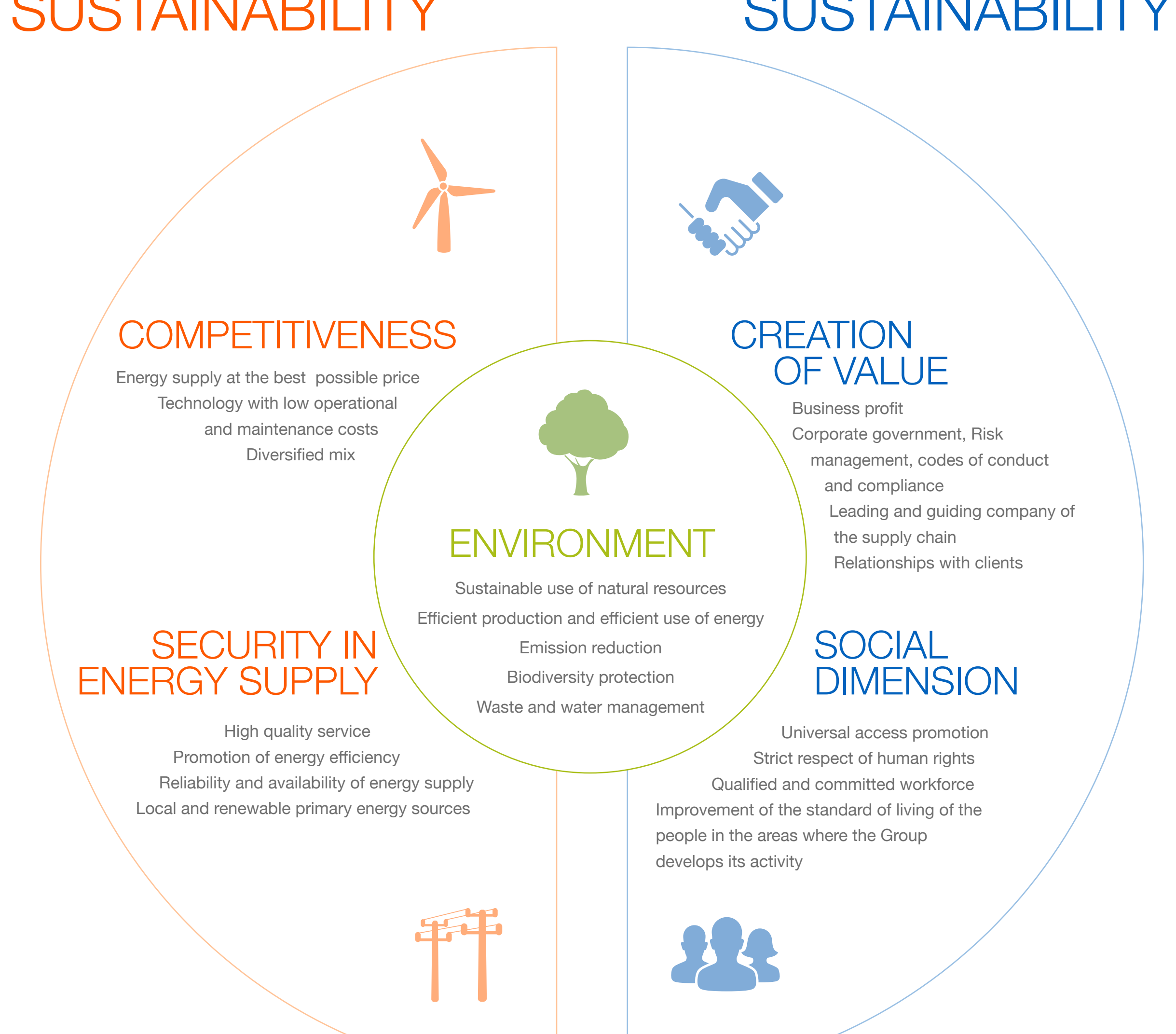


IBERDROLA MODEL FOR A SUSTAINABLE COMPANY IN THE ENERGY SECTOR



ECONOMIC PERFORMANCE



RESOURCES	UNIT (1)	2020	2019	2018
Total assets	M €	122,518	123,025	113,038
Equity	M €	47,219	47,195	43,976
Financial leverage ⁽²⁾	%	42.3	44.8	43.7
Investments during financial year	M €	9,246	8,158	6,172

PROCESSES AND OPERATIONS	UNIT (1)	2020	2019	2018
Revenues	M €	33,145.0	36,437.9	35,075.9
Operating expenses	M €	19,866	23,027	22,433
Employee compensation	M €	2,505	2,532	2,387
Personal Costs	M €	2,149	2,146	2,020
Payments to providers of capital	M €	2,958	2,916	2,402
Cash taxes paid	M €	843	796	332
Tax contribution	M €	7,475	8,156	7,339
Community contributions (LBG)	M €	84	52	54
Retained earnings	M €	6,595	6,205	5,901

RESULTS	UNIT (1)	2020	2019	2018
EBITDA	M €	10,010	10,104	9,349
Earnings before tax (EBIT)	M €	5,053	4,729	4,348
Net profit	M €	3,611	3,406	3,014
Market capitalization (at 31 December)	M €	74,296	58,404	44,898
Stock price (at 31 December)	€	11.7	9.18	7.02
P.E.R.	multiple	21.79	17.15	14.90
Earnings per share	€/share	0.54	0.54	0.47

SOCIAL PERFORMANCE

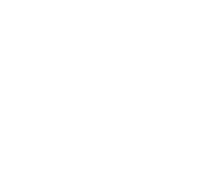


RESOURCES	UNIT (1)	2020	2019	2018
NUMBER OF EMPLOYEES	n°	37,127	35,374	34,078
NUMBER OF EMPLOYEES IN FULL-TIME EQUIVALENT (FTE)	n°	36,915	35,120	33,747
Supply points	M	34.4	33.9	33.6
Electricity	M	30.1	29.8	29.5
Gas	M	4.3	4.2	4.1
VOLUME OF PURCHASES	M €	8,494	8,717	7,753
Social Development funds	M €	125.9	92.4	243.1
Rural electrification programs	M €	42	40.1	189.6
Accumulated beneficiaries Electricity for All program	n°	8,200,000	7,000,000	5,400,000
R&D	M €	293	280	267

PROCESSES AND OPERATIONS	UNIT (1)	2020	2019	2018
Full-time contracts	%	95	98.0	95.0
Indefinite time period contracts	%	99.8	99.1	99.0
Employees with collective bargaining agreement	%	77.9	78.7	78.9
Hours of training	M	1.9	1.8	1.6
Hours of training per employee	h	53	53	47
No. of suppliers with orders in the corporate system during the year	n°	>20,000	>22,000	>23,300

RESULTS	UNIT (1)	2020	2019	2018
EMPLOYMENT, HEALTH AND JOB SAFETY				
Average age of workforce	age	41.9	45.5	42.55
Average years of service of workforce	age	13.3	12.67	13.66
Male/female diversity	%	77/23	77/23	77/23
Women board of directors	%	36	43	36
Women in executive management	%	20	11	20
Women in senior management	%	21.5	20	20
Women in junior management positions	%	30.6	30.9	30.5
Women in STEM-related positions	%	19.7	n.a.	n.a.
Average remuneration (men/women)	%	93.2	95.1	97.3
Ratio of basic initial salary to local minimum wage salary (Spain)	%	107.7	112.6	136.54
Injury rate (IR)		1.19	1.33	1.37
Occupational disease rate (ODR)		0	0	0.01
Lost days	n°	4,070	3,896	3,929
Employee turnover	%	6.07	6.60	10.70
Number of fatalities	n°	4	1	0
Number of fatalities - subcontractor	n°	4	4	3
QUALITY OF SERVICE AND CUSTOMER SERVICE				
Total amount of fines relating to the environment	M €	2,761	2,301	7,538
Fines imposed in the social and economic areas	M €	33,091	107,589	59,545
QUALITY OF SUPPLY CHAIN				
Sustainable management of the supply chain				
Purchases in "risk" countries	%	20.8	23.4	25.8
Purchases from local suppliers	%	89	89	85

ENVIRONMENTAL PERFORMANCE



RESOURCES	UNIT (1)	2020	2019	2018
Installed capacity	MW	55,111	52,082	46,694
Total net electricity production	GWh	162,842	151,758	145,605
Total net production (electricity + steam)	GWh	166,583	155,647	149,687
Installed own capacity	MW	47,965	45,702	42,058
Total net electricity own production	GWh	123,463	114,250	115,134
Total net own production (electricity + steam)	GWh	127,205	118,086	119,216
Environmental investments	M €	5,116	3,712	2,132
Environmental expenses	M €	671	706	550

PROCESSES AND OPERATIONS	UNIT (1)	2020	2019	2018
Fuel consumption	GJ	770,867,957	764,408,401	706,835,480
Renewable Energy Use	GJ	501,052	548,886	500,314
Intensity of internal energy consumption	GJ/GWh	2.63	2.81	2.74
Production with local sources of energy	%	97.2	79	93
Water use	hm³	71	88	88
Water consumption/Overall production	m³/GWh	434	583	604

RESULTS	UNIT (1)	2020	2019	2018
Emissions-free installed capacity	%	69	68	70
Renewable installed capacity	%	63	62	63
Emission-free production	%	57	55	59
Renewable energy production	%	42	39	42
Emissions-free installed own capacity	%	79	77	77
Renewable installed own capacity	%	73	70	69
Emission-free own production	%	75	72	74
Renewable energy own production	%	55	52	53
Specific CO ₂ emissions ⁽³⁾	gCO ₂ /kWh	98	110	112
SO ₂ emissions	t	1,352	1,777	3,515
NOX emissions	t	62,517	56,461	12,280
Particulate emissions	t	1,270	1,174	886
Fly ash produced	t	14,024	25,985	92,440
Volatile organic compounds (VOC)	t	464	449	335
Mercury emissions (Hg)	kg	8	5.73	29.8
Waste generated (ash + hazardous and non-hazardous waste)	t	541,515	701,341	654,755
Waste recycled (ash + hazardous and non-hazardous waste)	t	272,057	685,991	360,465
Hazardous recycled per electricity generated	t/GWh	0.094	0.167	0.110
Energy produced under certified environmental management systems	%	77.29	83.0	82.0
CO ₂ avoided due to efficiency initiatives	kt	31,300	22,920	19,484
Direct CO ₂ emissions, Scope 1 ⁽³⁾	kt	13,003	13,427	13,646
Indirect CO ₂ emissions, Scope 2	kt	1,883	2,082	2,544
Indirect CO ₂ emissions, Scope 3	kt	57,852	54,278	51,121

(1) M = millions; k = Thousands.
(2) Defined as: net debt/ (net debt + equity).
(3) Own production.

(*) Iberdrola uses the "own" installed production and capacity criteria, including production and installed capacity "for third parties". The latter reflects the particular operating conditions of some of our plants in Mexico, which Iberdrola operates under the instruction of the Comisión Federal de la Electricidad (CFE) under the figure of Independent Energy Producer (IEP).

Data at the close of the Fiscal year 2019

TARGETS

ENVIRONMENTAL PERFORMANCE

01 GHG EMISSIONS
To reduce the intensity of CO₂ emissions up to 50 gCO₂/kWh by 2030, which represents a reduction of 73% since 2015. Iberdrola commits to **reduce absolute Scopes 1, 2 and 3 GHG emissions by 2030** from a 2017 base-year (progress 17%). Validated by Science Based Targets initiative (SBTi). Iberdrola **commits to be carbon neutral by 2050**.

02 BIODIVERSITY
Biodiversity: Achieve "No Net Loss" of biodiversity by 2030, providing to ensure that new facilities deliver a net positive impact on biodiversity, where possible. All our projects include a thorough environmental plan to minimise the impacts to flora and fauna.
This objective is based on the application of the principles of the mitigation hierarchy in all activities and in the continual improvement of our standards of protection of biodiversity, integrating relevant methodologies to assess attainment of the objective. As a priority, Iberdrola avoids locating new infrastructure in designated conservation areas (protected because of their ecological, biological, cultural and/or scenic value) unless there are no other feasible alternatives. Areas of special interest for biodiversity without a specific designated protection will also be avoided whenever possible. Designated conservation areas include, amongst others, World Heritage areas, national or regional protected areas and the relevant categories defined by IUCN
Adaptation of 234,000 poles in the distribution lines to avoid electrocution of birds by 2025 in Spain (13% progress).

03 WATER
Reduce the intensity of water use/production by 50% in 2030 compared to 2019 (51% progress).

04 ENERGY EFFICIENCY
To maintain the use of local sources of energy above 85% during the next five years (progress 100%).

05 SUSTAINABLE MOBILITY
Installation of 150,000 charging points for electric vehicles until 2025 (progress 4%). Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030 (progress 9.5%).

06 WASTE
100% of the waste generated in our work centers to be recycled or recovered in 2021 in Spain and United Kingdom.

07 REFORESTATION
Planting 2.5 million trees by 2022 and reaching 20 million by 2030.

SOCIAL PERFORMANCE

HEALTH AND SAFETY
Target of zero accidents.
In order to achieve this target, Iberdrola has a Strategic Occupational Health and Safety Plan.
Reduce the accident rate by 10% (accidents with loss of own personnel) compared to the average of the last 5 years.

GENDER
Achieve a ratio of 30% women in executive positions by 2030 (72% progress).
Ensuring that female directors continue to account for at least 30% of the Board of Directors by the year 2025 (progress 100%).
Wage gap between women and men at the Iberdrola group level at the end of the 2022 year (≤2%) (Progress 100%)

ELECTRICITY ACCESS
Objective in the "Electricity for all" program to provide electricity to 16,000,000 people who currently do not have access by 2030 (progress 51%).

TRAINING
55 hours of training per trained employee/year by 2022 (progress 94.5%)

SUPPLIERS:
70% of our suppliers to have standard sustainability policies by 2022.