, Iberdrola wants to highlight the significant tax contribution made by the group worldwide and especially in Spain, where issues relating to energy taxes and corporate tax are very important.

In fact, and according to the data in the report, Spain was the country to which the company contributed the most, with 43.3% of the total (€3.53 billion of the total of €8.16 billion), followed in the *ranking* by Brazil (€2.57 billion, 31.5 %). Behind them were the United States (€963 million), the United Kingdom (€639 million), Mexico (€258 million) and the rest of the countries (€197 million).

The report shows that, in Spain, Iberdrola allocated a full 50% of its pre-tax profit to paying taxes. Other items include energy taxes (€729 million) and corporate tax (€367 million), as well as local taxes (€256 million) and salary-related corporate contributions (€139 million).

Unprecedented level of detailed information

It should also be noted that the report *Fiscal Transparency 2019: Our Commitment to Society* contains two important new features compared to the first one:



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- It incorporates information provided voluntarily relating to the distribution of profits, taxes and economic activities by tax jurisdiction from the Iberdrola group's 2019 *Country-by-Country* report, making the same information available to the company in general that is provided to tax administrations (see details from Page 24 onwards).
- Another strength is that it has become the first Spanish company to obtain the AENOR certificate for its *Tax Compliance Management System* in accordance with the requirements established in the UNE 19602 standard (see details on Page 23).

