

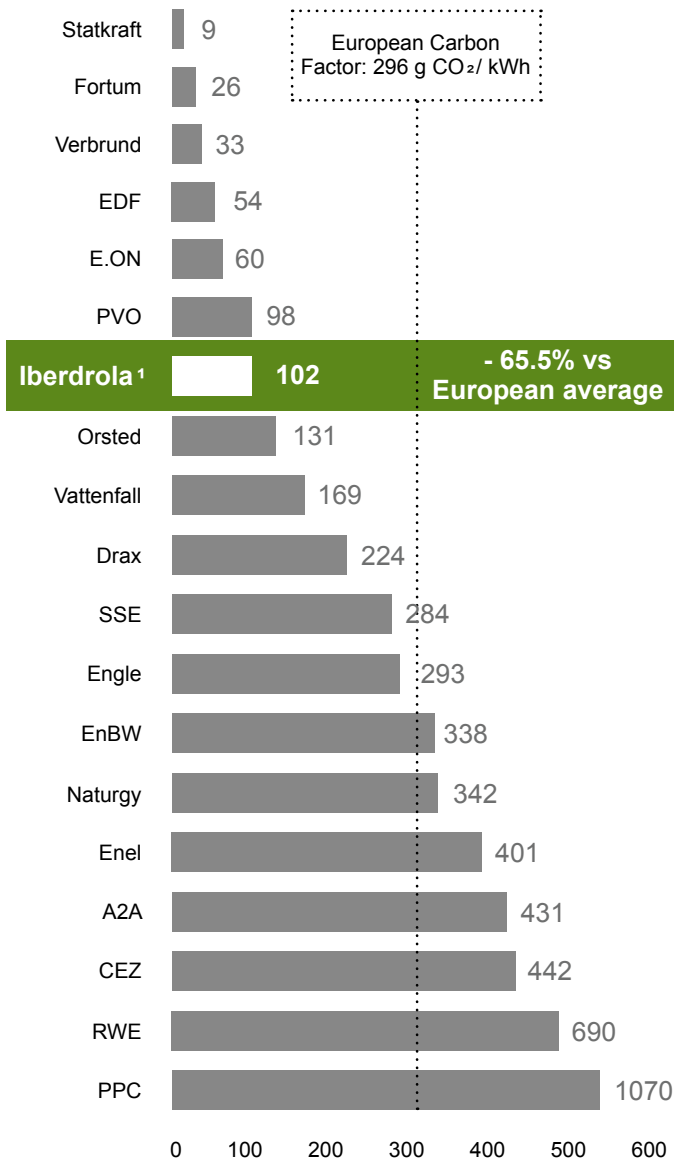
4.5 Natural Capital

Management approach	Principal activities 2019
<p>Protect the environment and stop the loss of biodiversity</p> <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>. • Iberdrola commits to continuously improve biodiversity protection standards in order to reach a net positive balance at all new generation infrastructure that it deploys by 2030, applying mitigation hierarchy principles and avoiding the construction thereof in protected areas. 	<ul style="list-style-type: none"> • Acquisition of ISO-TS 14072 Certificate for Corporate Environmental Footprint (CEF) 2018. • Climate Change Adaptation Report for activities in Spain. • Sustainable 2019 General Shareholders' Meeting: ISO 20121 certification as a sustainable event for fourth consecutive year. • Renewal of all certificates updating to the new ISO 14001:2015 standard. • Participation in Natural Capital's working group with companies in the industry. • Biodiversity Action Plans.
<p>Combat climate change and its effects</p> <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"> • Emissions in Spain were 94 gr CO₂ / kWh. • Approval of SBTi Targets regarding the group's emissions. • Commitment to reduce specific emissions, and very active participation in the Madrid Climate Change Conference (Spain). • Sustainable Mobility Plan.
<p>Guarantee sustainable modes of production and consumption</p> <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. • Improvement in withdrawal and consumption of inland water at all generation facilities. • Reuse and recycling of water. • Awareness campaign on use of plastic. • Improvement in reuse and recycling of waste. • Active awareness-raising on the circular economy.
<p>Revitalise alliances with Stakeholders for sustainable development</p> <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.). • Public-private cooperation with the Basque Government on environmental issues. • SDG Acceleration Day at the San Agustín de Guadalix Campus in partnership with REDS, IS Global and ITD-UPM.

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

Specific CO₂ emissions from facilities in Europe

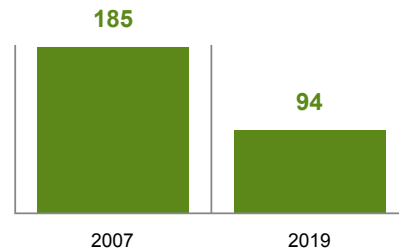
(Carbon factor in g of CO₂/MWh)



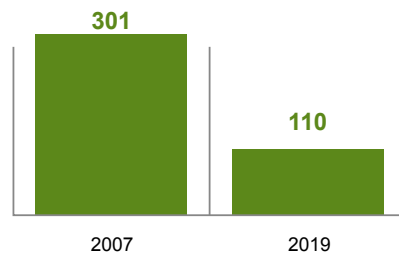
European carbon factor 2018: 296 g CO₂ /kWh¹

Source: "Facteur carbone européen Comparaison des émissions de CO₂ des principaux électriciens européens" PwC France. Dec. 2019.

Intensity of emissions in Spain (g CO₂/kWh)

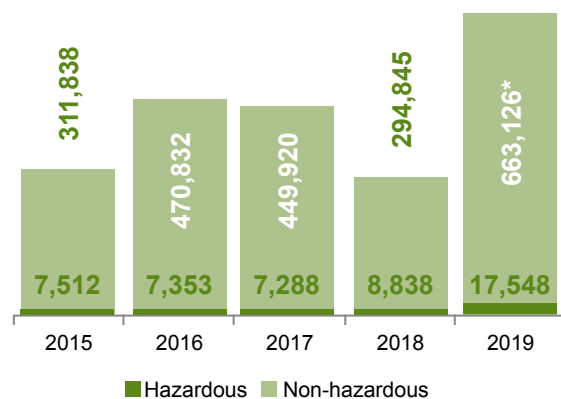


Overall intensity of the group's emissions (g CO₂/KWh)¹



(1) Calculated on total own production.

Volume of recovered, reused or recycled waste (t)



(*) Increase as a result of the reuse of construction land at facilities in the United States.

(1) The 102 g CO₂ in this chart refers to emissions from Iberdrola's facilities in Europe during 2018. The other companies only include the European space.