



4.5 Natural capital

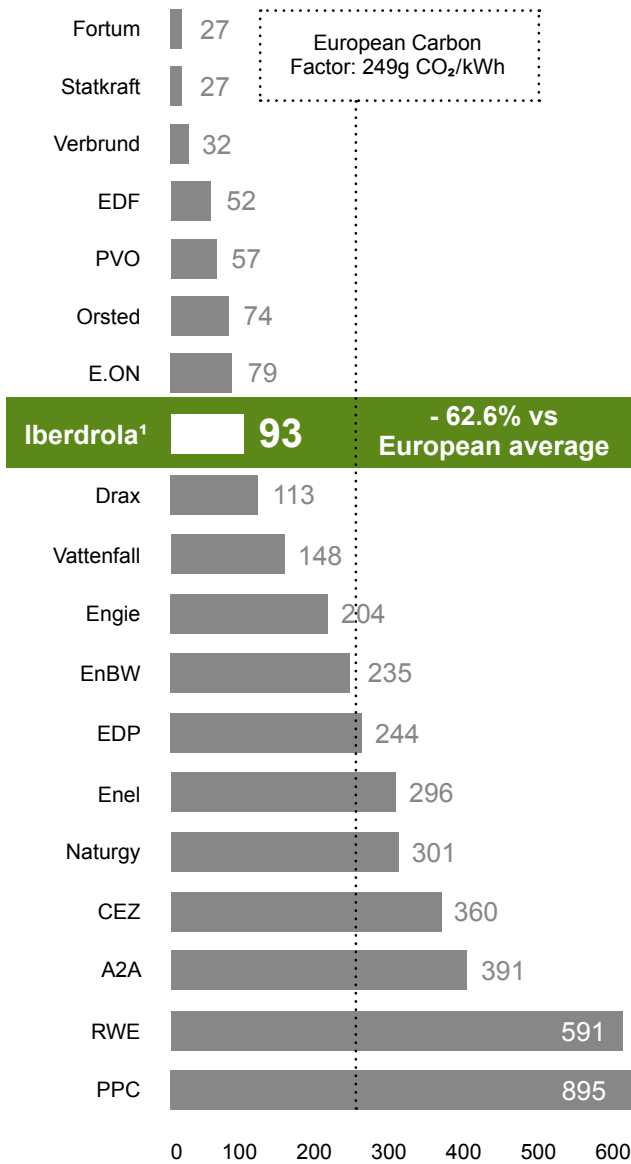
	Management approach	Principal activities 2020	Outlook
Protect the environment and stop the loss of biodiversity	<ul style="list-style-type: none"> Conserve and recover the ecosystems associated with our activities, coordinating the biodiversity plans of the businesses in affected areas. Improve the compatibility 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>. Iberdrola commits to continuously improve biodiversity protection standards in order to reach a net positive balance at all new generation infrastructures that it deploys by 2030, applying mitigation hierarchy principles and avoiding placement in protected areas. 	<ul style="list-style-type: none"> Acquisition of ISO-TS 14072 Certificate for Corporate Environmental Footprint (CEF) 2019. Sustainable 2020 General Shareholders' Meeting: ISO 20121 certification as a sustainable event for fourth consecutive year. Renewal of all ISO 14001:2015 certificates. Expansion of i-DE scope to construction; the commercial business is certified in the UK. <i>Biodiversity Action Plans</i>. Environmental guidelines linked to the SDGs. Launch of the <i>Iberdrola Trees program</i>. Publication of the <i>Biodiversity Report 2018-2019</i>. Biodiversity training and awareness-raising campaign. Active participation in <i>We Value Nature, Business for Nature initiatives</i>. 	<ul style="list-style-type: none"> Restoration, recovery, improvement and maintenance of natural spaces and habitats. Integrate the concept of natural capital. New biodiversity plan for the group. Update of environmental and biodiversity policies. Leadership in protection of biodiversity. Development of a climate change adjustment strategic plan. Offset of emissions using "sinks".
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 that uses ozone layer-reducing substances. 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 73 gr CO₂/kWh. Certification of Neoenergia's GHG inventory under the ISO 14064 standard. Approval of SBTi Targets regarding the group's emissions according to 1.5°C. Increased ambition in commitment to reduce specific emissions. Sustainable mobility plan: over 200 subsidies for the purchase of electric vehicles for the workforce. 	<ul style="list-style-type: none"> Reduce emissions intensity to 50g CO₂/kWh by 2030. Be carbon neutral by 2050 at the global level and by 2030 in Europe. Develop innovative projects to reduce pollution. Increase reduction activities accompanying the supply chain. Promote electric vehicles: install over 150,000 electric vehicle recharging points. Active participation in the SDGs approved in September 2015 (prioritising 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. Efficient management of water consumption. Improvement in withdrawal and consumption of inland water at all generation facilities. Improvement in reuse and recycling of waste. Active awareness-raising on the circular economy. Iberdrola's <i>Circularity Report</i> based on WBCSD indicators. Preliminary report on Iberdrola's water scarcity footprint. 	<ul style="list-style-type: none"> Reduce the water use / production ratio by 50% by 2030 compared to 2019. Develop and drive new ecodesign initiatives. Analysis of life cycle. Life Cycle Costing. Promote responsible and sustainable production in the supplier chain. The circular economy as the sustainable basis of the group's business. Verification of Iberdrola's Water Footprint. Integrated analysis of the corporate, water and circular footprints.
Revitalise partnerships 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"> Public-private partnership with the Basque Government on environmental issues. Participation in the European <i>REEF</i> project to develop environmental product footprints together with EDP. Participation in Natural Capital's working group with companies in the industry. Establishment of the <i>"The Day After"</i> partnership with ITD-UPM, REDS and IS Global. Active participation in the four work communities that have been established: Economy, Environment, Cities and Cooperation. 	<ul style="list-style-type: none"> Environmental transparency and communication: <ul style="list-style-type: none"> Development of new Environmental Product Declarations (EDPs). Communication of environmental performance, development of methodology. <i>Environmental communication plan</i>. Increased participation in international forums.



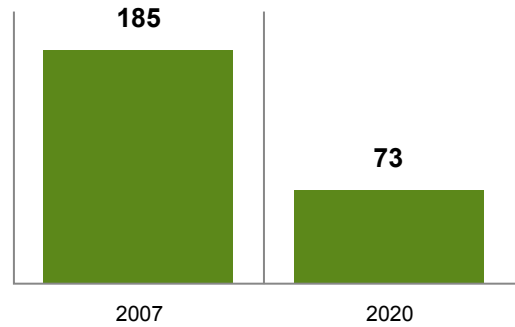
The environmental dimension is a key factor in the concept of sustainability

Specific CO₂ emissions from facilities in Europe

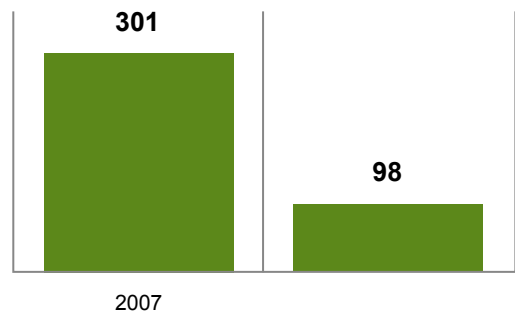
(Carbon factor in g of CO₂/MWh)



Intensity of emissions in Spain (g CO₂/kWh)

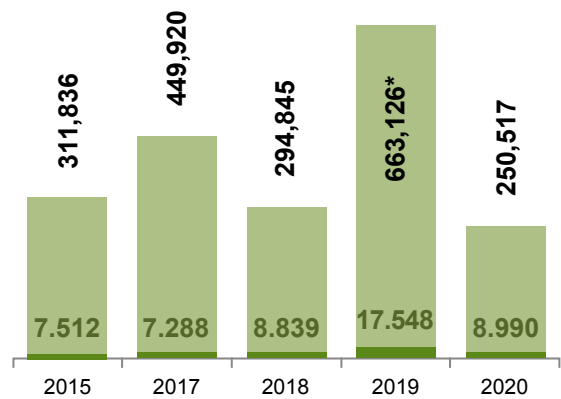


Overall intensity of the group's emissions (g CO₂/KWh)¹



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.

European carbon factor 2019: 249 g CO₂/kWh¹ Source: "Climate Change and Electricity: European carbon factor." PwC France. Dec. 2020.

(1) The figure of 93 g CO₂ in this chart refers to emissions from Iberdrola's facilities in Europe during 2019. The other companies only include the European space.

Key figures / Page 12