

# Iberdrola SA

ELC Electric Utilities

## Member of DJSI World, DJSI Europe

### Company Information

Country	Spain
Market cap (USD million)*	40,306

\*Source: S&P Global BMI, 31 July 2016

### Company Description

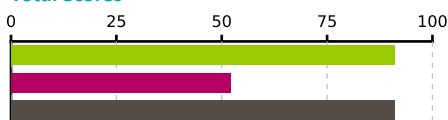
Headquartered in Spain, Iberdrola is one of the largest electric utility companies in the world, with over 170 years of experience in the field. The company has been a forerunner of the transition to a more long-term and sustainable energy model and has become a global benchmark for renewable energies. Employing more than 28,000 people around the world, the company supplies electricity to over 100 million people around the world through its three business segments: wholesale and retail, networks and renewables. The energy sector is undergoing a radical transformation, and with its forward looking schedule for investment and innovation, the company is well-positioned to remain a leader in the industry.

### Industry Drivers

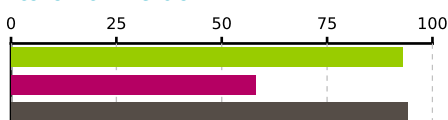
The electric utility market is in the middle of a major transformation caused by new technologies and the decarbonization and decentralization of power generation. Utilities must deal with the increasing integration of renewable energies into the energy mix, which requires flexible power management and smart, integrated energy solutions. Enormous efforts are also needed to develop and replace an aging grid. While electric utilities need to cope with rising costs, sales of their main product have stopped growing in developed markets and face increasing competition from decentralized generation such as solar energy. Within emerging markets, industrialization and urbanization require massive investments into additional sustainable generation capacity. At the same time, companies must increasingly factor in concerns of external stakeholders (e.g. community groups, special interest lobbies) opposed to large-scale power projects. In addition, an uncertain and changing regulatory context increases risks for the long-term investments typical in this industry. In order to be competitive, electric utilities will need to develop innovative business models that can generate new sources of revenues that can adapt to the changing political, economic and technical challenges posed by these environments.

### Sustainability Scores

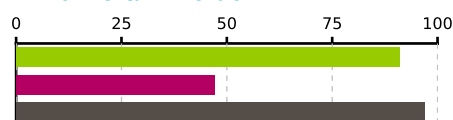
#### Total Scores



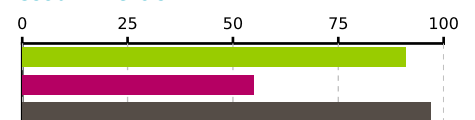
#### Economic Dimension



#### Environmental Dimension



#### Social Dimension

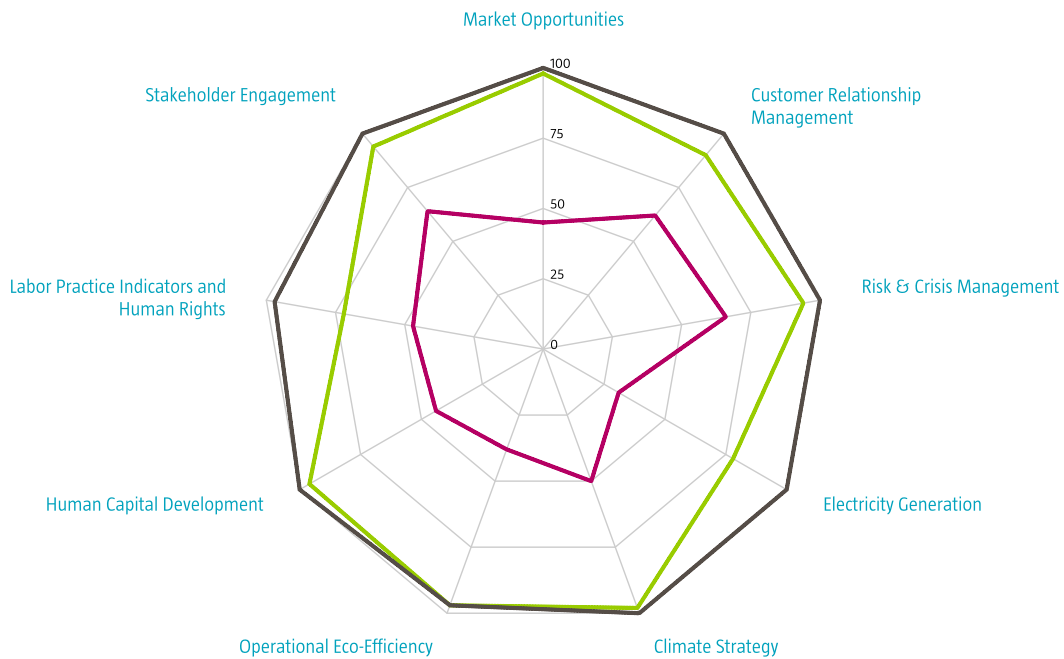


■ Industry best score    ■ Industry average score    ■ Iberdrola SA

## Sustainability Performance

Combatting climate change and creating shared value are at the core of the company’s business operations and strategy, in line with the UN Sustainable Development Goals. Investing in clean, renewable energy while generating shared value throughout its value chain are key focus areas for the company. The company has performed exceptionally well in those areas it has identified as being most material to its business. In the economic dimension, the company continues to demonstrate exemplary performance in terms of seizing new business opportunities, investing into new technologies for energy efficiency and focusing its investments on renewable energies. Customer satisfaction remains a priority for the company, and it has managed to position itself as a company that serves the interests of its shareholders, customers and society at large. The company takes a proactive approach in educating its customers on energy efficiency topics. On the environmental front, the company demonstrates outstanding operational efficiency, in line with its goal to become carbon neutral in 2050. The company’s results in the climate strategy criterion reflect its embedded commitment to managing climate change related risks while transforming its business to benefit from new opportunities – it has committed over Euro 7.5 billion in net investments in its renewables business from 2016 – 2020. In the social dimension the company has performed exceptionally well in the area of human capital development, another key focus area for the company. Stakeholder engagement also remains a strength of the company, demonstrating its inclusive approach to community engagement and shared value.

## Company Performance for Selected Criteria



Industry best score
  Industry average score
  Iberdrola SA

For information on assessment criteria, visit [www.robecosam.com/csa](http://www.robecosam.com/csa)

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