

## 2.5 Capital Management

The Iberdrola group holds valuable assets for the development of its business model. The strategy defined by the company transforms these assets to create value for all its Stakeholders.

	Financial capital	Manufactured capital	Intellectual capital
<b>What is it?</b>	Financial resources that the company already has or obtains through financing.	Tangible assets or goods used by the company to carry out its business activities..	Intangible, knowledge-based assets.
<b>Management approach</b>	Create value for shareholders through sustainable growth.	Offer a competitive supply of energy in a safe and reliable environment.	Consider innovation as a strategic element of the company.
<b>Significant aspects</b>	<ul style="list-style-type: none"> <li>• Balanced and diversified growth.</li> <li>• Sound financial structure.</li> <li>• Operational excellence.</li> <li>• Sustainable results and dividends.</li> </ul>	<ul style="list-style-type: none"> <li>• Power generation assets.</li> <li>• Power transmission and distribution assets.</li> <li>• Other assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of R&amp;D.</li> <li>• Digitisation for efficiency and development of new products and services.</li> <li>• Disruptive technology and business models.</li> </ul>

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	Human capital	Natural capital	Social and relationship capital
<b>What is it?</b>	Employee knowledge, skills, experience and motivation.	Natural resources affected by the company's activities.	Ability to share, relate and collaborate with its Stakeholders, promoting community development and well-being.
<b>Management approach</b>	Guarantee the availability of a committed and qualified workforce. Offer an inclusive and balanced work environment.	Ensure a sustainable use of natural resources and contribute to combating climate change.	Promote relations of trust with Stakeholders, improving the quality of life of people in areas where the group has a presence.
<b>Significant aspects</b>	<ul style="list-style-type: none"> <li>• Global human resources management.</li> <li>• "Zero accidents" programme.</li> <li>• Talent management.</li> <li>• Diversity, equal opportunity and reconciliation.</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change.</li> <li>• Preservation of biodiversity.</li> <li>• Management of environmental footprint.</li> <li>• Operating excellence and energy efficiency.</li> <li>• Circular economy.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder Engagement Model.</li> <li>• Community support and electricity access programmes.</li> <li>• Human rights due diligence system.</li> <li>• Foundations of the Iberdrola group.</li> <li>• Brand management.</li> <li>• Transparency and good governance.</li> <li>• Corporate reputation.</li> </ul>

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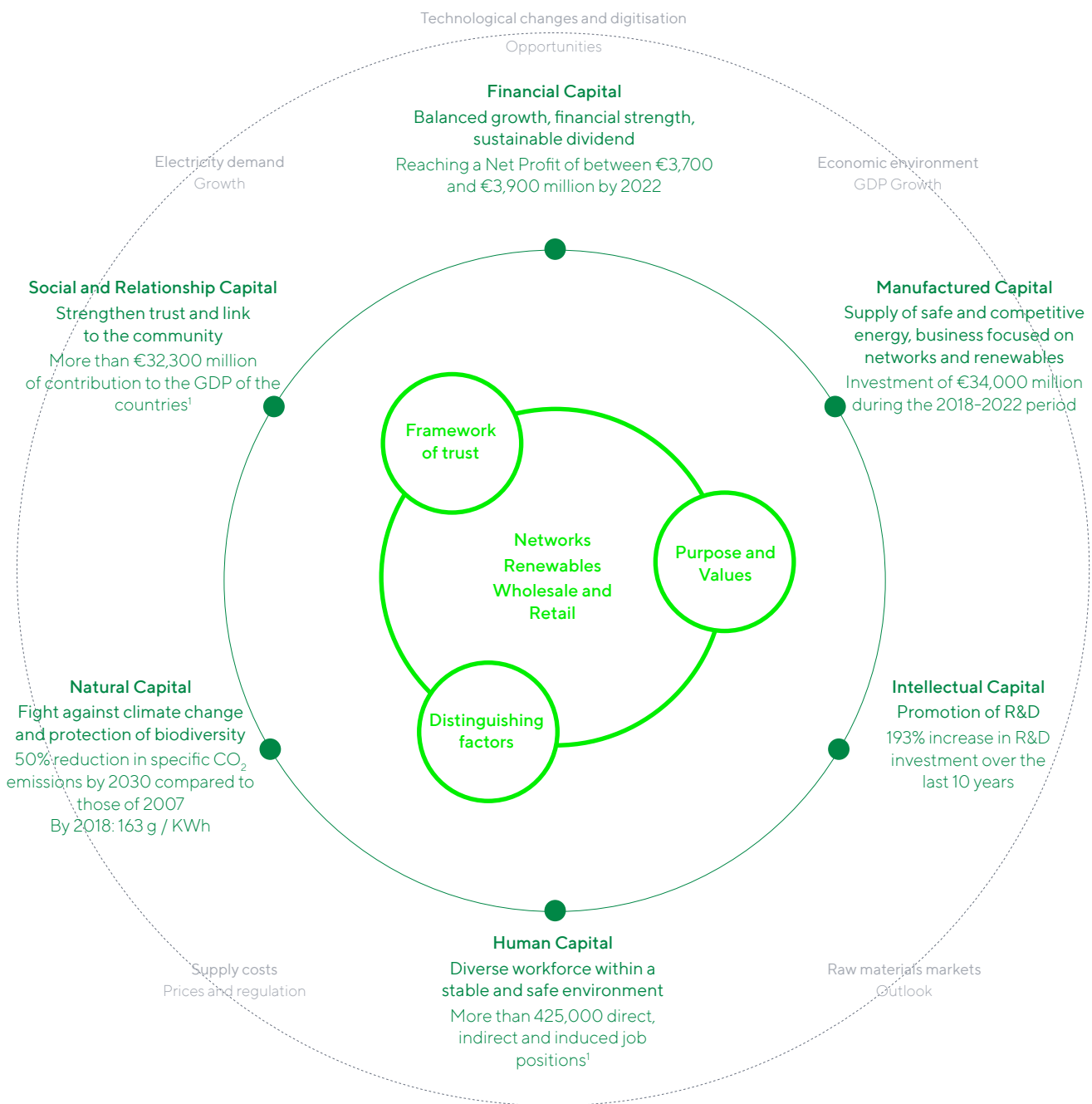
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### Social dividend as an increase in the value of capital

The social dividend created by the business strategy and model of Iberdrola translates into an increase in the value of its capital, which in turn feeds back into a cycle of value creation, thus efficiently inter-relating the operations of the businesses and the capital of the company.

The chart below shows its strategic focus for each Chapter and quantifies an aspiration or achievement of the company in this area.

This process creates shared value for both Iberdrola and for its Stakeholders, and constitutes a main vector for achieving the company's purpose of offering an increasingly healthy and accessible energy supply.



(1) Data from a Study of Iberdrola's Impact, prepared by PwC, which is based on 2017 figures. Includes indirect and induced impacts.