

INFORMATIVE NOTE

The company's main strengths include its visionary attitude to the energy transition and long-term growth along with its commitment to business efficiency

Iberdrola: the world's best energy company for ESG, according to global credit rating agency Standard & Poor's

- The report analyses how three parameters -the environment, sustainability and governance- influence each company's credit rating on a scale from one to five, where one is the best score and five is the worst
- The company has received the best score of all energy companies worldwide

Iberdrola has, once again, proven it is a trailblazer when it comes to the environment, society and good corporate governance (ESG). According to the global credit rating agency Standard & Poor's the company led by Ignacio Galan performs better than any other energy company in these areas.

Iberdrola scored higher than all the other companies worldwide and tied with Nextera and Orsted. S&P analyses how environmental, social and governance parameters influence the credit rating of each company on a scale from one to five, where one is the best score and five is the worst. The scale is asymmetrical because one means it has a positive influence, two is neutral and anything above three means it has a negative impact.

Iberdrola scored one for the environment and governance and two for the social area. According to the credit rating agency, "Iberdrola scored high in terms of the environment because it is one of the world's biggest renewables companies with a portfolio of 37 GW in renewables (13.7 GW hydroelectric) which it will increase to 60 GW by 2025 (14 GW hydroelectric) and 95 GW by 2030 (around 15 GW hydroelectric energy)".

The company's low emissions also contributed to its excellent score. "Its emissions are the lowest of the integrated energy companies worldwide, with 98 gCO₂/Kwh in 2020, down 11% since 2019", says S&P. The company is making progress to achieving climate neutrality in Europe in 2030 and globally by 2050.

A visionary company in the energy transition

In terms of governance, S&P says that Iberdrola was one of the "first companies to take advantage of the energy transition". More than 20 years ago, it made its first incursions into the world of renewables and the energy transition to which it has allocated more than 120 billion euros in the last 20 years.

The company has also undertaken to invest 150 billion euros by 2030 to stay at the forefront of the energy revolution facing the world's main economies, establishing a business model based on more renewable energies, more networks, more storage and more smart solutions for customers.

Another of its strengths is that "management prioritises long-term investment and growth rather than significantly increasing dividends, which we see as a positive for the company's solvency. We are also impressed by management's strategic focus on optimising efficiency in all businesses through digitalisation and automation".

S&P also highlights Iberdrola's good position in power grids, which accounted for almost 50% of EBITDA in 2020. The Iberdrola group considers grids to be a key factor both for the electrification of the economy and for the revitalisation of the countries in which the company operates.



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The company operates one of the world's largest distribution systems with more than 1.2 million kilometres of distribution and transmission lines, more than 4,400 substations and more than 1.5 million transformers, built and operated to provide a high-quality and reliable service to 32.76 million electricity supply points.

About Iberdrola

[Iberdrola](#) is one of the world's principal energy companies, a leader in renewables, and is spearheading the energy transition towards a low-emission economy. The group supplies energy to around 100 million people in dozens of countries and has renewable, grid and commercial activities in Europe (Spain, the UK, Portugal, France, Germany, Italy and Greece), the US, Brazil, Mexico and Australia, while including markets including Japan, Ireland, Sweden and Poland among its platforms for development.

With a workforce of more than 40,000 and assets of over 134 billion euros, in 2020 it recorded a turnover in excess of 33 billion and net profit slightly exceeding 3.6 billion in 2020. The company helps maintain 400,000 jobs in its supply chain, with an annual procurement budget of 14 billion euros. A benchmark in the fight against climate change, it has allocated more than €120 billion over the last two decades to building a sustainable energy model, based on sound environmental, social and governance (ESG) principles.

