

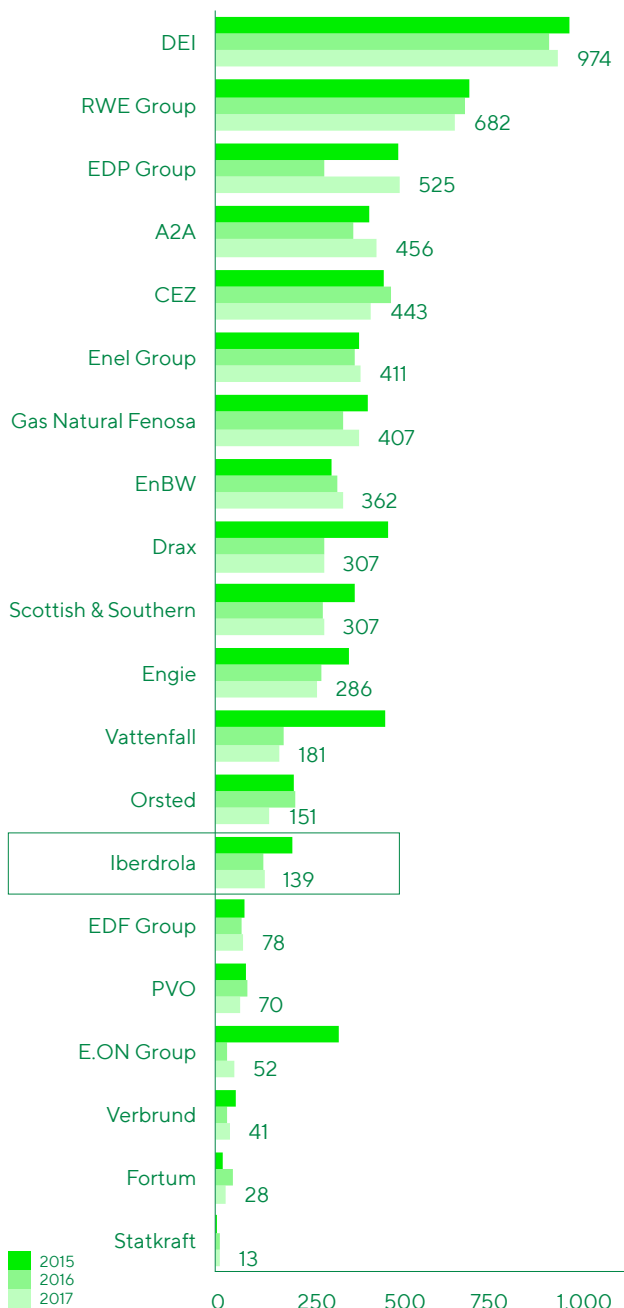
4.5 Natural Capital

	Management approach	Principal activities 2018	Outlook
Protect the environment and stop the loss of biodiversity	<ul style="list-style-type: none"> • Conserve and recover the ecosystems associated with our activities, coordinating the biodiversity plans of the businesses in affected areas. • Improve the compatibility of Iberdrola's infrastructure with protection of the environment. • Avoid discharges and pollution of water and soil, all in line with Iberdrola's <i>Biodiversity Policy</i> and <i>Environmental Policy</i>. • Promote the protection of ecosystems in the surroundings of the facilities. 	<ul style="list-style-type: none"> • Acquisition of ISO-TS 14072 Certificate for Corporate Environmental Footprint (CEF) 2017. • Corporate European Environment Award (Spain section). • Climate Change Adaptation Report for activities in Spain. • Biodiversity Report, 2014-2017 Edition. • Sustainable General Shareholders' Meeting 2018: <ul style="list-style-type: none"> – ISO 20121 certification as a sustainable event for third consecutive year. – Renewal of all certificates updating to the new ISO 14001:2015 standard. 	<ul style="list-style-type: none"> • Development of a strategic plan for climate change adaptation. • Environmental guidelines linked to the SDGs. • Restoration, recovery, improvement and maintenance of surroundings and habitats. • Integrate the concept of natural capital.
Combat climate change and its effects	<ul style="list-style-type: none"> • Prevent pollution and the emission of greenhouse gases (GHGs) through practices that reduce or eliminate the production of pollutants at source. • Reduce the emissions of non-GHGs into the air. • Gradually replace equipment using substances that reduce the ozone layer. • Promotion of awareness-raising campaigns regarding air quality. • New GHG emissions-free facilities (renewable, wind, hydroelectric, etc.). 	<ul style="list-style-type: none"> • Increase in emission-free installed capacity to 68.2%. • Emissions in Spain were 82 gr/kWh, approximately 75% less than the European average. • Commitment to reduce emissions, and active participation in the Katowice Climate Change Conference (Poland). • Sustainable Mobility Plan. 	<ul style="list-style-type: none"> • Achieve a 50% reduction in emissions intensity by the year 2030 in comparison to 2007. • Be carbon neutral by 2050. • Develop innovation projects geared towards reducing pollution. • Promotion of electric vehicles: <ul style="list-style-type: none"> – Installation of 25,000 electric vehicle charging points in Spain by 2021. • Active participation in achieving the SDGs approved in September 2015 (with priority given to goals 7 and 13).
Guarantee sustainable modes of production and consumption	<ul style="list-style-type: none"> • Continuous improvement in operational performance. • Implementation of actions to increase energy efficiency. • Decrease in consumption of natural resources. • Inclusion of environmental variable in the design of infrastructure (Eco-design). • Improvement in control and management of waste generated. 	<ul style="list-style-type: none"> • Innovative activities in environmental management and control. • Assurance of quality in environmental management. • Efficient management of water consumption. • Report on status of circular economy in the sector. • Improvement in withdrawal and consumption of inland water at all generation facilities. • Reuse and recycling of water. • Improvement in reuse and recycling of waste. 	<ul style="list-style-type: none"> • Development and promotion of new ecodesign initiatives. • Analysis of life cycle. • Life Cycle Costing. • The circular economy as strategic cornerstone. • Verification of Iberdrola's Water Footprint.
Revitalise alliances with Stakeholders for sustainable development	<ul style="list-style-type: none"> • Strengthen transparent dialogue with Stakeholders in order to work together in seeking solutions to environmental problems. • Manage environmental compliance by suppliers. • Transparently report on environmental results and activities. • Optimisation of and innovation in environmental management systems. 	<ul style="list-style-type: none"> • Make or provide information for the various reports relating to this capital (<i>Sustainability Report</i>, <i>Corporate Environmental Footprint Report</i>, etc.). • 85% of suppliers have ISO 14001 environmental certification. • Public-private cooperation with the Basque Government on environmental issues. 	<ul style="list-style-type: none"> • Environmental transparency and communication: <ul style="list-style-type: none"> – Development of new EPDs (Environmental Product Declarations). • Communication of environmental performance, development of methodology. • Environmental communication plan.

The environmental dimension is a key factor in the concept of sustainability

Key Figures / page 10

Specific CO₂ emissions produced by facilities in Europe (Carbon factor in g of CO₂/MWh)

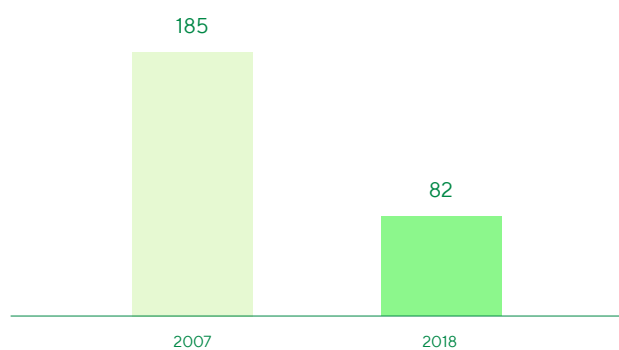


European carbon factor 2017: 290 g CO₂/kWh

Source: "Facteur carbone européen Comparaison des émissions de CO₂ des principaux électriciens européens" PwC France. Dec. 2018.

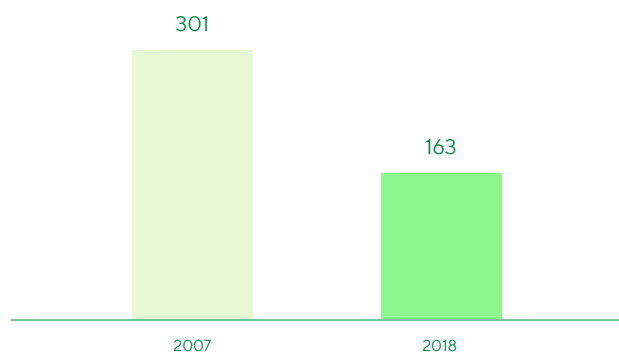
(1) The 139 g CO₂ in this chart refers to emissions from Iberdrola's facilities in Europe during 2017. The other companies only include the European space.

Intensity of emissions in Spain (g CO₂/kWh)



In 2018, CO₂ emissions in Spain were 82 grams per kilowatt-hour, well below that of other Spanish companies and approximately 75% less than the European average.

Intensity of group emissions at the global level (g CO₂/kWh)



Volume of recovered, reused or recycled waste (t)

