Greenhouse gas report 2017

IBERDROLA

Greenhouse gas report

IBERDROLA

2017

Index

El Cabo wind farm
/ U.S.A.

1. Introduction

Iberdrola publishes this report for the purpose of verifying the inventory of Greenhouse Gases, transparently informing its Stakeholders of the Company's emissions in accordance with the commitments assumed in the Environmental Policy approved by the Board of Directors in 2007 and the Climate Change Policy approved in December 2009, most recently amended in April 2016. This report contains the company's 2017 inventory of greenhouse gases (GHG), with the following considerations:

- It covers Iberdrola's activities in Spain, United Kingdom, United States, Brazil and Mexico.
- The GHGs taken into account are: CO_2, SF_6, CH_4.
- The consolidation of GHG emissions is considered from an operational control standpoint[2].

The Corporate Environmental Department within the Innovation, Sustainability and Quality Division is the body responsible for drafting this report.

The report was drawn up according to the requirements established in UNE-EN-ISO 14064-1:2012: "Greenhouse gases. Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals". The Greenhouse Gas inventory was verified using a **limited assurance** engagement.

1 With the exception of the nuclear power stations and subsidiary co-generation plants in Spain, which are counted according to share, in line with the Sustainability report.

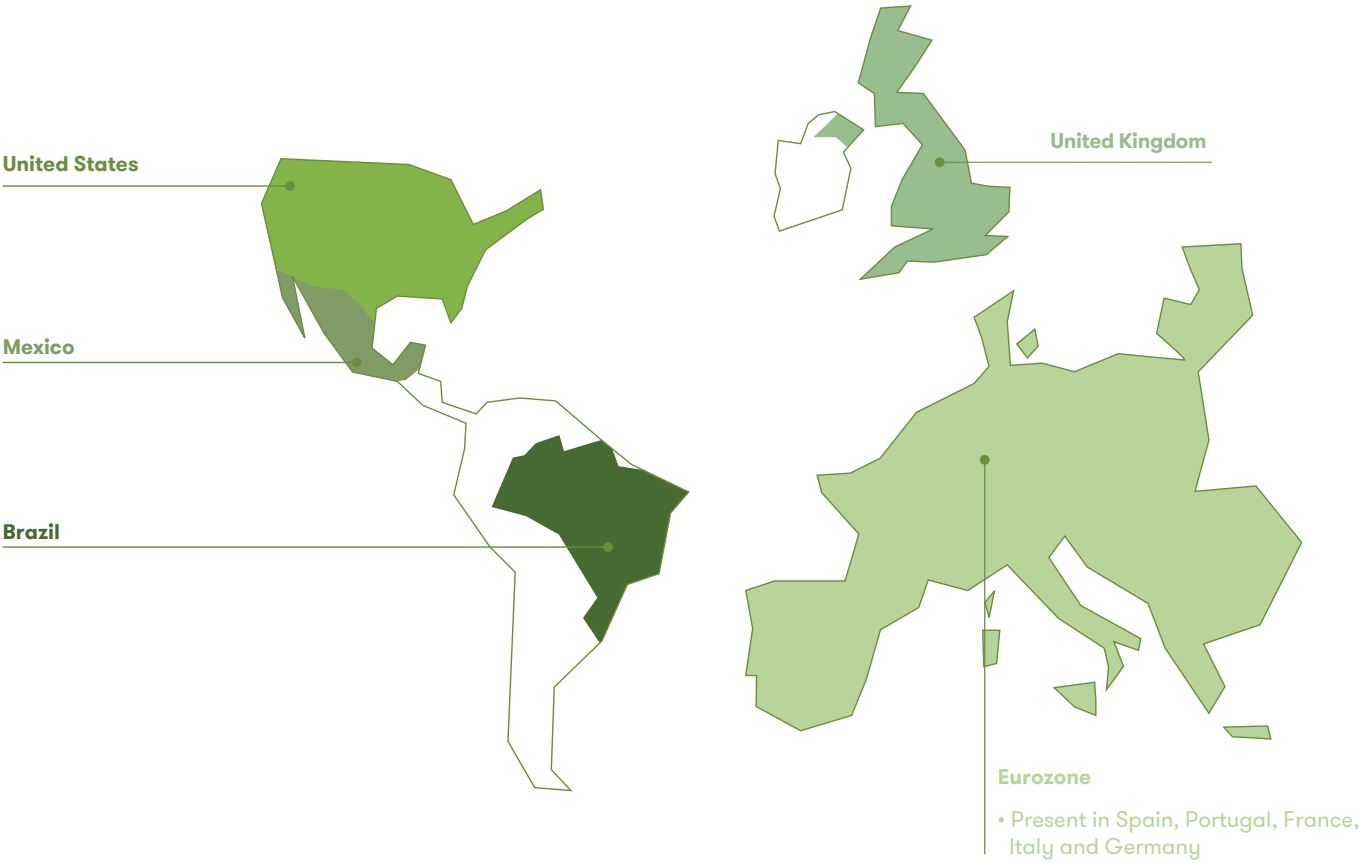
Iberdrola Tower, Bilbao
/Spain

2.

Description of the organisation

Iberdrola Group

Iberdrola is Spain's number one energy group, one of the world's largest energy utilities and a global leader in wind power. A position achieved thanks to a sound, viable and value-creating project, supported by a sustainable growth strategy and by the efforts of a multi-cultural team of over 30,000 professionals working in nearly 40 countries with the aim of providing the cleanest energy on the planet.
The Group has laid the foundations for its future growth and has a leading role in the new international energy scenario, It is facing the challenge of guaranteeing a safe, competitive and environmentally respectful supply in which clean technologies are pivotal in fighting climate change and reducing the world's dependency on fossil fuels.
Iberdrola has specifically set itself the following environmental goals for the coming decades: to reduce the intensity of CO_2 emissions by 30% by 2020 with respect to the specific emissions of the company in 2007, to place its emissions below 150 grams per kWh by 2030 (a figure that would be 50% less than the company's specific emissions in 2007) and to be carbon neutral by 2050.



Iberdrola is among the world's major electricity utilities.

Iberdrola Group Data for 2017

48,447
MW
Installed capacity

29,112
MW
Renewable installed capacity

137,632
GWh
Net output

1,156,611
Km
of Power lines

230,122
GWh
electricity distributed

34,4
Million
users

34,255
People
directly employed

5,891
Investments totalling
€ million

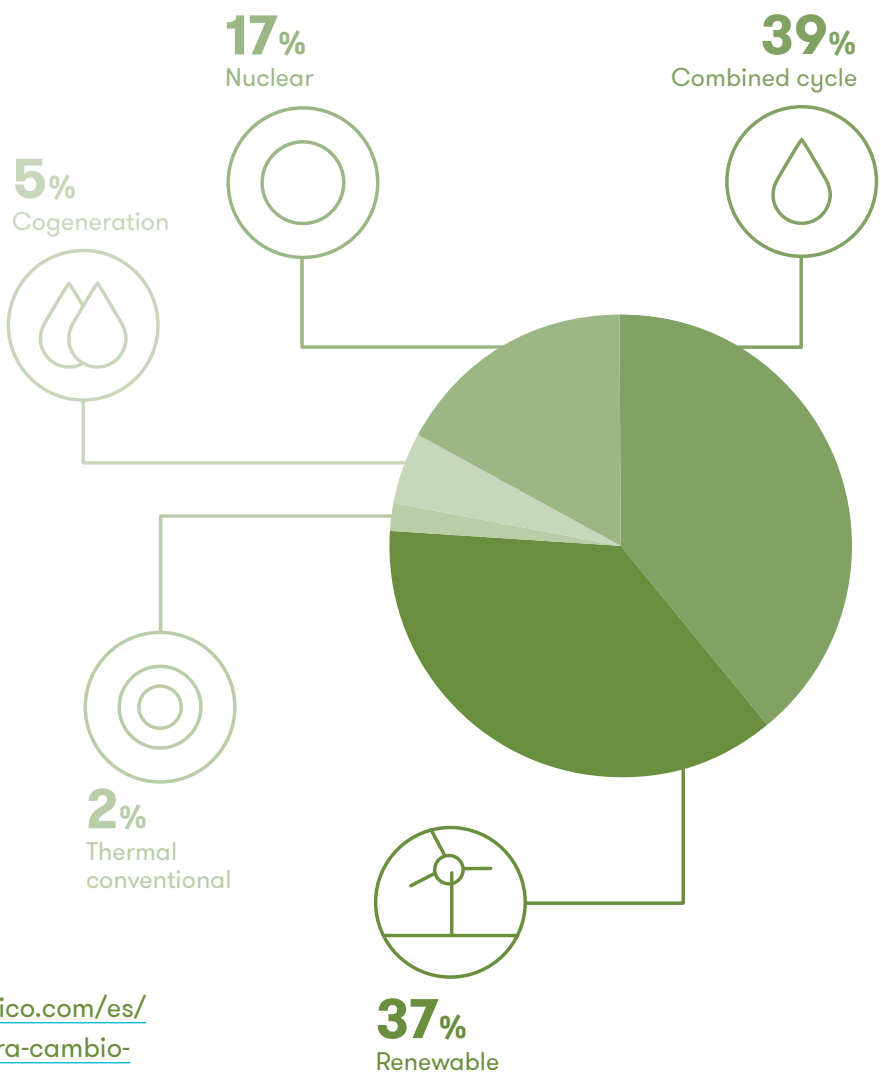
7,111
€ million
Direct tax contribution

Energy produced

In line with these environmental goals, 66.7% of Iberdrola's installed capacity is free from GHG emissions, with 53.8% of energy generated coming from these clean technologies in 2017.

Production plants*

* % of net production in 2017

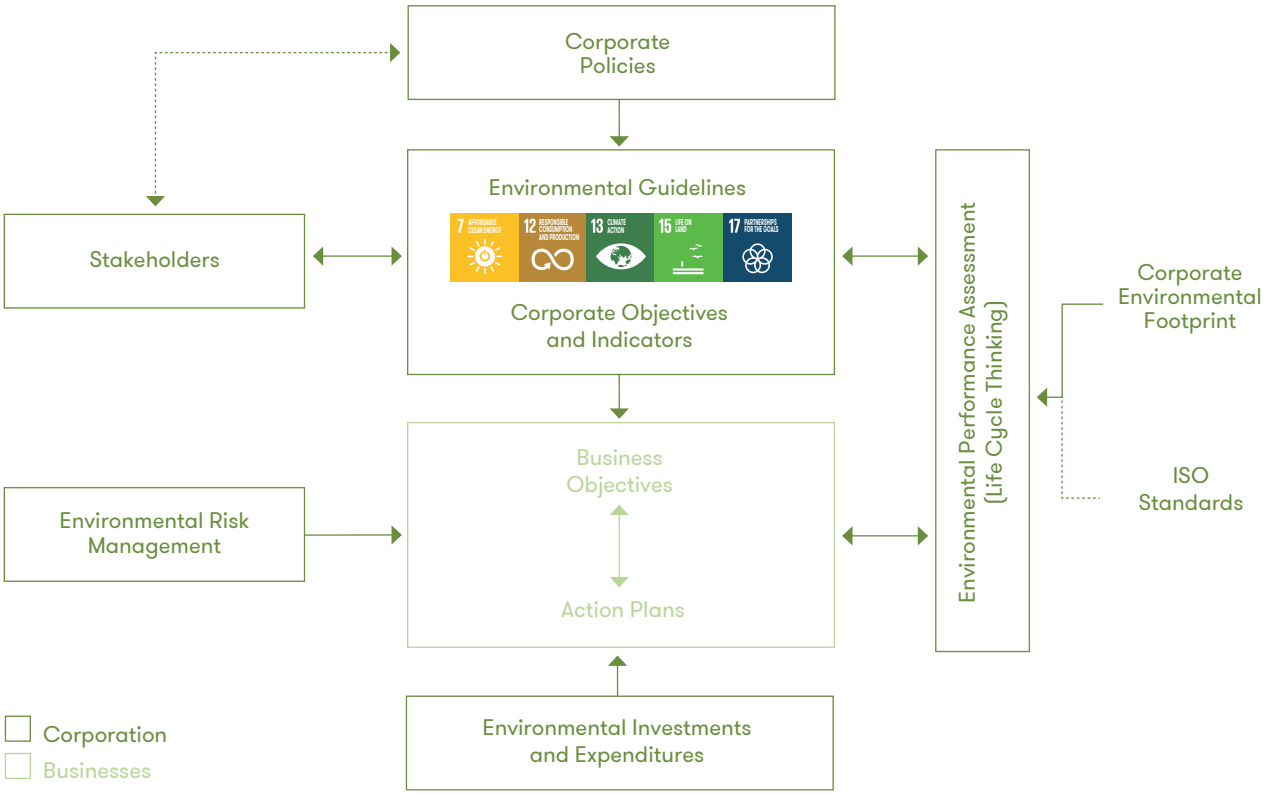


http://www.contraelcambioclimatico.com/es/compromiso-iberdrola/lucha-contra-cambio-climatico/

The GHG inventory verification is part of the company's environmental management model, whose ultimate purpose is to align the environmental dimension within the company's sustainability model, integrating universality of service, safety, energy efficiency and reduction of the Company's environmental impact.

The Group's environmental management model is underpinned by the integration of ISO standards: 14001, 14064, 14072, 14024, 50001, EMAS etc.

Environmental management system



The Group benefits from creating an inventory of the GHG emissions at Iberdrola, as follows:

- It provides transparency, consistency and credibility in environmental management.
- It highlights opportunities to reduce GHGs.
- It drives innovation and continuous improvement in business to achieve proper environmental management.
- It acknowledges the company's efforts in the fight against climate change.

Iberdrola Tower, Bilbao /Spain

3.

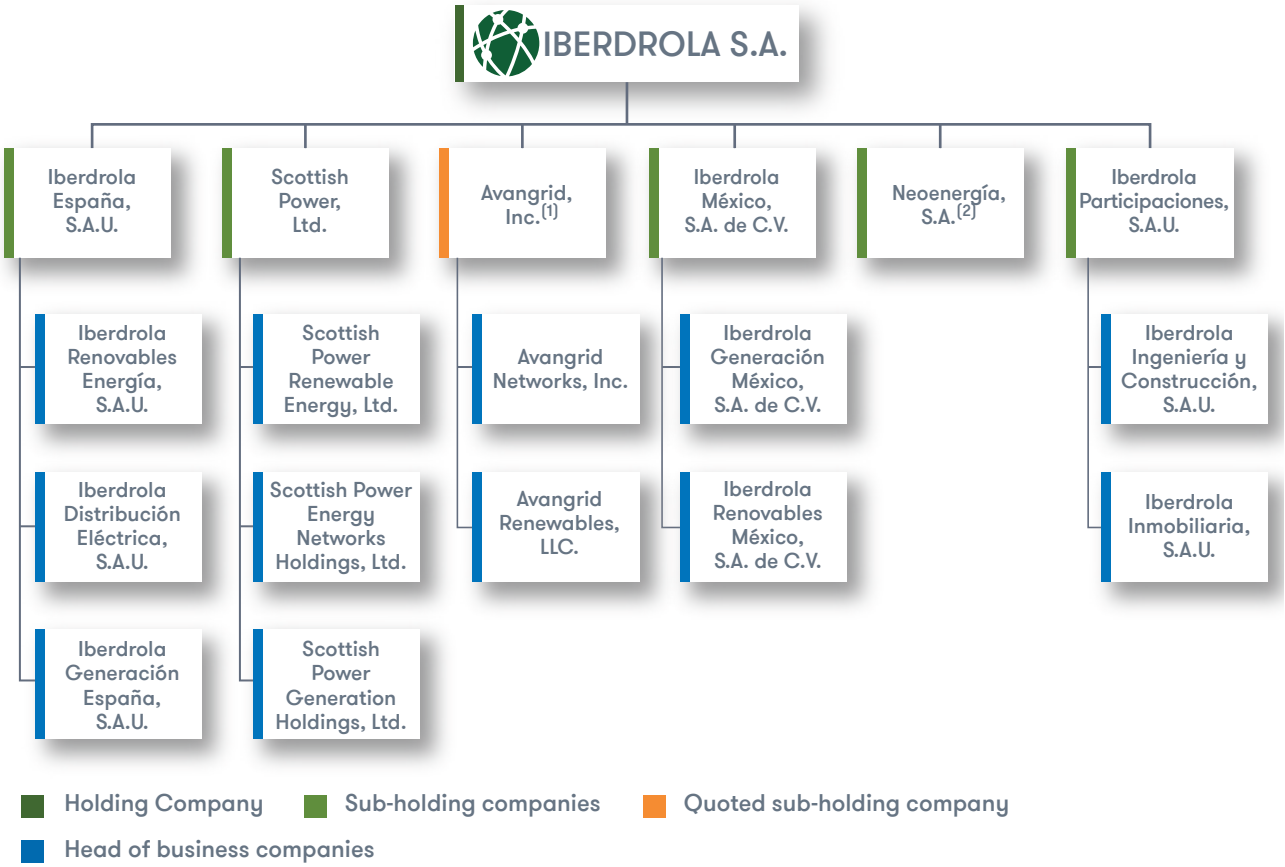
Limits

3.1. Limits of the organisation

The consolidation of GHG emissions is considered from an operational control standpoint as stated in the considerations in the introduction to this report.
The shareholding percentages are specified in the Consolidated Annual Financial Statements Report and Consolidated Management Report corresponding to the fiscal year ending 31 December 2017:

https://www.iberdrola.com/wcorp/gc/prod/es_ES/corporativos/docs/IA_CuentasAnualesIndividual2017.pdf

The information included within the scope of the GHG inventory corresponds to the company structure of the Group comprising the Company, sub-holdings, parent companies of the businesses and investee companies. These companies are:



(1) Avangrid, Inc. is 81.50% owned by Iberdrola S.A.
(2) Neoenergía S.A. is 52.45% owned by Iberdrola S.A.

Region means a basic group of companies according to the geographical area. The GHG inventory is presented at a regional level, as follows:

- Spain
- United Kingdom
- United States
- Mexico
- Brazil

3.2. Operating limits and exclusions

This report considers the following GHGs:

CO_2

Emissions from fixed and mobile combustion

SF_6

Escapes expressed as CO_2 eq

CH_4

Escapes expressed as CO_2 eq

Iberdrola defines the scope of its direct and indirect emissions for operations undertaken within the limits of the organisation, with GHGs classified according to Standard UNE-EN-ISO 14064:2012:

Scope 1 – Direct GHG emissions

Direct GHG emissions from GHG sources owned or controlled by the Company. The following are included:

- Emissions from electricity generation facilities (fuel consumption).
- Emissions from non-generation facilities (gas storage and sludge drying).
- Escapes of methane (CH_4) (natural gas storage and transmission).
- Escapes of hexafluoride (SF_6) in distribution networks.
- Emissions from facilities that provide services to buildings (fuel consumption).
- Emissions from mobile combustion sources associated with the road transportation of employees for work with fleet vehicles.

Scope 2 – Indirect GHG emissions

Indirect GHG emissions are those that come from electricity, heat or steam generation of external origin consumed by the organisation. These emissions are:

- Emissions associated with the consumption of auxiliary energy when stopping thermal, renewable and nuclear power plants, and pumping operations in hydroelectric power plants.
- Emissions associated with the consumption of electricity in buildings.
- Emissions associated with network losses.

Scope 3 – Other indirect emissions

All other indirect emissions which are a result of the Company's activities, but occur in sources that are not owned or controlled by the Company. These other emissions are:

- Emissions associated with the transportation of employees to and from work (rental and private vehicles, aeroplanes, trains and ferries).
- Emissions associated with the transportation of fuel (coal and uranium).
- Emissions associated with suppliers.
- Emissions associated with the transport of employees from their residence to their place of work.
- Emissions associated with energy purchased for sale to end users.

3.3 Exclusions

This section describes the exclusions made by Iberdrola in the GHG Inventory.
Emissions that do not figure highly (< 5%) in relation to total emissions. This group includes:

- Emissions from mobile sources in generation facilities.
- Emissions associated with the consumption of auxiliary energy in wind farms located in countries other than the regions defined for Iberdrola.
- Emissions associated with the consumption of energy in Iberdrola Renewables buildings located in countries other than the regions defined for Iberdrola.
- Iberdrola Renewables direct emissions.
- CH_4 emissions from combustion.

CC Baja California,
/ Mexico

Measuring of electrical fields
Brazil
/ © Iberdrola S.A.

4. Quantification of emissions

Emissions 2017

Emissions 2017 (t CO_2 eq)

EMISSIONS 2017 (t CO_2 eq)	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
SCOPE 1: Direct emissions	5,965,789	2,951,072	1,003,915	15,334,971	1,590,743	**26,846,490**
SCOPE 2: Indirect emissions	1,505,420	667,349	704,657	2,275	535,496	**3,415,197**
SCOPE 3: Other indirect emissions	1,963,938	4,579,433	9,359,119	124,320	4,564,886	**20,591,696**

SCOPE 1: Direct Emissions (t CO_2 eq)

	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
Emissions from Energy Generation (Fuel Consumption)	5,950,901	2,900,987	965,570	15,334,845	1,568,890	**26,721,192**
Emissions from Non-generation (Storage of gas and drying)	-	31,288	-	-	-	**31,288**
Escapes (CH_4) (Gas storage and transmission)	-	26	8,740	-	-	**8,766**
Escapes (SF_6) (Electricity distribution)	3,778	10,149	9,366	-	2,560	**25,852**
Emissions in buildings (fuel consumption)	797	454	6,729	7	11	**7,998**
Emissions from mobile combustion (fleet cars)	10,313	8,168	13,510	120	19,282	**51,393**
TOTAL (t CO_2 eq)	**5,965,789**	**2,951,072**	**1,003,915**	**15,334,971**	**1,590,743**	**26,846,490**

SCOPE 2: Indirect emissions

	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
Emissions from electricity consumption for auxiliary systems during stoppages and pumping.	716,270	143,448	35,559	2,200	256	**897,732**
Electricity consumed in buildings	11,283	9,796	27,052	75	4,279	**52,484**
Network losses	777,867	514,106	642,046	-	530,962	**2,464,981**
TOTAL (t CO_2 eq)	**1,505,420**	**667,349**	**704,657**	**2,275**	**535,496**	**3,415,197**

SCOPE 3: Other indirect emissions

	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
Emissions from employee travel.	9,937	4,888	3,057	0	3,150	**21,033**
Emissions associated with fuel transportation	92,167	0	-	-	-	**92,167**
Emissions associated with the supplier chain	777,197	710,095	26,850	122,293	477	**1,636,912**
Emissions associated with the transport of employees from their residence to their place of work	17,672	11,820	17,103	2,027	31,081	**79,703**
Emissions associated with energy purchased for sale to end users	1,066,965	3,852,629	9,312,109	-	4,530,177	**18,761,881**
TOTAL (t CO_2 eq)	**1,963,938**	**4,579,433**	**9,359,119**	**124,320**	**4,564,886**	**20,591,696**

5. Base year

Emissions Base Year - 2016

Iberdrola takes **2016** as the historical base year for it GHG inventory in accordance with the ISO 14064-1:2006 standard.
Updating of the base year will be done in the case of any significant change (variation in total emissions > 5% over those reported for the previous year) in one of the following aspects:

- Changes in the operating limits.
- Significant structural changes involving transfer of ownership or operational control of GHG sources.

Changes to the GHG quantification methodologies and/or improved accuracy of the emission factors that result in significant changes to the quantified emissions.

The 2016 base year change[2] is due to:

- Change in the inventory estimate and the corporate structure of the company with the creation of Neoenergía Brazil.
- Changes in the operating limits:
  - Inclusion under scope 2 of emissions through network losses.
  - Inclusion under scope 3 of emissions associated with energy purchased for sale to end users.
- Change in the calculation methodology for emissions attributable to the supply chain.

Emissions 2016 (t CO_2 eq)

	SPAIN	UNITED KINGDOM	USA	MEXICO	BRAZIL	TOTAL
SCOPE 1: Direct emissions	5,286,089	4,989,640	1,114,709	13,543,673	1,756,943	**26,691,055**
SCOPE 2: Indirect emissions	905,243	854,743	662,518	1,493	303,797	**2,727,794**
SCOPE 3: Other indirect emissions	286,280	3,671,285	9,672,635	20276	4,687,145	**18,337,621**

2 The base year has been recalculated as shown in red on the attached table.

SCOPE 1: Direct Emissions (t CO_2 eq)

	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
Emissions from Energy Generation (Fuel Consumption)	5,272,880	4,944,407	1,040,335	13,543,565	1,739,901	**26,541,089**
Emissions from Non-generation (Storage of gas and drying)	-	24,701	32,330	-	-	**57,031**
Escapes (CH_4) (Gas storage and transmission)	-	337	11,380	-	-	**11,716**
Escapes (SF_6) (Electricity distribution)	5,166	10,750	7,432	-	680	**24,029**
Emissions in buildings (fuel consumption)	546	667	12,483	1	2	**13,699**
Emissions from mobile combustion (fleet cars)	7,496	8,778	10,749	108	16,359	**43,490**
TOTAL (t CO_2 eq)	**5,286,089**	**4,989,640**	**1,114,709**	**13,543,673**	**1,756,943**	**26,691,055**

SCOPE 2: Indirect emissions

	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
Emissions from electricity consumption for auxiliary systems during stoppages and pumping.	547,621	174,390	25,387	1,378	853	**749,628**
Electricity consumed in buildings	7,455	12,433	18,777	115	1,084	**39,863**
Network losses	350,167	667,920	618,355	-	301,861	**1,938,303**
TOTAL (t CO_2 eq)	**905,243**	**854,743**	**662,518**	**1,493**	**303,797**	**2,727,794**

SCOPE 3: Other indirect emissions

	SPAIN	UNITED KING-DOM	USA	MEXICO	BRAZIL	TOTAL
Emissions from employee travel.	7,401	4,892	2,662	104	252	**15,311**
Emissions associated with fuel transportation	88,573	171	-	-	-	**88,743**
Emissions associated with the supplier chain	169,376	278,128	241,947	15,995	54	**705,499**
Emissions associated with the transport of employees from their residence to their place of work	20,930	16,536	21,180	4,178	7,671	**70,495**
Emissions associated with energy purchased for sale to end users	0	3,371,559	9,406,846	-	4,679,168	**17,457,573**
TOTAL (t CO_2 eq)	**286,280**	**3,671,285**	**9,672,635**	**20,276**	**4,687,145**	**18,337,621**

CH Itapebi
Brazil
/ © Iberdrola S.A.

6.

Uncertainty and maximum relative importance

The estimated uncertainty of the emissions is a combination of the uncertainties in the emission factors and in the corresponding activity data.
The emission factors used to create the Iberdrola GHG Inventory are extracted from official sources and are specific to each source category. The selection of these emission factors is aimed at minimising uncertainty as far as possible. Unless clear evidence to the contrary is available, it is assumed that probability density functions are normal.
The uncertainty of the activity data used for creating the Iberdrola GHG Inventory is assured by the local regulations of countries participating in the EU ETS (Emission Trading System), and, for countries not participating in the EU ETS, by calibrating metering equipment according to the technical specifications or specific procedures of each facility.
A maximum relative importance level of 5% has been set in respect of total emissions.

Scottish Control centre
/ © Iberdrola S.A.

7. Quantification methods

Emissions

7.1 Direct Emissions (Scope 1)

7.1.1 Emissions from energy generation facilities (fuel consumption)

Direct emissions in thermal power generation facilities are carbon dioxide emissions produced by the combustion of fossil fuels (combustion emissions) and the desulphurisation of gases where applicable (process emissions) at the various power generation facilities:

- Conventional thermal generation (coal).
- Combined cycles.
- Cogeneration.
- Oil combustion in nuclear plants.
- Thermo-solar facilities with hybrid systems.

As mentioned above, the quantification methodology employed for calculating direct emissions is based on activity data (consumption of fuels) and the emission factors calculated or obtained from official sources.

7.1.2 Emissions from non-generating facilities.

This refers to carbon dioxide (CO_2) emissions produced by thermal drying processes at the Daldowie plant and the gas storage facility at Hatfield in the United Kingdom.

The quantification methodology employed for calculating direct emissions is based on activity data (fuel consumption) and the emission factors calculated or obtained from official sources.

7.1.3 Escapes of methane (CH_4) (natural gas storage and transmission).

To obtain emissions derived from CH_4 escapes produced during the transmission and storage of natural gas in CO_2 eq, such escapes are determined in tonnes of CH_4 and multiplied by a Global Warming Potential factor (GWP) published by the Intergovernmental Panel on Climate Change (IPCC) for a 100 year horizon (Values taken from AR4).

7.1.4 Escapes of hexafluoride (SF_6) in distribution networks.

In the quantifying methodology for the amount of CO_2 equivalent for hexafluoride (SF_6), such escapes are given in tonnes and multiplied by a Global Warming Potential factor (GWP) published by the Intergovernmental Panel on Climate Change (IPCC) for a 100 year horizon (Values taken from AR4).

7.1.5. Emissions from facilities that provide services to buildings (fuel consumption, Oil, Natural Gas and LPG)

The quantification methodology employed for calculating direct emissions is based on activity data (consumption of different fuels) and the emission factors obtained from the specific official sources for these fuels.

7.1.6 Emissions from mobile combustion sources associated with the road transportation of employees for work with fleet vehicles.

The quantification methodology employed for calculating direct emissions is based on activity data (consumption of fuel or kilometres driven) with the emission factor obtained from specific official sources.

7.2 Indirect Emissions (Scope 2)

7.2.1 Emissions associated with the consumption of auxiliary energy when stopping thermal, renewable and nuclear power plants, and pumping operations in hydroelectric power plants.

It calculates emissions associated with energy used during stoppages or pumping at installations, applying the emissions factor for the energy mix of the corresponding country.

7.2.2 Emissions associated with the consumption of electricity in buildings.

For the calculation of CO_2 eq. emissions, the emissions factor for the energy mix of the

corresponding country is applied to the energy consumed in buildings or offices.

7.2.3 Emissions associated with network losses in energy transmission.

Network losses are those associated with power distributed though own networks, excluding generation and are therefore network losses associated with distribution to third parties. The emission factor of the corresponding country's generation mix is applied to these losses.

7.3 Calculation of other Indirect Emissions (Scope 3)

7.3.1 Emissions associated with the transportation of employees for work.

Emissions associated with staff business travel by various means (car, plane, train etc.) obtained from the distances travelled and using the specific emission factors for the means of transport obtained from:

- DEFRA for Spain and UK
- EPA for the US, Mexico and Brazil

7.3.2 Emissions associated with fuel transportation

To calculate emissions associated with the transportation of fuel (coal and uranium) to power stations, the distance travelled in kilometres by road, rail or boat is determined and then multiplied by the emissions factors given in the UK Department for Environment Food & Rural Affairs (DEFRA) guide.

7.3.3 Emissions associated with the supply chain

In 2017 the eighth Supplier greenhouse gas awareness and measurement campaign was carried out, which involved sending questionnaires to the Group's suppliers in Spain, the UK, USA, Brazil and Mexico. A specific questionnaire and useful and supporting information on the topic was sent to 1,000 suppliers worldwide.

Of the replies obtained from the questionnaires, emissions proportional to the supplier's invoicing volume to the Company with regard to the total were taken as corresponding to Iberdrola. From the sum obtained, a ratio of emissions per euro of turnover is worked out, which is extrapolated to the total Group turnover.

7.3.4 Emissions associated with the transport of employees from their residence to their place of work

The company conducted its supplier greenhouse gas awareness and measurement campaign in 2017 on employee transit from their residence to their workplace. To do so, every Iberdrola Group employee was sent a questionnaire in order to calculate their transit emissions via an emissions calculator which works out emissions for travel. The compiled data is loaded into a database and extrapolated to all Iberdrola Group employees.

7.3.5 Emissions associated with energy purchased for sale to end users.

From energy supplied to the market, own energy produced is subtracted, the difference being energy purchased for sale to end users. Said energy emissions will be obtained from CO_2 emissions obtained by applying the emission factor of the corresponding country's generation mix added to the upstream emissions for that energy, using the DEFRA WTT (Well To Tank) emissions factor.

Date of conclusion of report 30 April 2018

8.

AENOR Verification Declaration

AENOR

Verification Statement of AENOR for IBERDROLA, S.A. on the Inventory of greenhouse gas emissions corresponding to the year 2017

DOSSIER: 1995/0014/HCO/01

Introduction

IBERDROLA, S.A. (hereinafter the company) commissioned the Spanish Association for Standardisation and Certification (AENOR) to make a limited revision of the inventory of greenhouse gases (GHG) for the year 2017 of its activities included in the GHG report dated April 2018, which is part of this Declaration.

AENOR is accredited by Entidad Mexicana de Acreditación (OVVGEI 004/14) (issue date: 31/10/2014; expiry date: 31/10/2018), according to ISO 14065:2007, to conduct GHG verifications according to ISO 14064-3:2006 in the Energy Sector.

Inventory of GHG emissions issued by the Organisation: IBERDROLA, S.A. C/ Tomás Redondo 1. 28033 Madrid (Spain).

Representative of the Organisation: Mr. Bernardo LLANEZA FOLGUERAS, from the Innovation, Sustainability and Quality Team

IBERDROLA, S.A. was responsible for reporting its GHG emissions considered ($C0_2$, CH_4 and SF_6) in accordance with the reference standard UNE-EN ISO 14064-1:2012.

Objective

The objective of the verification is to provide the interested parties with an independent and professional opinion on the information and data contained in the above mentioned GHG Report issued by IBERDROLA S.A..

Scope of the Verification

The scope of the verification is established for the activities carried out by the companies belonging to the company in the regions of Spain, United Kingdom, United States, Mexico and Brazil and to CO_2, CH_4 and SF_6 as the greenhouse gases considered. An annex to this Statement includes the list of companies whose activities are subject to the verified inventory.

In the emissions report, the company has understood a site as being a Region, which is a basic group of companies according to geographic location. Once the limits of the organisation are defined the GHG inventory is presented at a Regional level.

The regions considered are the following:

- Spain
- United Kingdom
- USA
- Mexico
- Brazil

During the verification the information was analysed according to operational control approach with the exception of nuclear power plants and shared cogeneration plants in Spain where the emissions are reported under the equity share approach to be aligned with the sustainability report.

AENOR

The scope of the activities of the company is identified in accordance with the guidelines of standard UNE-EN ISO 14064-1:2012 in direct and indirect activities.

Direct, indirect activities and exclusions from the verification.

Scope 1- Direct GHG emissions

Direct emissions occur from sources that are the property of or are controlled by the Company. These include:

- Emissions from energy generation facilities (fuels consumption)
- Emissions from no energy generation facilities (natural gas storages and ludge process)
- Emissions from methane (CH4) leaks (natural gas storages and transport)
- Emissions from sulphur hexafluoride (SF6) leaks in distribution networks
- Emissions from services equipment in buildings (fuels consumptions)
- Emissions from mobile sources

Scope 2 – Indirect GHG emissions

Indirect emissions are those derived form the activity but generated by other entities, including the emissions of the generation of electricity acquired and consumed by the company. These emissions are:

- Emissions associated with the consumption of auxiliary energy during stop in thermal, renewable and nuclear plants and pumping operations in hydro plants
- Emissions associated with the consumption of electricity in buildings
- Emissions associated with the grid losses

Scope 3- Other indirect GHG emissions

The rest of the indirect emissions are a consequence of the activities of the company, but occur in sources that are not the property of the company or controlled by it. These other emissions are:

- Emissions from mobile sources related to business trips in rental cars, owned cars, plane, train and boats
- Emissions associated to fuel transport (carbon and uranium)
- Emissions associated to supply chain
- Emissions associated to employee commuting
- Emissions associated to purchased energy in order to be sold to customers

Exclusions

- Emissions with low representativeness (< 5% in total) in relation to total emissions. This group includes:
    - Mobile combustion in power plants
    - Energy in wind farms located in countries different from the regions defined by Iberdrola
    - Energy consumption in buildings located in countries different from the regions defined by Iberdrola
    - Direct GHG emissions from Iberdrola Renovables
    - Emissions of CH_4 produced in combustion.

AENOR

Directed actions

The company does not include in its 2017 GHG Inventory any activity focused on the removal of greenhouse gases susceptible to be verified in accordance with standard UNE-EN ISO 14064-1:2012.

Materiality

For the verification it was agreed to consider as material discrepancies those omissions, distortions or errors that could be quantified and result in a difference of more than 5% with respect to the total of emissions declared.

Criteria

Standard UNE-EN ISO 14064-1:2012 is established as a verification criterion and additionally, for the sites subject to regulatory verification, Decision 2007/589/EC as well as the corresponding authorisations and Monitoring Plans in force. In general, the verification criteria were the following:

1) Standard UNE-EN ISO 14064-1:2012: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.
2) Standard UNE-EN ISO 14064-3:2012: Specification with guidance for the validation and verification of greenhouse gas assertions.
3) Decision 2007/589/CE of 18 July 2007 establishing guidelines for monitoring and reporting greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council.
4) IBERDROLA SA procedure "*Information Management of the Greenhouse Gas Inventory*" (in the corresponding version).

Finally, the GHG 2017 Report on the GHG emissions of the IBERDROLA GROUP dated April 2018 was subject to verification.

AENOR waives any responsibility for decisions, regarding investment or of any other type, based on this declaration.

AENOR

Conclusion

Based on the above, and according to the limited level of assurance AENOR states:

in our opinion *there is no evidence to suggest that the information on emissions reported in the 2017 Greenhouse Gases Report of IBERDROLA, S.A. dated April 2018 was not a true reflection of the emisssions from its activities.*

Summary of GHG emissions declared by IBERDROLA, S.A. for 2017 which have been verified

Data in t CO2 eq	**SPAIN**	**UNITED KINGDOM**	**EEUU**	**BRAZIL**	**MEXICO**	**TOTAL**
SCOPE 1: Direct GHG emissions	5.965.789	2.951.072	1.003.915	1.590.743	15.334.971	**26.846.490**
SCOPE 2: Indirect GHG emissions from energy	1.505.420	667.349	704.657	535.496	2.275	**3.415.197**
SCOPE 3: Other indirect GHG emissions	1.963.938	4.579.433	9.359.119	4.564.886	124.320	**20.591.696**

Lead verifier: Raúl BLANCO BAZACO

Environment Manager: José MAGRO GONZALEZ

Madrid, May 7th, 2018

AENOR INTERNACIONAL, S.A.U. C/ GÉNOVA 6, 28004 MADRID
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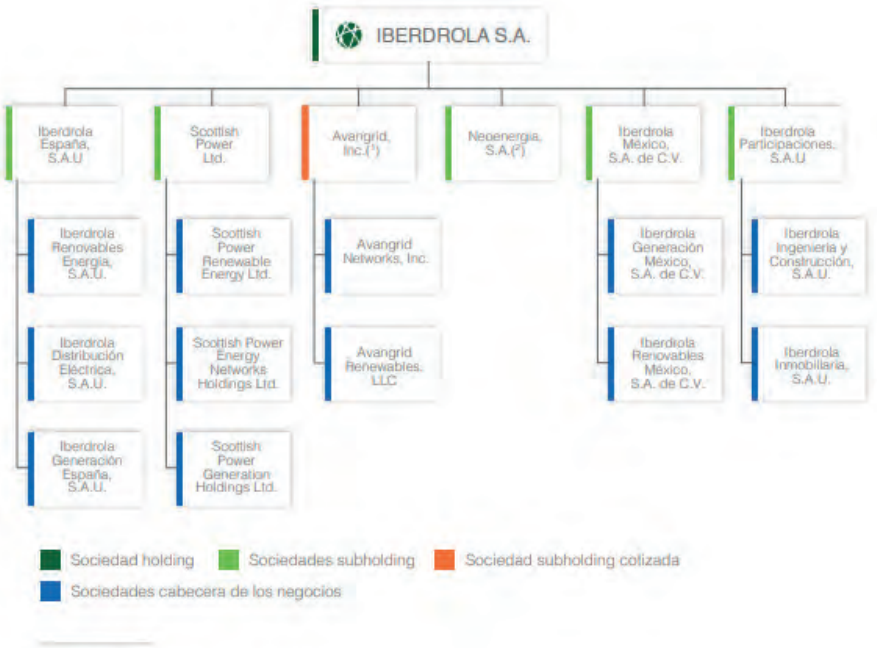
R-DTC-500.02

AENOR

ANNEX I

List of companies included in the 2017 inventory of IBERDROLA, S.A. which has been verified:



(1) Avangrid, Inc. está participada en un 81,50% por Iberdrola, S.A.
(2) Neoenergia, S.A. está participada en un 52,45% por Iberdrola, S.A.

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