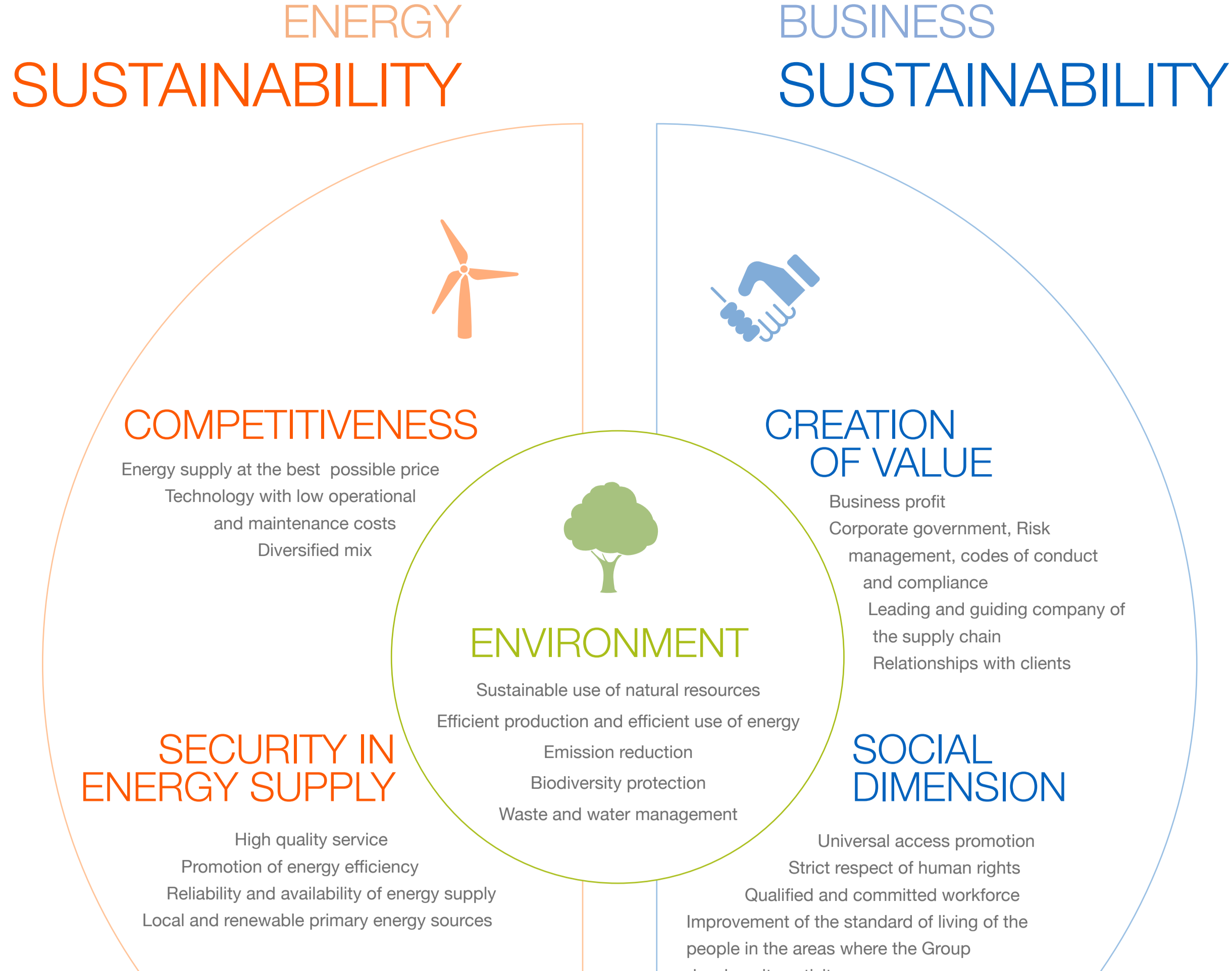


IBERDROLA

MODEL FOR A SUSTAINABLE COMPANY IN THE ENERGY SECTOR



ECONOMIC PERFORMANCE



RESOURCE	UNIT (1)	2019	2018	2017
Total assets	M €	122,369	113,038	110,689
Equity	M €	47,195	43,976	42,733
Financial leverage ⁽²⁾	%	44.8	43.7	43.5
Investments during financial year	M €	8,158	6,172	6,632

PROCESSES AND OPERATIONS				
Revenues	M €	36,437.9	35,075.9	31,263.3
Operating expenses	M €	23,027	22,433	20,446
Employee compensation	M €	2,532	2,387	2,517
Personal Costs	M €	2,156	2,020	2,172
Payments to providers of capital	M €	2,916	2,402	2,916
Cash taxes paid	k €	796,512	332,891	542,169
Tax contribution	M €	8,156	7,939	7,111
Community contributions (LBG)	M €	52	54	63
Retained earnings	M €	6,205	5,901	4,049

RESULTS				
EBITDA	M €	10,104	9,349	7,319
Earnings before tax (EBIT)	M €	4,729	4,348	2,026
Net profit	M €	3,406	3,014	2,804
Market capitalization (at 31 December)	M €	58,404	44,898	40,811
Stock price (at 31 December)	€	9.18	7.02	6.46
P.E.R.	multiple	17.15	14.90	14.55
Earnings per share	€/share	0.54	0.47	0.44

SOCIAL PERFORMANCE



RESOURCE	UNIT (1)	2019	2018	2017
NUMBER OF EMPLOYEES	nº	35,674	34,078	34,255
NUMBER OF EMPLOYEES IN FULL-TIME EQUIVALENT (FTE)	nº	35,120	33,747	33,772
Supply points	M	34	33.6	33
Electricity	M	29.8	29.5	29
Gas	M	4.2	4.1	4.0
VOLUME OF PURCHASES	M €	8,648	7,753	8,648
Social Development funds	M €	92.4	243	341.2
Rural electrification programs	M €	40.1	189.6	278.2
Accumulated beneficiaries Electricity for All program	nº	7,000,000	5,400,000	3,900,000
R&D	M €	280	267	246

PROCESSES AND OPERATIONS				
Full-time contracts	%	98	95	97
Indefinite time period contracts	%	99.1	99	99.4
Employees with collective bargaining agreement	%	78.7	78.9	77.8
Hours of training	M	1.8	1.6	1.5
Hours of training per employee	h	53	47	38
No. of suppliers with orders in the corporate system during the year	nº	>22,000	>23,300	>22,000

RESULTS				
EMPLOYMENT, HEALTH AND JOB SAFETY				
Average age of workforce	age	45.5	42.55	44.38
Average years of service of workforce	age	12.67	13.66	15.07
Male/female diversity	%	77/23	77/23	77/23
Women board of directors	%	43	36	36
Women in executive management	%	11	20	20
Women in senior management	%	20	20	21
Ratio of basic initial salary to local minimum wage salary	%	112.6	136.54	140.72
Injury rate (IR)		1.3	1.37	1.75
Occupational disease rate (ODR)		0	0.01	0.02
Lost days		3,896	3,929	4,374
Employee turnover	%	6.60	10.70	7.65
Fatalities	nº	1	0	0
QUALITY OF SERVICE AND CUSTOMER SERVICE				
Total amount of fines relating to the environment	M €	2,301	7,538	3,881
Fines imposed in the social and economic areas	M €	107,560	59,545	58,892
QUALITY OF SUPPLY CHAIN				
Purchases in "risk" countries	%	23.4	25.8	25.0
Purchases from local suppliers	%	89	86	88

ENVIRONMENTAL PERFORMANCE



RESOURCES	UNIT (1)	2019	2018	2017
Installed capacity	MW	52,082	46,694	48,447
Total net electricity production	GWh	151,714	145,605	137,549
Total net production (electricity + steam)	GWh	155,647	149,687	142,692
Installed own capacity	MW	45,702	42,058	43,935
Total net electricity own production	GWh	114,030	115,134	105,583
Total net own production (electricity + steam)	GWh	117,962	119,216	110,726
Environmental investments	M €	3,712	2,132	2,240
Environmental expenses	M €	706	550	513

PROCESSES AND OPERATIONS				
Fuel consumption	GJ	764,339,820	705,925,458	760,201,810
Renewable Energy Use	GJ	548,686	500,314	451,088
Production with local sources of energy	%	79	93	94
Water use	hm³	88	88	82
Water consumption/Overall production	m³/GWh	583	604	597

RESULTS				
Emissions-free installed capacity	%	68	70	66
Renewable installed capacity	%	62	63	59
Emission-free production	%	55	59	57
Renewable energy production	%	39	42	40
Emissions-free installed own capacity	%	79	77	73
Renewable installed own capacity	%	70	69	66
Emission-free own production	%	73	74	70
Renewable energy own production	%	52	53	48
Specific CO ₂ emissions ⁽³⁾	gCO ₂ /kWh	110	112	136
SO ₂ emissions	t	1,763	3,515	5,392
NOX emissions	t	50,767	12,751	16,152
Particulate emissions	t	1,144	886	1,272
Fly ash production	t	25,985	92,440	174,523
Volatile organic compounds (VOC)	t	449	335	435
Mercury emissions (Hg)	kg	5,783	29.8	33
Waste generated (ash + hazardous and non-hazardous waste)	t	701,341	654,755	1,237,387
Waste recycled (ash + hazardous and non-hazardous waste)	t	685,991	360,465	528,977
Hazardous waste per electricity generated	t/GWh	0.167	0.110	0.083
Energy produced under certified environmental management systems	%	83.0	82.0	79.8
CO ₂ avoided due to efficiency initiatives	kt	22,920	19,484	23,460
Direct CO ₂ emissions, Scope 1 ⁽³⁾	kt	13,427	13,646	15,439
Indirect CO ₂ emissions, Scope 2	kt	2,082	2,544	3,415
Indirect CO ₂ emissions, Scope 3	kt	54,278	51,121	54,068

(1) M = millions; k = Thousands.
 (2) Defined as: net debt/ (net debt + equity).
 (3) Own production.

(*) Iberdrola uses the "own" installed production and capacity criteria, excluding production and installed capacity "for third parties". The latter reflects the particular operating conditions of some of our plants in Mexico, which Iberdrola operates under the instruction of the Comisión Federal de la Electricidad (CFE) under the figure of Independent Energy Producer (IEP).

Data at the close of the Fiscal year 2019

TARGETS

ENVIRONMENTAL PERFORMANCE

- GHG EMISSIONS**
 Iberdrola is committed to **reducing the intensity of CO₂ emissions up to 50 gCO₂/kWh by 2030**. In addition, Iberdrola is committed to **reduce absolute Scope 1, 2 and 3 GHG emissions 43 % by 2030 from a 2017 base-year, aligned with 1.5°C** (progress 10%). Validated by Science Based Targets initiative (SBTi). Iberdrola commits to be **carbon neutral by 2050**.
- BIODIVERSITY**
 Achieve **No Net Loss** of biodiversity by 2030, working to ensure that new facilities deliver a **net positive impact** on biodiversity, where possible.
 This objective is based on the application of the principles of the mitigation hierarchy in all activities and in the continual improvement of our standards of protection of biodiversity, integrating relevant methodologies to assess attainment of the objective. As a priority, Iberdrola avoids locating new infrastructure in designated conservation areas (protected because of their ecological, biological, cultural and/or scenic value) unless there are no other feasible alternatives. Areas of special interest for biodiversity without a specific designated protection will also be avoided whenever possible. Designated conservation areas include, among others, World Heritage areas, national or regional protected areas and the relevant categories defined by IUCN.
Adaptation of 234,000 poles in the distribution lines to avoid electrocution of birds by 2025 in Spain (10% progress).
- WATER**
 Reduce the intensity of water use/production by 50% in 2030 compared to 2019.
- ENERGY EFFICIENCY**
 To maintain the use of local sources of energy above 75% during the next five years (progress 100%).
- SUSTAINABLE MOBILITY**
 Installation of 150,000 charging points for electric vehicles until 2025 (progress 2.5%).
 Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030 (progress 0.5%).

SOCIAL PERFORMANCE

- HEALTH AND SAFETY**
Target of zero accidents.
 In order to achieve this target, Iberdrola has a Strategic Occupational Health and Safety Plan.
Reduce the accident rate by 10% (accidents with loss of own personnel) compared to the average of the last 5 years.
- GENDER**
 Ensuring that **female directors** continue to account for **at least 30% of the Board of Directors by the year 2020** (progress 100%). **Wage gap** between women and men **at the Iberdrola group level at the end of the 2022 year (≤2%)** (progress 100%).
- ELECTRICITY ACCESS**
 Objective in the "Electricity for all" program to provide electricity to 16,000,000 people who currently do not have access by 2030 (progress 44%).