









2.5 Capital management

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

	What is it?	Management approach	Significant aspects
Financial capital 	Financial resources that the company already has or obtains in the capital markets.	Create value for shareholders through sustainable growth.	<ul style="list-style-type: none"> Balanced and diversified growth. Strength of the financial structure. Operational excellence. Sustainable results and dividends.
Manufactured capital 	Tangible assets or goods used by the company to carry out its business activities.	Offer a competitive supply of energy in a safe and reliable environment.	<ul style="list-style-type: none"> Power generation assets. Power transmission and distribution assets. Encourage a circular economy of assets. Other assets.
Intellectual capital 	Intangible, knowledge-based assets.	Consider innovation as a strategic element of the company.	<ul style="list-style-type: none"> Promotion of R&D. Digitalisation for efficiency and development of new products and services. Disruptive technology and business models.
Human capital 	Employee knowledge, skills, experience and motivation.	Ensure the availability of a committed and qualified workforce. Offer a diverse, inclusive and balanced work environment.	<ul style="list-style-type: none"> Global human resources management. "Zero accidents" programme. Talent management. Diversity, equal opportunity and reconciliation.
Natural capital 	Natural resources potentially affected by the company's activities.	Ensure a sustainable use of natural resources and contribute to combating climate change.	<ul style="list-style-type: none"> Climate change. Preservation of biodiversity and natural capital. Management of environmental footprint. Operational excellence and energy efficiency. Circular economy.
Social and relationship capital 	Ability to share, relate and collaborate with its Stakeholders, promoting community development and well-being.	Promote relations of trust with Stakeholders, improving the quality of life of people in areas where the group has a presence.	<ul style="list-style-type: none"> Stakeholder Engagement Model. Community support and electricity access programmes. Human rights due diligence system. Foundations of the Iberdrola group. Brand management.



Social dividend as an increase in the value of capital

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

The chart below shows the 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 2019 figures. Includes indirect and induced impacts.