

**FORM U5S Equivalent
and FORM U-9C-3 Information**

For the Year Ended December 31, 2018

Iberdrola, S.A. and Subsidiaries

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Item 1 - Summary of System and Non System Companies and Investments Therein

YEAR 2018 ADDITIONAL INFORMATION RELATED TO GROUP COMPANIES, JOINTLY-CONTROLLED COMPANIES AND ASSOCIATES OF THE IBERDROLA GROUP.

Below is the detail of the proportion of direct or indirect ownership that Iberdrola, S.A. holds in its subsidiaries in its different businesses. The proportion of decision-making votes in the bodies of these companies controlled by Iberdrola basically corresponds with the proportion of ownership.

(*) The consolidation method by company is detailed as follows:

G: Full consolidation

E: Equity accounted investee

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
<u>Liberalised business</u>					
Spain					
Cogeneración Gequiza, S.A.	Spain	Energy	50.00	50.00	E
Enercrisa, S.A.	Spain	Energy	50.00	50.00	E
Energía Portátil Cogeneración, S.A.	Spain	Energy	50.00	50.00	E
Energyworks Aranda, S.L.	Spain	Energy	99.00	99.00	G
Energyworks Carballo, S.L.	Spain	Energy	99.00	99.00	G
Energyworks Cartagena, S.L.	Spain	Energy	99.00	99.00	G
Energyworks Fonz, S.L.	Spain	Energy	100.00	100.00	G
Energyworks Milagros, S.L.	Spain	Energy	100.00	100.00	G
Energyworks Monzón, S.L.	Spain	Energy	100.00	100.00	G
Energyworks San Millán, S.L.	Spain	Energy	100.00	100.00	G
Energyworks Villarrobledo, S.L.	Spain	Energy	99.00	99.00	G
Energyworks Vit-Vall, S.L.	Spain	Energy	99.00	99.00	G
Fudepor, S.L.	Spain	Energy	50.00	50.00	E
IBERDROLA Clientes, S.A.U.	Spain	Retailer	100.00	100.00	G
IBERDROLA Clientes Internacional, S.L.	Spain	Holding	100.00	-	G
IBERDROLA Cogeneración, S.L.U.	Spain	Holding	100.00	100.00	G
IBERDROLA Comercialización de Último Recurso, S.A.U.	Spain	Retailer	100.00	100.00	G
IBERDROLA Generación España, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Generación Nuclear, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Generación Térmica, S.L.U.	Spain	Energy	100.00	-	G
IBERDROLA Operación y Mantenimiento, S.A.U.	Spain	Services	100.00	100.00	G
IBERDROLA Servicios Energéticos, S.A.U.	Spain	Services	100.00	100.00	G
Iberduero, S.L.U.	Spain	Energy	100.00	100.00	G
Intermalta Energía, S.A.	Spain	Energy	50.00	50.00	E
Nuclenor, S.A.	Spain	Energy	50.00	50.00	E
Peninsular Cogeneración, S.A.	Spain	Energy	50.00	50.00	E
Productos y Servicios de Confort, S.A.	Spain	Services	100.00	100.00	G
Tarragona Power, S.L.U.	Spain	Energy	100.00	100.00	G
Tecnatom, S.A. ⁽⁵⁾	Spain	Other	30.00	30.00	-
IBERDROLA Clientes Portugal, Unipessoal Ltda.	Portugal	Retailer	100.00	100.00	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
United Kingdom					
Scottish Power Generation Holdings Ltd.	United Kingdom	Holding	100.00	100.00	G
ScottishPower (DCL), Ltd.	United Kingdom	Energy	100.00	100.00	G
ScottishPower (SCPL), Ltd.	United Kingdom	Energy	100.00	100.00	G
ScottishPower Energy Management (Agency), Ltd.	United Kingdom	Services	100.00	100.00	G
ScottishPower Energy Management, Ltd.	United Kingdom	Energy	100.00	100.00	G
ScottishPower Energy Retail, Ltd.	United Kingdom	Energy	100.00	100.00	G
ScottishPower Generation (Assets), Ltd	United Kingdom	Energy	100.00	-	G
SP Dataserve, Ltd.	United Kingdom	Debt management	100.00	100.00	G
SP Gas Transportation Cockenzie, Ltd.	United Kingdom	Inactive	100.00	100.00	G
SP Gas Transportation Hatfield, Ltd.	United Kingdom	Inactive	100.00	100.00	G
SP Smart Meter Assets, Ltd.	United Kingdom	Energy	100.00	100.00	G
Rest of Europe					
IBERDROLA Energy Deutschland, GmbH.	Germany	Services	100.00	100.00	G
IBERDROLA Energie France, S.A.S.	France	Services	100.00	100.00	G
IBERDROLA Clienti Italia, S.R.L.	Italy	Services	100.00	100.00	G
IBERDROLA Ireland, Ltd	Ireland	Services	100.00	-	G
Mexico					
Hidroila I, S.L.U.	Spain	Holding	100.00	100.00	G
Cinergy, S.R.L. de C.V.	Mexico	Services	100.00	100.00	G
IBERDROLA Soporte a Proyectos Liberalizados, S.A. de C.V. (Before, Electricidad de Veracruz, S.A. de C.V.)	Mexico	Services	100.00	100.00	G
Enertek, S.A. de C.V.	Mexico	Energy	99.99	99.99	G
IBERDROLA Clientes, S.A. de C.V.	Mexico	Retailer	100.00	100.00	G
IBERDROLA Cogeneración Altamira, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Cogeneración Bajío, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Cogeneración Ramos, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Energía Altamira de Servicios, S.A. de C.V.	Mexico	Services	100.00	100.00	G
IBERDROLA Energía Altamira, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Energía Baja California, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Energía del Golfo, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Energía Escobedo, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Energía La Laguna, S.A. de C.V.	Mexico	Energy	99.99	99.99	G
IBERDROLA Energía Monterrey, S.A. de C.V.	Mexico	Energy	99.99	99.99	G
IBERDROLA Energía Noroeste, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Energía Tamazunchale, S.A. de C.V.	Mexico	Energy	99.99	99.99	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Servicios de Operación La Laguna, S.A. de C.V.	Mexico	Services	100.00	100.00	G
Industrial and administrative services del Noreste, S.R.L. de C.V.	Mexico	Services	51.12	51.12	G
Brazil					
Baguari Geração de Energia Elétrica, S.A.	Brazil	Energy	52.45	52.45	G
Bahia PCH II, S.A. Bahía Pequeña C. Hidroeléctrica	Brazil	Energy	52.45	52.45	G
Bahia PCH III, S.A. Bahía Geração de Energia	Brazil	Energy	52.45	52.45	-
Belo Monte Participações, S.A.	Brazil	Holding	52.45	52.45	G
Companhia Hidrelétrica Teles Pires, S.A.	Brazil	Energy	26.75	26.75	E
Elektro Comercializadora de Energia Ltda.	Brazil	Retailer	52.45	52.45	G
Energetica Aguas da Pedra, S.A.	Brazil	Energy	26.75	26.75	E
Energética Corumba III, S.A. ⁽⁴⁾	Brazil	Energy	13.11	13.11	E
Geração Ceu Azul, S.A.	Brazil	Energy	52.45	52.45	G
Geração CIII, S.A.	Brazil	Holding	52.45	52.45	G
Itapebí Geração de Energia, S.A.	Brazil	Energy	52.45	52.45	G
NC Energia, S.A.	Brazil	Retailer	52.45	52.45	G
Neoenergia Operação e Manutenção, S.A.	Brazil	Services	52.45	52.45	G
Norte Energia, S.A. ⁽⁴⁾	Brazil	Energy	5.25	5.25	E
PCH Alto do Rio Grande, S.A.	Brazil	Energy	52.45	52.45	G
Sever RJ Participacoes S.A. ⁽⁵⁾	Brazil	Energy	52.45	52.45	-
Teles Pires Participações, S.A.	Brazil	Holding	26.52	26.52	E
Termopernambuco, S.A.	Brazil	Energy	52.45	52.45	G
Canada					
IBERDROLA Canadá Energy Services, Ltd.	Canada	Gas	100.00	100.00	G
Renewable Business					
Spain					
Anselmo León Hidráulica, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
Biocantaber, S.L.	Spain	Energy	50.00	50.00	E
Bionor Eólica, S.A.	Spain	Energy	57.00	57.00	G
Biovent Energía, S.A.	Spain	Energy	95.00	95.00	G
Cantaber Generación Eólica, S.L.	Spain	Energy	69.01	69.01	G
Ciener, S.A.U.	Spain	Energy	100.00	100.00	G
Desarrollo de Energías Renovables de La Rioja, S.A. ⁽²⁾	Spain	Energy	40.51	40.51	E
Ecobarcial, S.A. ⁽²⁾	Spain	Energy	43.78	43.78	E
Electra de Malvana, S.A. ⁽²⁾	Spain	Energy	48.00	48.00	E
Electra Sierra de los Castillos, S.L.	Spain	Energy	97.00	97.00	G
Electra Sierra de San Pedro, S.A.	Spain	Energy	80.00	80.00	G
Eléctricas de la Alcarria, S.L.	Spain	Energy	90.00	90.00	G
Eme Hueneja Cuatro, S.L.	Spain	Energy	100.00	100.00	G
Energía de Castilla y León, S.A.	Spain	Energy	85.50	85.50	G
Energías Ecológicas de Tenerife, S.A. ⁽³⁾	Spain	Energy	50.00	50.00	G
Energías Eólicas de Cuenca, S.A.U.	Spain	Energy	100.00	100.00	G
Energías Renovables de la Región de Murcia, S.A.U.	Spain	Energy	100.00	100.00	G
Eólica Campollano, S.A. ⁽²⁾	Spain	Energy	25.00	25.00	E
Eólica 2000, S.L.	Spain	Energy	51.00	51.00	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Eólicas de Euskadi, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Eólica Marina, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Generación, S.A.U.	Spain	Energy	100.00	100.00	G
Fincalia Agropecuaria, S.L. (before, IBERDROLA Renewables Solutions, S.A.)	Spain	Energy	100.00	100.00	G
Fincalia Agropecuaria siglo XXI, S.A.	Spain	Energy	100.00	-	G
IBERDROLA Renovables Galicia, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Renovables Andalucía, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Renovables Aragón, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Renovables Canarias, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Renovables Castilla – La Mancha, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Renovables Castilla y León, S.A.	Spain	Energy	95.00	95.00	G
IBERDROLA Renovables Energía, S.A.U.	Spain	Holding	100.00	100.00	G
IBERDROLA Renovables Internacional, S.L.	Spain	Holding	100.00	-	G
IBERDROLA Renovables La Rioja, S.A. ⁽²⁾	Spain	Energy	63.55	63.55	E
Iberenova Promociones, S.A.U.	Spain	Energy	100.00	100.00	G
Iberjalón, S.A.	Spain	Energy	80.00	80.00	G
Minicentrales del Tajo, S.A.	Spain	Energy	66.58	66.58	G
Molinos de La Rioja, S.A. ⁽²⁾	Spain	Energy	42.37	42.37	E
Molinos del Cidacos, S.A. ⁽²⁾	Spain	Energy	31.78	31.78	E
Parque Eólico Cruz del Carrutero, S.L.	Spain	Energy	76.00	76.00	G
Peache Energías Renovables, S.A.	Spain	Energy	95.00	95.00	G
Producciones Energéticas Asturianas, S.L.	Spain	Energy	80.00	80.00	G
Producciones Energéticas de Castilla y León, S.A. ⁽²⁾	Spain	Energy	85.50	85.50	E
Proyecto Nuñez de Balboa, S.L.	Spain	Energy	100.00	-	G
Renovables de la Ribera, S.L. ⁽⁵⁾	Spain	Energy	50.00	50.00	-
Sistemas Energéticos Altamira, S.A.U.	Spain	Energy	100.00	100.00	G
Sistemas Energéticos Chandrexa, S.A.	Spain	Energy	96.07	96.07	G
Sistemas Energéticos del Moncayo, S.A.	Spain	Energy	75.00	75.00	G
Sistemas Energéticos La Gomera, S.A.U.	Spain	Energy	100.00	100.00	G
Sistemas Energéticos La Higuera, S.A.	Spain	Energy	55.00	55.00	G
Sistemas Energéticos de la Linera, S.A.U.	Spain	Energy	100.00	100.00	G
Sistemas Energéticos La Muela, S.A.	Spain	Energy	80.00	80.00	G
Sistemas Energéticos Mas Garullo, S.A.	Spain	Energy	78.00	78.00	G
Sistemas Energéticos Nacimiento, S.A.U.	Spain	Energy	100.00	100.00	G
Sistemas Energéticos Tacica de Plata, S.A.U.	Spain	Energy	100.00	100.00	G
Sistemas Energéticos Torralba, S.A.	Spain	Energy	60.00	60.00	G
Sistemas Energetics Savalla del Comtat, S.A.U.	Spain	Energy	100.00	100.00	G
Sociedad Gestora de Parques Eólicos de Andalucía, S.A.	Spain	Energy	63.91	63.91	G
Sotavento Galicia, S.A. ⁽⁴⁾	Spain	Energy	8.00	8.00	E
Ibertâmega – Sistema Electroprodutor Do Tâmega, S.A.	Portugal	Energy	100.00	100.00	G
IBERDROLA Suporte Projecto Tâmega, Unipessoal Lda.	Portugal	Energy	100.00	100.00	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
United Kingdom					
Celtpower, Ltd.	United Kingdom	Energy	50.00	50.00	E
Coldham Windfarm, Ltd.	United Kingdom	Energy	80.00	80.00	G
East Anglia Offshore Wind, Ltd.	United Kingdom	Energy	50.00	50.00	E
East Anglia One, Ltd.	United Kingdom	Energy	100.00	100.00	G
East Anglia Three, Ltd.	United Kingdom	Energy	100.00	100.00	G
East Anglia One North Ltd.	United Kingdom	Energy	100.00	100.00	G
East Anglia Two Ltd.	United Kingdom	Energy	100.00	100.00	G
Morecambe Wind, Ltd.	United Kingdom	Energy	50.00	50.00	E
ScottishPower Renewable Energy, Ltd.	United Kingdom	Holding	100.00	100.00	G
ScottishPower Renewables (WODS), Ltd.	United Kingdom	Energy	100.00	100.00	G
ScottishPower Renewables UK, Ltd.	United Kingdom	Energy	100.00	100.00	G
ScottishPower Renewables (UK Assets), Ltd	United Kingdom	Energy	100.00	-	G
United States					
Aeolus Wind Power II, LLC	USA	Holding	81.50	81.50	G
Aeolus Wind Power III, LLC	USA	Holding	81.50	81.50	G
Aeolus Wind Power IV, LLC	USA	Holding	81.50	81.50	G
Atlantic Renewable Energy Corporation	USA	Holding	81.50	81.50	G
Atlantic Renewable Projects II, LLC	USA	Holding	81.50	81.50	G
Atlantic Renewable Projects, LLC	USA	Energy	81.50	81.50	G
Atlantic Wind, LLC	USA	Holding	81.50	81.50	G
Aurora Solar, LLC	USA	Holding	81.50	81.50	G
Avangrid Arizona Renewables, LLC	USA	Energy	81.50	81.50	G
Avangrid Logistic Services, LLC	USA	Energy	81.50	81.50	G
Avangrid Renewables Holdings, Inc.	USA	Holding	81.50	81.50	G
Avangrid Renewables, LLC	USA	Holding	81.50	81.50	G
Avangrid Texas Renewables, LLC	USA	Energy	81.50	81.50	G
Avangrid Vineyard Wind, LLC	USA	Holding	81.50	81.50	G
Bakeoven Solar, LLC	USA	Energy	81.50	-	G
Barton Windpower, LLC	USA	Energy	81.50	81.50	G
Big Horn II Wind Project, LLC	USA	Energy	81.50	81.50	G
Big Horn Wind Project, LLC	USA	Energy	81.50	81.50	G
Blue Creek Wind Farm, LLC	USA	Energy	81.50	81.50	G
Buffalo Ridge I, LLC	USA	Energy	81.50	81.50	G
Buffalo Ridge II, LLC	USA	Energy	81.50	81.50	G
Casselman Wind Power, LLC	USA	Energy	81.50	81.50	G
Colorado Green Holdings, LLC	USA	Holding	81.50	40.75	G
Colorado Wind Ventures, LLC	USA	Holding	81.50	40.75	G
Coyote Ridge Wind, LLC	USA	Energy	16.30	81.50	E
Deerfield Wind, LLC	USA	Energy	81.50	81.50	G
Desert Wind Farm, LLC	USA	Energy	81.50	81.50	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Dillon Wind, LLC	USA	Energy	81.50	81.50	G
El Cabo Wind, LLC	USA	Energy	81.50	80.69	G
El Cabo Wind Holdings	USA	Holding	81.50	80.69	G
El Cabo Partners, LLC	USA	Energy	81.50	81.50	G
Elk River Wind Farm, LLC	USA	Energy	81.50	81.50	G
Elm Creek Wind II, LLC	USA	Energy	81.50	81.50	G
Elm Creek Wind, LLC	USA	Energy	81.50	81.50	G
Farmers City Wind, LLC	USA	Energy	81.50	81.50	G
Flat Rock Windpower II, LLC	USA	Energy	40.75	40.75	E
Flat Rock Windpower, LLC	USA	Energy	40.75	40.75	E
Flying Cloud Power Partners, LLC	USA	Energy	81.50	81.50	G
Golden Hills Wind Farm, LLC	USA	Energy	81.50	81.50	G
Goodland Wind, LLC	USA	Energy	81.50	81.50	G
Groton Wind, LLC	USA	Energy	81.50	81.50	G
Hardscrabble Wind Power, LLC	USA	Energy	81.50	81.50	G
Hay Canyon Wind, LLC	USA	Energy	81.50	81.50	G
Heartland Wind, LLC	USA	Energy	81.50	81.50	G
Helix Wind Power Facility, LLC	USA	Energy	81.50	81.50	G
Imperial Wind, LLC (Antes Bakeoven Wind, LLC)	USA	Energy	81.50	81.50	G
Juniper Canyon Wind Power II, LLC	USA	Energy	81.50	81.50	G
Juniper Canyon Wind Power, LLC	USA	Energy	81.50	81.50	G
Karankawa Wind, LLC	USA	Energy	81.50	-	G
Kitty Hawk Wind, LLC	USA	Energy	81.50	81.50	G
Klamath Energy, LLC	USA	Energy	81.50	81.50	G
Klamath Generation, LLC	USA	Energy	81.50	81.50	G
Klondike Wind Power II, LLC	USA	Energy	81.50	81.50	G
Klondike Wind Power III, LLC	USA	Energy	81.50	81.50	G
Klondike Wind Power, LLC	USA	Energy	81.50	81.50	G
La Joya Wind, LLC	USA	Energy	81.50	-	G
Lakeview Cogeneration, LLC	USA	Energy	81.50	81.50	G
Leaning Juniper Wind Power II, LLC	USA	Energy	81.50	81.50	G
Leipsic Wind, LLC	USA	Energy	81.50	81.50	G
Lempster Wind, LLC	USA	Energy	81.50	81.50	G
Locust Ridge II, LLC	USA	Energy	81.50	81.50	G
Locust Ridge Wind Farms, LLC ⁽³⁾	USA	Energy	37.74	37.74	G
Loma Vista, LLC	USA	Energy	81.50	81.50	G
Lund Hill Solar, LLC	USA	Energy	81.50	-	G
Manzana Power Services, Inc.	USA	Services	81.50	81.50	G
Manzana Wind, LLC	USA	Energy	81.50	81.50	G
Midland Wind, LLC	USA	Energy	81.50	81.50	G
Minndakota Wind, LLC	USA	Energy	81.50	81.50	G
Mohawk Solar, LLC	USA	Energy	81.50	81.50	G
Montague Wind Power Facility, LLC	USA	Energy	81.50	81.50	G
Moraine Wind II, LLC	USA	Energy	81.50	81.50	G
Moraine Wind, LLC	USA	Energy	81.50	81.50	G
Mount Pleasant Wind, LLC	USA	Energy	81.50	81.50	G
Mountain View Power Partners III, LLC	USA	Energy	81.50	81.50	G
New England Wind, LLC	USA	Energy	81.50	81.50	G
New Harvest Wind Project, LLC	USA	Energy	81.50	81.50	G
Northern Iowa WindPower II, LLC	USA	Energy	81.50	81.50	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Otter Creek Wind Farm, LLC	USA	Energy	81.50	81.50	G
Pacific Harbor Capital, Inc.	USA	Other	81.50	81.50	G
Pacific Wind Development, LLC	USA	Holding	81.50	81.50	G
Pebble Springs Wind, LLC	USA	Energy	81.50	81.50	G
Phoenix Wind Power, LLC	USA	Energy	81.50	81.50	G
PPM Colorado Wind Ventures, Inc.	USA	Holding	81.50	81.50	G
PPM Roaring Brook, LLC	USA	Energy	81.50	81.50	G
PPM Technical Services, Inc.	USA	Services	81.50	81.50	G
PPM Wind Energy, LLC	USA	Holding	81.50	81.50	G
Providence Heights Wind, LLC	USA	Energy	81.50	81.50	G
Rugby Wind, LLC	USA	Energy	81.50	81.50	G
San Luis Solar, LLC	USA	Energy	81.50	81.50	G
ScottishPower Financial Services, Inc.	USA	Other activities	81.50	81.50	G
ScottishPower Group Holdings Company	USA	Holding	81.50	81.50	G
Shiloh I Wind Project, LLC	USA	Energy	81.50	81.50	G
Solar Star Oregon II, LLC	USA	Energy	81.50	81.50	G
South Chestnut, LLC	USA	Energy	81.50	81.50	G
Start Point Wind Project, LLC	USA	Energy	81.50	81.50	G
Streator Cayuga Ridge Wind Power, LLC	USA	Energy	81.50	81.50	G
Tatanka Ridge Wind. LLC (antes Buffalo Ridge III, LLC)	USA	Energy	81.50	81.50	G
Trimont Wind I, LLC	USA	Energy	81.50	81.50	G
Tule Wind, LLC	USA	Energy	81.50	81.50	G
Twin Buttes Wind, LLC	USA	Energy	81.50	81.50	G
Twin Buttes Wind II, LLC	USA	Energy	81.50	81.50	G
Vineyard Wind, LLC	USA	Energy	40.75	40.75	E
West Valley Leasing Company, LLC	USA	Gas	81.50	81.50	-
Winnebago Windpower II, LLC	USA	Energy	81.50	81.50	G
Winnebago Windpower, LLC	USA	Energy	81.50	81.50	G
Wyeast Solar, LLC	USA	Energy	81.50	81.50	G
Mexico					
BII NEE Stipa Energía Eólica, S.A. de C.V.	Mexico	Energy	99.99	99.99	G
Corporativo IBERDROLA Renovables México, S.A. de C.V.	Mexico	Services	100.00	100.00	G
Energías Renovables Venta III, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
Eólica Dos Arbolitos S.A.P.I. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Soporte a Proyectos Renovables, S.A. DE C.V. (Before, IBERDROLA Energía Norte, S.A. de C.V.)	Mexico	Services	100.00	100.00	G
IBERDROLA Renovables Centro, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
IBERDROLA Renovables del Bajío, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
Impulsora de Generación Fotovoltaica de México, S.A. de C.V. (antes IBERDROLA Renovables del Irapuato,	Mexico	Energy	100.00	100.00	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Infraestructuras de Generación Eléctrica, S.A. de C.V. (antes IBERDROLA Renovables del Zacatecas, S.A. de C.V.)	Mexico	Energy	100.00	100.00	G
IBERDROLA Renovables México, S.A. de C.V.	Mexico	Holding	100.00	100.00	G
IBERDROLA Renovables Noroeste, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
Parque de Generación Renovable, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
Parque energías Renovables de México, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
Parque Industrial de Energía Renovables, S.A. de C.V.	Mexico	Energy	51.00	51.00	G
Parques Ecológicos de México, S.A. de C.V.	Mexico	Energy	99.99	99.99	G
Pier II Quecholac Felipe Ángeles, S.A. de C.V.	Mexico	Energy	51.00	51.00	G
Pier IV, S.A. de C.V.	Mexico	Energy	51.00	51.00	G
Proyecto Alternativa Energética de México, S.A. de C.V.	Mexico	Energy	100.00	100.00	G
Servicios de Operación Eoloeléctrica de México, S.A. de C.V.	Mexico	Services	100.00	100.00	G
Brazil					
Arizona 1 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Caetité 1 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Caetité 2 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Caetité 3 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 1 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 2 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 3 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 4 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 5 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 6 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Canoas Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Canoas 2 Energia renovavel, S.A. (before, Tacca RJ Participacoes S.A.)	Brazil	Energy	52.45	52.45	G
Canoas 3 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Canoas 4 Energia renovavel, S.A. (Before, Titanum RJ Participacoes S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 1 Energia renovavel, S.A. (before, Meridiano 1 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 2 Energia renovavel, S.A. (before, Meridiano 2 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 3 Energia renovavel, S.A. (before, Meridiano 3 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 4 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Chafariz 5 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Chafariz 6 Energia renovavel, S.A. (before, Meridiano 4 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 7 Energia renovavel, S.A. (before, Meridiano 5 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Elektro Renováveis do Brasil, S.A.	Brazil	Energy	52.45	52.45	G
Energias Renováveis do Brasil, S.A.	Brazil	Energy	52.45	52.45	G
FE Participações, S.A.	Brazil	Energy	52.45	52.45	G
Força Eolica do Brasil 1, S.A.	Brazil	Energy	52.45	52.45	G
Força Eolica do Brasil 2, S.A.	Brazil	Energy	52.45	52.45	G
Força Eolica do Brasil, S.A.	Brazil	Energy	52.45	52.45	G
Lagoa 1 Energia renovavel , S.A.	Brazil	Energy	52.45	52.45	G
Lagoa 2 Energia renovavel , S.A.	Brazil	Energy	52.45	52.45	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Calango 3 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 4 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 5 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Calango 6 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Canoas Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Canoas 2 Energia renovavel, S.A. (before, Tacca RJ Participacoes S.A.)	Brazil	Energy	52.45	52.45	G
Canoas 3 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Canoas 4 Energia renovavel, S.A. (Before, Titanum RJ Participacoes S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 1 Energia renovavel, S.A. (before, Meridiano 1 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 2 Energia renovavel, S.A. (before, Meridiano 2 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 3 Energia renovavel, S.A. (before, Meridiano 3 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 4 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Chafariz 5 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Chafariz 6 Energia renovavel, S.A. (before, Meridiano 4 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Chafariz 7 Energia renovavel, S.A. (before, Meridiano 5 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Elektro Renováveis do Brasil, S.A.	Brazil	Energy	52.45	52.45	G
Energias Renováveis do Brasil, S.A.	Brazil	Energy	52.45	52.45	G
FE Participações, S.A.	Brazil	Energy	52.45	52.45	G
Força Eolica do Brasil 1, S.A.	Brazil	Energy	52.45	52.45	G
Força Eolica do Brasil 2, S.A.	Brazil	Energy	52.45	52.45	G
Força Eolica do Brasil, S.A.	Brazil	Energy	52.45	52.45	G
Lagoa 1 Energia renovavel , S.A.	Brazil	Energy	52.45	52.45	G
Lagoa 2 Energia renovavel , S.A.	Brazil	Energy	52.45	52.45	G
Lagoa 3 Energia renovavel, S.A. (before, Meridiano 6 Energia renovavel, S.A.)	Brazil	Energy	52.45	52.45	G
Lagoa 4 Energia renovavel, S.A. (before, Soumaya RJ Participacoes S.A.)	Brazil	Energy	52.45	52.45	G
Mel 2 Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Santana 1, Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Santana 2, Energia Renovável, S.A.	Brazil	Energy	52.45	52.45	G
Ventos de Arapuá 1 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Ventos de Arapuá 2 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G
Ventos de Arapuá 3 Energia renovavel, S.A.	Brazil	Energy	52.45	-	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
ROW					
Baltic Eagle, GmbH.	Germany	Energy	100.00	100.00	G
IBERDROLA Renovables Offshore Deutschland, GmbH.	Germany	Energy	100.00	100.00	G
IBERDROLA Renovables Deutschland, GmbH.	Germany	Energy	100.00	100.00	G
IBERDROLA Renewables Australia PTY, Ltd.	Australia	Energy	100.00	-	G
IBERDROLA Renewables Bulgaria, EOOD.	Bulgaria	Energy	100.00	100.00	G
IBERDROLA Renewables Canadá, Ltd.	Canada	Holding	100.00	100.00	G
Rokas Aeoliki Cyprus, Ltd.	Cyprus	Energy	74.82	74.82	G
Ailes Marine, S.A.S.	France	Energy	70.00	70.00	G
IBERDROLA Renovables France, S.A.S.	France	Energy	100.00	100.00	G
C. Rokas Industrial Commercial Company, S.A.	Greece	Holding	99.76	99.76	G
PPC Renewables Rokas, S.A.	Greece	Energy	50.88	50.88	G
Rokas Aeoliki Thraki III, S.A.	Greece	Energy	99.61	99.61	G
Rokas Construction, S.A.	Greece	Energy	99.76	99.76	G
Rokas Hydroelectric, S.A.	Greece	Energy	99.76	99.76	G
IBERDROLA Renovables Magyarország, KFT.	Hungary	Energy	100.00	100.00	G
IBERDROLA Renovables Italia, S.p.A.	Italy	Holding	100.00	100.00	G
Società Energie Rinnovabili 2, S.p.A. ⁽²⁾	Italy	Energy	50.00	50.00	E
Eonergi Energia Eolica, S.A.	Portugal	Energy	100.00	100.00	G
IBERDROLA Renewables Portugal, S.A.	Portugal	Holding	100.00	100.00	G
Parque Eólico da Serra do Alvao, S.A.	Portugal	Energy	100.00	100.00	G
Eolica Dobrogea One, S.R.L.	Romania	Energy	100.00	100.00	G
IBERDROLA Renewables Romania, S.R.L.	Romania	Holding	100.00	100.00	G
IBERDROLA Renewables South Africa (PTY), Ltd.	South Africa	Energy	100.00	100.00	G
Innovation					
Algaenergy, S.A. ⁽⁵⁾	Spain	Services	14.84	17.81	-
Arborea Intellbird, S.L. ^{(2) (4)}	Spain	Other activities	18.89	18.89	E
Atten2 Advanced Monitoring Technologies, S.L. ⁽²⁾	Spain	Other activities	23.27	21.22	E
GDES Technology for services, S.L. ⁽²⁾	Spain	Other activities	40.00	40.00	E
IBERDROLA Servicios de Innovación, S.L.	Spain	Other activities	100.00	100.00	G
Inversiones Financieras Perseo, S.L.	Spain	Holding	100.00	100.00	G
IBERDROLA QSTP, LLC	Qatar	Services	100.00	100.00	G
Network Business					
Spain					
Anselmo León Distribución, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
Anselmo León, S.A.U. ⁽¹⁾	Spain	Holding	100.00	100.00	E
Distribuidora de Energía Eléctrica Enrique García Serrano, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
Distribuidora Eléctrica Navasfrías, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
Eléctrica Conquense Distribución, S.A.	Spain	Energy	53.59	53.59	G
Eléctrica Conquense, S.A.	Spain	Holding	53.59	53.59	G
Electro-Distribuidora Castellano-Leonesa, S.A. ⁽¹⁾	Spain	Energy	100.00	100.00	E

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Empresa Eléctrica del Cabriel, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
Herederos María Alonso Calzada – Venta de Baños, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
San Cipriano de Rueda Distribución, S.L. ⁽¹⁾	Spain	Energy	100.00	100.00	E
IBERDROLA Distribución Eléctrica, S.A.U.	Spain	Energy	100.00	100.00	G
IBERDROLA Infraestructuras y Servicios de Redes, S.A.	Spain	Services	100.00	100.00	G
IBERDROLA Redes España, S.A.U.	Spain	Holding	100.00	100.00	G
Sociedad Distribuidora de Electricidad de Elorrio, S.A. ⁽¹⁾	Spain	Energy	97.95	97.95	E
United Kingdom					
Manweb Services, Ltd.	United Kingdom	Energy	100.00	100.00	G
NGET/SPT Upgrades, Ltd.	United Kingdom	Energy	50.00	50.00	E
Scottish Power Energy Networks Holdings, Ltd.	United Kingdom	Holding	100.00	100.00	G
SP Distribution, Plc.	United Kingdom	Energy	100.00	100.00	G
SP Gas, Ltd.	United Kingdom	Inactive	100.00	100.00	G
SP Manweb, Plc.	United Kingdom	Energy	100.00	100.00	G
SP Network Connections, Ltd.	United Kingdom	General use connections	100.00	100.00	G
SP Power Systems, Ltd.	United Kingdom	Asset management services	100.00	100.00	G
SP Manweb, Plc.	United Kingdom	Energy	100.00	100.00	G
United States					
Avangrid, Inc.	USA	Holding	81.50	81.50	G
Avangrid Enterprises, Inc.	USA	Holding	81.50	81.50	G
Avangrid Management Company, LLC	USA	Holding	81.50	81.50	G
Avangrid Service Company	USA	Services	81.50	81.50	G
Avangrid New York TransCo, LLC	USA	Holding	81.50	81.50	G
Avangrid Networks, Inc.	USA	Holding	81.50	81.50	G
Avangrid Solutions, Inc.	USA	Other activities	81.50	81.50	G
Berkshire Energy Resources	USA	Holding	81.50	81.50	G
Cayuga Energy, Inc.	USA	Holding	81.50	81.50	G
Central Maine Power Company	USA	Electricity	81.50	81.50	G
Chester SVC Partnership ⁽³⁾	USA	Electricity	40.75	40.75	G
CMP Group, Inc.	USA	Holding	81.50	81.50	G
CNE Energy Services Group, LLC	USA	Services	81.50	81.50	G
CNE Peaking, LLC	USA	Services	81.50	81.50	G
Connecticut Energy Corporation	USA	Holding	81.50	81.50	G
Connecticut Natural Gas Corporation	USA	Gas	81.50	81.50	G
CTG Resources, Inc.	USA	Holding	81.50	81.50	G
GCE Holding, LLC	USA	Holding	40.75	40.75	-
GenConn Devon, LLC	USA	Generation	40.75	40.75	-
GenConn Energy, LLC	USA	Generation	40.75	40.75	-
GenConn Middletown, LLC	USA	Generation	40.75	40.75	-
Maine Electric Power Company, Inc.	USA	Energy	63.80	63.80	G
Maine Natural Gas Corporation	USA	Gas	81.50	81.50	G
Maine Yankee Atomic Power Company ⁽⁵⁾	USA	Other activities	30.97	30.97	-

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
MaineCom Services	USA	Telecommunications	81.50	81.50	G
New York State Electric & Gas Corporation	USA	Electricity and Gas	81.50	81.50	G
NORVARCO	USA	Holding	81.50	81.50	G
Nth Power Technologies Fund I, LP. ⁽⁵⁾	USA	Other	21.92	21.92	-
RGS Energy Group, Inc.	USA	Holding	81.50	81.50	G
Rochester Gas and Electric Corporation	USA	Electricity and Gas	81.50	81.50	G
South Glens Falls Energy, LLC ⁽⁵⁾	USA	Energy	69.28	69.28	-
TEN Transmission Company	USA	Gas	81.50	81.50	G
The Berkshire Gas Company	USA	Gas	81.50	81.50	G
The Southern Connecticut Gas Company (SCG)	USA	Gas	81.50	81.50	G
The Union Water Power Company	USA	Services	81.50	81.50	G
The United Illuminating Company	USA	Energy	81.50	81.50	G
Thermal Energies, Inc. ⁽⁵⁾	USA	Inactive	81.50	81.50	-
Total Peaking Services, LLC	USA	Services	81.50	81.50	G
UIL Distributed Resources	USA	Services	81.50	81.50	G
UIL Group, LLC	USA	Holding	81.50	81.50	G
UIL Holdings Corporation	USA	Holding	81.50	81.50	G
United Capital Investments	USA	Inactive	81.50	81.50	G
United Resources, Inc.	USA	Holding	81.50	81.50	G
WGP Acquisition, LLC ⁽⁵⁾	USA	Inactive	81.50	81.50	-
Xcelcom Inc.	USA	Inactive	81.50	81.50	G
Xcel Services, Inc. ⁽⁵⁾	USA	Inactive	81.50	81.50	-
Brazil					
Afluente Geração de Energia Elétrica, S.A.	Brazil	Energy	54.57	54.57	G
Companhia de Eletricidade do Estado do Bahia, S.A.	Brazil	Energy	50.69	50.53	G
Companhia Energética de Pernambuco, S.A.	Brazil	Energy	47.02	47.02	G
Companhia Energetica do Rio Grande do Norte, S.A.	Brazil	Energy	47.98	47.98	G
EKTT 1-A Serviços de Transmissão de Energia Elétrica SPE S/A	Brazil	Energy	52.45	-	G
EKTT 2-A Serviços de Transmissão de Energia Elétrica SPE S/A	Brazil	Energy	52.45	-	G
EKTT 12-A Serviços de Transmissão de Energia Elétrica SPE S/A	Brazil	Energy	52.45	52.45	G
EKTT 13-A Serviços de Transmissão de Energia Elétrica SPE S/A	Brazil	Energy	52.45	52.45	G
EKTT 14-A Serviços de Transmissão de Energia Elétrica SPE S/A	Brazil	Energy	52.45	52.45	G
EKTT 15-A Serviços de Transmissão de Energia Elétrica SPE S/A	Brazil	Energy	52.45	52.45	G
Elektro Operação e Manutenção, Ltda.	Brazil	Services	52.45	52.45	G
Elektro Redes, S.A.	Brazil	Energy	52.28	52.28	G
Lanmóvil Amara Celular da Bahia Ltd. (Lanmara) ⁽¹⁾	Brazil	Other activities	65.00	65.00	-
Neoenergia Investimentos, S.A.	Brazil	Holding	52.45	52.45	G
Neoenergia Servicios, Ltd.	Brazil	Services	52.45	52.45	G
Neoenergia, S.A.	Brazil	Holding	52.45	52.45	G
Potiguar Sul Transmissao de Energia, S.A.	Brazil	Energy	52.45	52.45	G
S.E. Narandiba, S.A.	Brazil	Energy	52.45	52.45	G

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Engineering					
Adicora Servicios de Intermediación de Ingeniería, S.L.U. (Before, Adicora Servicios de Ingeniería, S.L.U.)	Spain	Engineering	100.00	100.00	G
Empresarios Agrupados Internacional, S.A. ⁽²⁾	Spain	Engineering	25.46	25.46	E
Empresarios Agrupados, A.I.E. ⁽²⁾	Spain	Engineering	25.46	25.46	E
Ghesa Ingeniería y Tecnología, S.A. ⁽²⁾	Spain	Engineering	42.15	42.15	E
IBERDROLA Ingeniería de Explotación, S.A.U.	Spain	Engineering	100.00	100.00	G
IBERDROLA Ingeniería y Construcción, S.A.U.	Spain	Engineering	100.00	100.00	G
Ingeniería, Estudios y Construcciones, S.A.	Spain	Engineering	100.00	100.00	G
IBERDROLA Construção e Serviços, Ltd.	Brazil	Engineering	100.00	100.00	G
IBERDROLA Energy Projects Canada Corporation	Canada	Engineering	100.00	100.00	G
IBERDROLA Ingeniería y Construcción Costa Rica, S.A.	Costa Rica	Engineering	100.00	100.00	G
IBERDROLA Energy Project, Inc.	USA	Engineering	100.00	100.00	G
Enermón S.A. de C.V.	Mexico	Engineering	100.00	100.00	G
IBERDROLA Ingeniería y Construcción México, S.A. de C.V.	Mexico	Engineering	100.00	100.00	G
Iberservicios, S.A. de C.V.	Mexico	Engineering	100.00	100.00	G
IBERDROLA Engineering and Construction Poland, SP. Z.O.O.	Poland	Engineering	100.00	100.00	G
IBERDROLA Engineering and Construction Networks, Ltd.	United Kingdom	Engineering	100.00	100.00	G
IBERDROLA Engineering and Construction UK, Ltd.	United Kingdom	Engineering	100.00	100.00	G
IBERDROLA Engineering and Construction Ro, SRL.	Romania	Engineering	100.00	100.00	G
IBERDROLA Engineering and Construction South Africa	South Africa	Engineering	100.00	100.00	G
Real Property					
Arrendamiento de Viviendas Protegidas Siglo XXI, S.L.	Spain	Real Property	100.00	100.00	G
Camarate Golf, S.A. ⁽²⁾	Spain	Real Property	26.00	26.00	E
IBERDROLA Inmobiliaria Patrimonio, S.A.U.	Spain	Real Property	100.00	100.00	G
IBERDROLA Inmobiliaria, S.A.	Spain	Real Property	100.00	100.00	G
IBERDROLA Inmobiliaria Real State Investment, EOOD	Bulgaria	Real Property	100.00	100.00	G
Desarrollos Inmobiliarias Laguna del Mar, S.A. de C.V.	Mexico	Real Property	100.00	100.00	G
Promociones La Malinche, S.A. de C.V.	Mexico	Real Property	50.00	50.00	E
Other businesses					
Subgrupo Corporación IBV Participaciones Empresariales	Spain	Holding	50.00	50.00	E
Siemens Gamesa Renewable Energy, S.A. (antes Gamesa Corporación Tecnológica, S.A.) ⁽⁴⁾	Spain	Holding	8.07	8.07	E
IBERDROLA Inversiones 2010, S.A.U.	Spain	Holding	100.00	100.00	G
IBERDROLA Participaciones, S.A.U.	Spain	Holding	100.00	100.00	G
Investigación y Desarrollo de Equipos Avanzados, S.A.U. ⁽¹⁾	Spain	Other activities	100.00	100.00	E

Company	Registered office	Activity	Percentage of direct or indirect interest		Method (*)
			31.12.2018	31.12.2017	
Corporation					
CarteraPark, S.A.U. ⁽⁵⁾	Spain	Inactive	100.00	100.00	-
IBERDROLA Corporación, S.A. ⁽⁵⁾	Spain	Inactive	100.00	100.00	-
IBERDROLA España, S.A.U.	Spain	Holding	100.00	100.00	G
IBERDROLA Energía, S.A.U.	Spain	Holding	100.00	100.00	G
IBERDROLA Financiación, S.A.U.	Spain	Financial	100.00	100.00	G
IBERDROLA Finanzas, S.A.U.	Spain	Financial	100.00	100.00	G
IBERDROLA International, B.V.	Holland	Financial	100.00	100.00	G
IBERDROLA Finance Ireland, DAC	Ireland	Financial	100.00	100.00	G
IBERDROLA Re, S.A.	Luxembourg	Insurance	100.00	100.00	G
IBERDROLA Energía Internacional, S.L.	Spain	Holding	100.00	-	G
Scottish Power UK, Plc	United Kingdom	Holding	100.00	100.00	G
Scottish Power, Ltd.	United Kingdom	Holding	100.00	100.00	G
ScottishPower Investments, Ltd.	United Kingdom	Holding	100.00	100.00	G
ScottishPower Overseas Holdings, Ltd.	United Kingdom	Holding	100.00	100.00	G
SPW Investments Ltd.	United Kingdom	Holding	100.00	100.00	G

Item 2 - Acquisitions or Sales of Utility Assets

JOINT OPERATIONS OF THE GROUP STRUCTURED THROUGH AN INDEPENDENT VEHICLE FOR THE YEARS 2017 AND 2018

Company	Registered office	Activity	Percentage of direct or indirect stake	
			31.12.2018	31.12.2017
<u>Liberalised business</u>				
Asociación Nuclear Ascó – Vandellós, A.I.E.	Spain	Energy	14.59	14.59
Centrales Nucleares Almaraz – Trillo, A.I.E.	Spain	Energy	51.44	51.44
<u>Renewable business</u>				
Infraestructuras de Medinaceli, S.L.	Spain	Energy	39.69	39.69
Sistema Eléctrico de Conexión Hueneja, S.L.	Spain	Energy	47.36	47.36
<u>Other businesses</u>				
Torre IBERDROLA, A.I.E.	Spain	Real Property	68.10	68.10

Additionally, the IBERDROLA Group takes part in joint operations through joint ownership and other joint agreements described in Note 45.

GROUP COMPANIES AT 31 DECEMBER WHICH HAVE LEFT THE PERIMETER IN 2018 AS A RESULT OF DISPOSAL, MERGER OR LIQUIDATION

Company	Registered office	Activity	Percentage of direct or indirect stake	
			31.12.2018	31.12.2017
<u>Liberalised Business</u>				
Cobane, A.I.E.	Spain	Energy	-	100.00
Fuerzas Eléctricas de Navarra, S.A.	Spain	Energy	-	100.00
Hidroeléctrica Ibérica, S.L.U.	Spain	Energy	-	100.00
Time subgroup	Spain	Energy	-	20.00
Caledonia Energy Partners, LLC	USA	Energy	-	81.50
E.O. Resources, LLC	USA	Energy	-	81.50
Enstor Energy Services, LLC	USA	Energy	-	81.50
Enstor Gas, LLC	USA	Holding	-	81.50
Enstor Grama Ridge Storage and Transportation, LLC	USA	Energy	-	81.50
Enstor Houston Hub Storage and Transportation, Ltd.	USA	Energy	-	81.50
Enstor Inc.	USA	Holding	-	81.50
Enstor Katy Storage and Transportation, LLC	USA	Energy	-	81.50
Enstor Louisiana, LLC	USA	Energy	-	81.50
Enstor Operating Company, LLC	USA	Holding	-	81.50
Enstor Sundance Storage and Transportation, LLC	USA	Energy	-	81.50
Enstor Waha Storage and Transportation, LLC	USA	Energy	-	81.50
Freebird Assets Inc.	USA	Holding	-	81.50
Freebird Gas Storage, LLC	USA	Energy	-	81.50
Gemini Capital, LLC	USA	Energy	-	81.50
Manweb Energy Consultants, Ltd.	United Kingdom	Energy	-	100.00
ScottishPower Generation, Ltd.	United Kingdom	Energy	-	100.00
SMW, Ltd.	United Kingdom	Other	-	100.00
<u>Renewable Business</u>				
IBERDROLA Energía Solar de Puertollano, S.A.	Spain	Energy	-	90.00
Oceantec Energías Marinas, S.L.	Spain	Services	-	40.39
ScottishPower Hazelwood, Pty. Ltd.	Australia	Holding	-	100.00
Hazelwood Australia, Inc.	USA	Holding	-	81.50
Hazelwood Ventures, Inc.	USA	Holding	-	81.50
Pacific Solar Investments, Inc.	USA	Energy	-	81.50
ScottishPower International Group Holdings Company	USA	Holding	-	81.50
Streator Deer Run Wind Farmer, LLC	USA	Energy	-	81.50
Rokas Aeoliki Peloponnisos II, S.A.	Greece	Energy	-	99.76
IBERDROLA Renovables Norte, S.A. de C.V.	Mexico	Energy	-	100.00
<u>Network Business</u>				
Garter Properties, Inc.	Islas Virg Britan.	Inactive	-	52.45

Company	Registered office	Activity	Percentage of direct or indirect stake	
			31.12.2018	31.12.2017
<u>Other businesses</u>				
IBERDROLA Engineering and Construction Saudi Arabia, LLC	Saudi Arabia	Engineering	-	100.00
Iberinco Hellas Techniki kai Kataskevastiki EPE	Greece	Engineering	-	100.00
IBERDROLA Ingegneria e Costruzioni Italia, SRL.	Italy	Engineering	-	100.00
IBERDROLA Inzhiniring I Stroiteistvo, LLC	Russia	Engineering	-	100.00
IBERDROLA Ingenieria y Construcción. Venezuela, S.A.	Venezuela	Engineering	-	99.81
Fiuna, S.A.	Spain	Real Property	-	100.00
Promotora la Castellana de Burgos, S.A.	Spain	Real Property	-	100.00
Urbanizadora Marina de Cope, S.L.	Spain	Real Property	-	80.00
<u>Corporation</u>				
Demon Internet, Ltd.	United Kingdom	Inactive	-	100.00
Manweb Nominees, Ltd.	United Kingdom	Inactive	-	100.00
Manweb Share Scheme Trustees, Ltd.	United Kingdom	Inactive	-	100.00
Scottish Power UK Holdings, Ltd.	United Kingdom	Holding	-	100.00

- (1) Companies that are controlled by the Group but due to their immateriality have been integrated using the equity method. At 31 December 2018, the total aggregate assets value and the profit for the year corresponding to these companies amounts to Euros 40,537 thousand and Euros 5,301 thousand, respectively. On 31 December 2017, the aggregate total assets and results of the corresponding period of such companies amounted to Euros 35,953 thousand and Euros 4,443 thousand, respectively.
- (2) Companies considered joint ventures, accounted for the equity method, where shareholders agreements just grant the right to the net assets of the business.
- (3) Companies, where despite holding a percentage of voting rights less than 51%, the Group holds the control through shareholders agreements.
- (4) Companies where the Group has significant influence despite holding a percentage of voting rights less than 20%, since it is represented these companies' board of directors.
- (5) Companies where the Group holds the control, joint control or significant influence, but given its limited relevance, they have not been included in the consolidation scope.

Item 3 - Issue, Sale, Pledge, Guarantee or Assumption, Acquisitions, Redemption or Retirement of System and Non System Securities

27. LOANS AND BORROWINGS AND OTHER FINANCIAL LIABILITIES – LOANS AND OTHERS

The detail of the loans and borrowings pending of amortization, once currency swaps have been taken into account, at 31 December 2018 and 2017 stand at:

Borrowings at 31 December 2018 and maturing in								
		Short term	Long term					
Thousands of Euros	Balance at 31.12.2018 (*)	2019	2020	2021	2022	2023	2024 onwards	Total long term
Euros								
Financial leases	60,760	2,111	2,106	2,107	2,108	2,109	50,219	58,649
Debentures and bonds	16,277,975	3,450,192	1,839,117	1,107,522	1,994,717	1,128,814	6,757,613	12,827,783
Other financing transactions	5,960,870	1,177,961	852,133	1,703,437	973,630	374,642	879,067	4,782,909
Unpaid accrued interest	232,599	232,546	–	–	–	–	53	53
	22,532,204	4,862,810	2,693,356	2,813,066	2,970,455	1,505,565	7,686,952	17,669,394
Foreign currency								
US dollars	6,794,968	868,763	501,323	286,952	317,097	611,221	4,209,612	5,926,205
Sterling Pound	3,139,385	96,589	44,813	376,158	43,474	485,860	2,092,491	3,042,796
Brazilian reals	4,640,747	575,203	1,009,109	738,281	800,592	729,450	788,112	4,065,544
Others	43,932	4,239	3,316	3,553	3,809	4,083	24,932	39,693
Unpaid accrued interest	175,236	167,158	1,928	1,787	1,712	1,594	1,057	8,078
	14,794,268	1,711,952	1,560,489	1,406,731	1,166,684	1,832,208	7,116,204	13,082,316
Total	37,326,472	6,574,762	4,253,845	4,219,797	4,137,139	3,337,773	14,803,156	30,751,710

Borrowings at 31 December 2017 and maturing in								
		Short term	Long term					
Thousands of Euros	Balance at 31.12.2017 (*)	2018	2019	2020	2021	2022	2023 and following	Total long term
Euros								
Financial leases	62,613	2,044	2,043	2,044	2,045	2,045	52,392	60,569
Debentures and bonds	17,713,790	3,433,833	1,214,088	1,779,269	1,214,524	2,011,035	8,061,041	14,279,957
Other financing transactions	5,486,334	528,585	932,592	2,290,352	474,598	623,023	637,184	4,957,749
Unpaid accrued interest	264,594	264,594	–	–	–	–	–	–
	23,527,331	4,229,056	2,148,723	4,071,665	1,691,167	2,636,103	8,750,617	19,298,275
Foreign currency								
US dollars	5,744,380	1,078,307	398,758	578,907	175,897	306,610	3,205,901	4,666,073
Sterling Pound	2,613,166	239,555	46,093	46,095	382,168	44,598	1,854,657	2,373,611
Brazilian reals	4,617,129	1,529,724	639,776	925,103	493,172	432,906	596,448	3,087,405
Others	43,926	3,551	2,953	3,163	3,389	3,633	27,237	40,375
Unpaid accrued interest	144,566	144,566	–	–	–	–	–	–
	13,163,167	2,995,703	1,087,580	1,553,268	1,054,626	787,747	5,684,243	10,167,464
Total	36,690,498	7,224,759	3,236,303	5,624,933	2,745,793	3,423,850	14,434,860	29,465,739

(*) At 31 December 2018, financial debt includes Euros 527,380 thousand from draw downs on credit lines and credit facilities, and Euros 2,460,110 thousand from issues of domestic promissory notes (USCP) and the Euro Commercial Paper (ECP).

At 31 December 2017, financial debt includes Euros 883,417 thousand from drawdowns on credit lines and credit facilities, and Euros 2,206,949 thousand from issues of domestic promissory notes and the Euro Commercial Paper (ECP).

The IBERDROLA Group's financial policy recommends maintaining a constant volume of debt issued under the *Euro Commercial Paper* (ECP) programme, the average balance of which amounted to Euros 1,771,712 thousand and Euros 1,527,762 thousand, respectively, in 2018 and 2017.

The borrowings previously mentioned refer to the amounts drawn down and outstanding at 31 December 2018 and 2017.

Significant transactions carried out by IBERDROLA during 2018 are as follows:

2018						
Lessor	Operation	Millions	Currency	Interest rate	Extension	Maturity
Main new financing transactions						
IBERDROLA, S.A. ⁽²⁾	Sustainable Syndicated loan	2,979	EUR	-	option 1+1	Feb-23
	Sustainable Syndicated loan	2,321	EUR	-	option 1+1	Feb-23
IBERDROLA Financiación, S.A.U.	Bilateral loan	100	EUR		-	Nov-25
	Bilateral loan	200	EUR		-	Dec-25
	IEB loan	500	EUR		-	Upon drawing
IBERDROLA Finanzas, S.A.U.	Increase private issue	200	EUR	1.621%	-	Nov-29
	Private issue	200	EUR	Euribor3m +0.35%	-	Feb-20
	Private issue	800	NOK ⁽¹⁾	3.010%	-	May-28
	Private issue	30	EUR	1.128%	-	June-25
	Green bonds	750	EUR	1.250%	-	Oct-26
	Green bonds	50	USD ⁽¹⁾	3.724%	-	Dec-25
	Private issue	75	EUR	1.621%	-	Nov-29
Avangrid Inc ⁽³⁾	Sustainable Syndicated loan	2,500	USD	-	option 1+1	Jun-23
Berkshire Gas ⁽⁵⁾	Private issue	20	USD	4.07%	-	Jan-29
Connecticut Natural Gas ⁽⁵⁾	Private issue	50	USD	4.52%	-	Jan-49
Southern Connecticut Gas ⁽⁵⁾	"Mortgage" private emission	75	USD	4.42%	-	Jan-49

Central Maine Power	"Mortgage" private emission	60	USD	3.95%	-	Dec-28
	"Mortgage" private emission	80	USD ⁽⁵⁾	3.87%	-	June-26
	"Mortgage" private emission	80	USD ⁽⁵⁾	4.05%	-	Jan-30
	"Mortgage" private emission	80	USD ⁽⁵⁾	4.20%	-	June-34
New York State Electric & Gas Corp.	Tax exempt bonds	174	USD	3.00%	-	Jun-23/Oct-29
Rochester Gas & Electric Corp.	Tax exempt bonds	152	USD	3.00%	-	June-25
United Illuminating	Tax exempt bonds	64.5	USD	2.80%	-	Oct-23
	Private issue	100	USD	4.07%	-	Oct-28
	Private issue	50	USD ⁽⁵⁾	4.52%	-	Jan-49
	Private issue	50	USD	3.96%	-	Dec-25
CELPE	Loan 4131	46	USD ⁽¹⁾	Libor3m +1.50%	-	Jan-21
	Debentures	500	BRL	119.6% CDI	-	Feb-23
	Loan 4131	80	Euros ⁽¹⁾	1.679%	-	Jul-22
	Infrastructure debentures	600	BRL	IPCA+6.0352%	-	Jul-25
	IEB loan	643	BRL	TLP+1.86%	-	Dec-28
	IEB loan	574	BRL	IPCA+3.30%	-	Nov-30
COELBA	Debentures	900	BRL	117% CDI ⁽⁴⁾	-	Oct-22/Apr-23
	Infrastructure debentures	300	BRL	IPCA+6.22%	-	Apr-23
	Infrastructure debentures	900	BRL	IPCA+6.2214%	-	Jul-25
	IEB loan	1,043	BRL	TLP+1.69%	-	Dec-25
	IEB loan	800	BRL	IPCA+3.30%	-	Nov-30
COSERN	Infrastructure debentures	130	BRL	IPCA+5.970%	-	Jul-23
	4131 Loan	95	USD ⁽¹⁾	3.689%	-	Nov-23
ELEKTRO	Debentures	1,000	BRL	113.0% CDI ⁽⁴⁾	-	May-21/May-23
	Infrastructure debentures	300	BRL	IPCA+5.9%	-	May-25
	4131 Loan	100	USD ⁽¹⁾	3.6937%	-	May-22
	IEB loan	785	BRL	TLP+1.76%	-	Dec-26
IBERDROLA México S.A. de CV	Bilateral green loan	400	USD	-	option 1+1	May-23
Termopernambuco, S.A.	Infrastructure debentures	300	BRL	117,4% CDI	-	Aug-23
	4131 loan	57	USD (1)	4.145%	-	Oct-22
Pier (5)	Project finance	177	USD		-	Aug-33
Ceu Azul	BNDES loan	600	BRL	TJLP+1.78%	-	Jun-35
Sobral III	IEB loan	50	BRL	IPCA+2.57%	-	Dic-38

Main extension transactions for already existing financing

IBERDROLA S.A.	Syndicated loan	500	EUR	-	+1 year	Jun-23
	Bilateral loan	350	EUR	-	+1 year	Jul-22
IBERDROLA Financiación, S.A.U.	Bilateral green loan	500	EUR	-	+6 months	Aug-19
	Syndicated loan	900	EUR	-	+1 year	Mar-21
	Syndicated loan	75	EUR	-	+1 year	Mar-21
	Bilateral loan	600	EUR	-	+1 year	Jul-21

⁽¹⁾ Currency swap contracts to the company's operating currency

⁽²⁾ Reconfiguration of Euros 4.4 billion, already existing, and new Euros 900 million, totalling Euros 5.3 billion, with the option of extension for 1+1 years.

⁽³⁾ Reconfiguration of \$1.5 billion, already existing, and new \$1 Billion, totalling \$2.5 billion, with the option of extension for 1+1 years.

⁽⁴⁾ Average cost of different obligations stated in reference to the CDI as of the date of the issue.

⁽⁵⁾ Financing signed in 2018 pending of being drawn in 2019.

The most significant financial transactions performed by the IBERDROLA Group during the year 2017 have been the following:

2017						
Lessor	Operation	Millions of Euros	Currency	Coupon	Extension	Maturity
Main new financing transactions						
IBERDROLA S.A.	Bilateral loan	350	EUR	-	Option +1 year	Jul-21
IBERDROLA Financiación, S.A.U.	Bilateral loan	600	EUR	-	Option +1 year	Jul-20
	Bilateral loan	300	EUR	-	-	Jul-22
	Bilateral loan	100	EUR	-	-	Jul-19
	BEI loan	500	EUR	-	-	Dec-24
	Bilateral green loan	500	EUR	-	option 6 + 6 year	Aug-18
IBERDROLA Finanzas, S.A.U.	Private issue (1)	1,000	NOK	2.70%	-	May-27
	Extension	150	EUR	Euribor 3m+0.67%	-	Feb-24
	Extension	50	EUR	1.67%	-	Feb-29
	Green bonds	1,000	EUR	1.00%	-	Mar-25
	Green bonds	750	EUR	1.25%	-	Sept-27
	Private issue	300	EUR	1.62%	-	Nov-29
	Private issue	60	EUR	1.78%	-	Oct-30
	Private issue	50	EUR	1.67%	-	Feb-29
	Green Private issue	100	EUR	Euribor 3m+0.67%	-	Feb-24
AVANGRID Inc	Green bonds	600	USD	3.15%	-	Dec-24
Rochester Gas and Electric Corp.	Bond market US	300	USD	3.10%	-	June-27
COELBA / CELPE	Loan 4131 (1)	235	USD	-	-	Aug-20
COELBA	Loan 4131 (1)	115	USD	-	-	Aug-20
CELPE	Loan 4131 (1)	90	USD	-	-	Aug-20
COSERN	Infrastructure debentures	370	BRL	IPCA+4.7%	-	Sep-22/Sep-24
ELEKTRO	Promissory notes	350	BRL	105% CDI	-	Aug-18
	Loan 4131 (1)	50	USD	-	-	May-20
ELEKTRO	Loan 4131 (1)	110	USD	-	-	May-20
Itapebí Geração de Energia, S.A.	Debentures 476	100	BRL	119.2% CDI	-	Dec-20
Lagoa I, S.A.	BEI loan	330	BRL	-	-	Mar-34
Termopernambuco.S.A.	Debentures 476	200	BRL	118.4% CDI	-	Dec-21
Main transactions for extending existing financing						
IBERDROLA S.A.	Syndicated loan	2,331	EUR	-	+1 year	Feb-22
	Syndicated loan	1,856	EUR	-	+1 year	Feb-22
	Syndicated loan	500	EUR	-	+1 year	Jun-22
	Syndicated loan	900	EUR	-	+1 year	Mar-20
IBERDROLA Financiación, S.A.U.	Bilateral loan	75	EUR	-	+1 year	Mar-20
	Bilateral green loan	500	EUR	-	+6 months	Feb-19

(1) Currency swaps to company currency.

(2) Reconfiguration, does not involve entry of funds.

Certain Group investment projects, mainly related to renewable energies, have been financed specifically through loans that include covenants such as the compliance with certain financial ratios or the obligation to pledge in benefit of creditors the shares of the project-companies (Note 46). The fair value of real property investments in operation fully amortised intangible assets at 31 December 2018 and 2017 amounted to Euros 483 and 436 millions, respectively. Moreover, the establishment of a reserved deposit for the fulfilment of the obligations under the loan agreements is required, being the default ratios and/or the security deposit not reaching the agreed amount, the reason to preclude the dividends in the year in which they had not been fulfilled.

In relation to credit ratings covenants, IBERDROLA has arranged funding with the European Investment Bank, amounting to Euros 1,265 million and Euros 1,323 million at 31 December 2018 and 2017, respectively, which may have to be renegotiated or shored up with additional guarantees in the event of a significant rating downgrade.

Also, as of December 31, 2018 and 2017, the IBERDROLA Group maintains drawn loans and borrowings of 2,002 and 1,320 million euros, respectively, the cost of which has been modified as that of its credit rating; However, in both cases, the cost increase would not be significant.

In addition, at 31 December 2018 there are bonds issued, borrowings and other agreements between bank entities and IBERDROLA Group whose maturity dates could be impacted or may require additional guarantees to those already existing should there be a control change to be implemented in the manner and times set. The most significant changes are those described in the following paragraphs:

- Bond issues in the amount of Euros 13,314,229 thousand in the European market and USD 1.150.000 thousand (equivalent to Euros 1,010,811 thousand) in the US market.
- EIB loans totalling Euros 2,479,111 thousand.
- Borrowings amounting to Euros 617,308 thousand and USD 400,000 thousand (equivalent to Euros 351,587 thousand).
- Last, BRL 8,595,053 (equivalent to Euros 1,920,867 thousand) for issues and 11,994,129 thousand Brazilian reals (equivalent to Euros 2,680,510 thousand) from borrowings to the Brazilian subsidiary NEOENERGY and its subsidiaries.

At 31 December 2018 and 2017, IBERDROLA was fully up to date on all its financial debt payments. None of the amounts in the table above matured prior to 31 December 2017 and there had been no circumstances affecting the change of control or adverse changes in the credit quality, and consequently it had not been necessary to meet the early maturity of the debt or modify the cost related to the loans of which it is the holder.

The average cost of debt of the IBERDROLA Group in 2018 and 2017 was 2.97% and 2.91%, respectively.

EVENTS AFTER 31 DECEMBER 2018

Banking Market and issue of Euromarket bonds

Significant financing transactions carried out by IBERDROLA after 31 December 2018 are as follows:

2019						
Lessor	Operation	Millions of euros	Currency	Coupon	Extension	Maturity
Main new financing transactions						
IBERDROLA Financiación, S.A.U.	Bilateral loan	125	EUR	-	option to extend it for 1 +1 year	Feb-24
IBERDROLA Financiación, S.A.U.	EIB loan	150	EUR	-	-	Upon disposal
IBERDROLA Finanzas	Private issue	50	EUR	1.782%	-	Oct-30
IBERDROLA International B.V.	Hybrid green bonds	800	EUR	3.25%	-	Perpetual
Main transaction for extending existing financing						
IBERDROLA S.A. ⁽¹⁾	Syndicated loan	2,979	EUR	-	+1 year	Feb-24
	Syndicated loan	2,321	EUR	-	+1 year	Feb-24

(1) Extension of novated syndicated loans for 1 additional year in January 2018 in the amount of Euros 5,300 million.

Item 4 - Officers and Directors

Board of Directors

The information below is as of February 22, 2019, the date of approval of the 2018 Iberdrola Group financial statements.

Iberdrola's Board of Directors is made up of 14 members:

Board of Directors ⁹					
Position	Director	Status	Nationality	Date of last appointment	Ending date
Chairman & CEO	José Ignacio Sánchez Galán	Executive	Spain	21-05-2001	27-03-2019
Vice Chair	Inés Macho Stadler	Other external	Spain	07-06-2006	08-04-2020
Director	Íñigo Víctor de Oriol Ibarra	Other external	Spain	26-04-2006	08-04-2020
Director	Samantha Barber	Independent	United Kingdom	31-07-2008	08-04-2020
Director	María Helena Antolín Raybaud	Independent	Spain - France	26-03-2010	27-03-2019
Director	Ángel Jesús Acebes Paniagua	Independent	Spain	24-04-2012	27-03-2019
Director	Georgina Kessel Martínez	Independent	Mexico	23-04-2013	13-04-2022
Director	Denise Holt	Independent	United Kingdom	24-06-2014	27-03-2019
Director	José W. Fernández	Independent	United States	17-02-2015	27-03-2019
Director	Manuel Moreu Munaiz	Independent	Spain	17-02-2015	27-03-2019
Director	Xabier Sagredo Ormaza	Independent	Spain	08-04-2016	08-04-2020
Director	Juan Manuel González Serna ⁽¹⁾	Independent	Spain	31-03-2017	31-03-2021
Director	Francisco Martínez Córcoles	Executive	Spain	31-03-2017	31-03-2021
Director	Anthony L. Gardner	Independent	United States	13-04-2018	13-04-2022

Secretary (non-member): Julián Martínez-Simancas Sánchez.

Deputy Secretary (non-member): Santiago Martínez Garrido.

Legal Counsel (non-member): Rafael Mateu de Ros Cerezo.

⁽¹⁾ Juan Manuel González Serna is the lead independent director.

Composition of the Board of Directors	2018		2017		2016	
	no.	%	no.	%	no.	%
By gender						
Men	9	64	9	64	9	64
Women	5	36	5	36	5	36
By age group						
Up to 30 years old	0	0	0	0	0	0
Between 31 and 50 years old	2	14	2	14	3	21
Over 50 years old	12	86	12	86	11	79
Number of members	14	100	14	100	14	100

Executive Committee

The Executive Committee has all the powers inherent to the Board of Directors, except for those powers that may not be delegated pursuant to legal or by-law restrictions.

The core activities of this Committee consist of assisting the Board of Directors in the on-going supervision of the implementation of the strategy, compliance with objectives and the governance model and submitting proposals to the Board of Directors or making decisions in urgent cases regarding all strategic issues, investments and divestitures that are significant for the company or its group, assessing their alignment with the budget and the strategy of the company, and analysing and monitoring business risks, taking into consideration the environmental and social aspects thereof.

Executive Committee		
Position	Director	Status
Chairman	José Ignacio Sánchez Galán	Executive
Member	Inés Macho Stadler	Other External
Member	Ángel Jesús Acebes Paniagua	Independent
Member	Manuel Moreu Munaiz	Independent
Member	Samantha Barber	Independent

Secretary (non-member): Julián Martínez-Simancas Sánchez.

Support to local communities

Contribution to SDGs of the performance described by the indicators of this section
(according to SDG Compass www.sdgcompass.org)



GRI 413

Introduction

Iberdrola maintains a policy of strong involvement in the communities in which it operates, making a contribution to society linked to its own business activities: the supply of an essential product like energy, significant investments in basic infrastructure, promotion of local supplier networks, creation of qualified job positions, etc., with the intention of being a long-term investor in the regions in which it has a presence, in order to generate sustainable economic and social value.

Iberdrola's commitment to the local communities of the countries in which it operates takes shape through social activities in cooperation with governments, institutions and civil society organisations, as well as through sponsorships and patronage. The programmes of activity focused on social and economic development of the surroundings are especially significant.

These programmes and activities are implemented in various complementary ways:

- Directly by Iberdrola, through the Institutional Relations Division.
- Directly by subsidiaries or affiliates (i.e. investee companies, i.e. those in which the company has an equity interest), in their respective areas of activity.
- Sponsorship and patronage activities, primarily through [Fundación Iberdrola España](#), [ScottishPower Foundation](#) in the United Kingdom, [Avangrid Foundation](#) in the United States, [Instituto Neoenergía](#) in Brazil and [Fundación Iberdrola México](#).
- There are also two other organisations in the United Kingdom with a philanthropic purpose: The ScottishPower Energy People Trust and The ScottishPower Green Energy Trust, which carry out activities in their specific areas of competence.

Development programmes for local communities

Iberdrola takes various types of actions to minimise, mitigate and offset unfavourable socioeconomic impacts that might be caused by its facilities. Local communities benefit from these measures, which are usually established and agreed on with local authorities. They include: improvements in communication infrastructure, water supply or roadways; public lighting; creation of direct and indirect employment; professional training courses; activities to support entrepreneurs; opening of communication processes with various Stakeholders; protection of biodiversity; and the restoration of areas, among other measures.

One noteworthy example is the creation of Energy Classrooms to foster an understanding of renewable production technologies, which involve not only visits to facilities but the development of an educational programme to acquire knowledge about energy, especially about renewable energy sources, and to promote an active attitude for the efficient use of energy and thus to contribute to energy saving.

Actions to support municipalities are also planned during the construction of the group's hydroelectric plants in Brazil, such as rural relocations at Baixo Iguaçu and its hydroelectric plant, where the population has been served by various programmes and there has been socio-economic monitoring of the population with a commitment to entrepreneurship.

A more detailed description of these activities can be found in "Economic/financial impact" section of Chapter II.1 Sustainable economic growth and in the "Contributions to society (LBG)" and "Foundations" sections of this chapter.

Impact assessments

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In each of the countries in which the group operates, environmental impact assessment studies are performed at Iberdrola's locations of operation in accordance with applicable law prior to the construction of facilities. Activities addressing its Stakeholders are also performed, including social development programmes and participation in local communities. Almost 100 % of the company's locations of operation are subject to these types of activities, focused on meeting the needs of its Stakeholders, especially in local communities, and engaging in the most appropriate activities in all those areas that most directly affect them. The principal activities are described in greater detail below:

Iberdrola believes that the impacts of the start-up of electric power generation plants are especially significant. In the countries in which the company builds and operates these types of facilities, applicable laws require the performance of studies assessing the impact on the environment and the community, and such studies must be approved by the competent public authorities. Iberdrola believes that these studies and assessments are appropriate to safeguard the rights of communities, as they include the most significant issues for the affected areas.

These studies include an evaluation of the environment providing a review of environmental impacts such as emissions, effluent, waste, changes in land use, changes in landscape aesthetics and quality, etc. They also include an evaluation of the social and economic environment, which reviews demographic aspects such as changes in population in neighbouring municipalities, economic sectors that are present in the region, basic infrastructure such as railway and road networks, and historic and cultural heritage, along with the growth in job demand in certain sectors, which is seen as a positive impact.

The impacts of the various types of facilities developed by Iberdrola are similar at the various sites at which they are implemented, and none of them are noteworthy for significant negative impacts. Consultation with and participation of both the affected government administrations and interested parties are usually guaranteed during the performance of these studies, and part of the documentation of the project is subject to public review for a period of time that varies according to the law applicable in each country. The viewpoints of the Stakeholders consulted are thus taken into account in defining the future project.

These studies also contemplate the preventive and corrective measures required to mitigate the impacts identified, and if necessary, the appropriate budgetary allocations to comply with the commitments assumed are included.

To conclude the process, programmes are implemented to monitor the various aspects identified. The effectiveness of the programmes is reviewed by means of internal and external audits, as well as by the management team and by the Community Eco-Management and Audit Scheme (EMAS). For example, in the case of nuclear plants, an environmental [Radiological Protection Programme](#) is prepared to control and monitor the impacts of the facility during the operation thereof. There are also barometers regarding the environment near the facilities, half-yearly meetings with the municipal authorities, and frequent contacts to measure the "social environment".

Most facilities have an Integrated Quality and Environmental Management System⁹⁶, the principal goal of which is to foster continual improvement in the results of the organisation's activities with respect to the environment, in addition to compliance with environmental laws. Iberdrola prepares information and plans for the closure and decommissioning of facilities in accordance with applicable law and informs the workers' representatives thereof.

Advisory committees and processes and participation of local communities in decision-making

Iberdrola plays an active role in the participation of local communities during the planning and construction of projects, expressing its points of view and making its knowledge and experience available to the government authorities. Energy planning (energy sources, technology and long-term needs) is carried out by governmental authorities; this is the institutional area in which the various Stakeholders can participate in accordance with the mechanisms established in each country.

Once the most appropriate infrastructure is selected, the viewpoints of the affected communities are taken into account through consultation processes, which vary depending on the country and the type of facility. All these processes, which are included in the facilities' impact assessment studies, are regulated, and they are determining factors in order to secure the construction and operating permits for the power plants; in addition, they are frequently completed with processes voluntarily performed by the company. Along these lines, it should be noted that methods have been incorporated into the Environmental Management System so that Stakeholders can send their concerns, complaints, requests for information or any other kind of request to minimise impacts in the area.

During the planning and development of assets, prior consultations are also held and an active dialogue is maintained with the affected communities and interested parties in order to identify and address any concerns or areas of interest. In every project, relations are established with local authorities, communities and any other groups that may be relevant to the project. Information concerning the planned development is presented through newsletters, exhibitions, presentations, meetings, the group's websites, etc. There are also e-mail addresses to allow local communities to communicate with the company during the process and, in some cases, public information days are held for such purpose.

Set out below are some of the activities conducted by Iberdrola in this field for projects currently under development:

- In the Wholesale and Retail Business in Mexico, there have been studies of the social impact of the projects currently under construction, specifically at the Topolobampo combined cycle plants (in Ahome, Sinaloa). Based on these studies, the Secretary of Energy of the Mexican government issues a resolution setting out recommendations and actions in the social area to benefit the community: paving, improvements to educational and social centres, etc. And in Brazil, there has been a socio-economic evaluation of the area around Termopernambuco, analysing demographic aspects, surroundings, influence area of the Suape Port, basic infrastructure, cultural heritage and generation of employment.
- In the Networks Business, pursuant to procedures for the management of social impact, there is public dissemination regarding projects of a certain size, in all cases complying with the regulations of each country. Both the project and the size thereof are especially taken into account regarding the impact on road infrastructures, as well as potential impacts on the landscape.
- In the Renewables Business, since the commencement of the Tâmega River hydroelectric project in Portugal, there has been an impact assessment process with the participation of Stakeholders through public consultations in the affected municipalities. In 2018 there were quarterly meetings with the Environmental Monitoring Commission (*Comissão de Acompanhamento Ambiental*) (CAA), made up of Iberdrola and various local and national entities, the objective of which is to supervise environmental aspects and socio-economic impact, which is completed with site visits. The agreements with the municipal chambers of the influence zone were also renewed.

In the United States, there are social evaluations regarding community development during the planning and construction phases for potential projects. There were various consultations with communities around potential project areas in Illinois, New York, South Dakota, Oregon, Washington and Texas in 2018. The fishing fleets of Massachusetts and Rhode Island are also in the process of consultation for the Vineyard Wind offshore wind project. In Mexico, in the construction expanding the La Ventosa plant, the affected area is being restored in accordance with the ruling of the National Commission on Natural Protected Areas (*Comisión Nacional de Áreas Naturales Protegidas*). Finally, in Brazil, work is taking place at the Serra de Santana windfarm complex (under construction) on a preliminary proposal for economic activation of family farming in accordance with the nature of the region. The new facilities of Neoenergia in Brazil are committed to promoting local development activities for both urban and rural populations: projects to generate income, technical support for affected rural families, health units, schools and social centres.

During the operation phase for facilities, Iberdrola engages in different processes of participation with the various Stakeholders that it relates to and that are described in detail in the "Stakeholder engagement" section of this report.

Management of population displacements

As a prevention measure, during the planning phase for new projects, Iberdrola evaluates the land that will potentially be occupied, choosing that which involves lesser displacement of people who either reside in the immediate area or whose economic activities are affected. In this ultimately occurs, Iberdrola and the relevant government authorities review the economic, environmental and social consequences of such projects, and jointly adopt suitable corrective measures. The company believes that such processes ensure the protection of general interests in the countries where these impacts occur. The measures adopted in projects of this nature currently being developed by Iberdrola are described below.

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The construction of Wholesale and Networks assets have not affected the real property of people because they are built on land acquired or assigned, and are also small in size. No person was physically or economically displaced during 2018.

As regards the Renewables Business, Iberdrola is currently developing various plants that involve displacements of population:

- In the construction of the Tâmega hydroelectric complex, in Portugal, it is expected that there will be displacement of some families as well as the occupation of pathways and farmland, pursuant to the process of Declaration of Public Interest by the Portuguese government, of which there have already been three phases. In the socio-economic and cultural action plan for the project, which actions are currently being developed and coordinated with the government administration and municipal legislatures, the affected or potentially affected families and small population centres are taken into account. The displacements that have been identified as necessary and the respective economic compensation has been provided in accordance with the law on expropriations in Portugal and the socio-economic studies and in accordance with the methodology implemented regarding the management and definition of displacements and potential economic damages. Up until 2018, after agreement with the affected families, there have already been 7 displacements of homes affected by the construction (approximately 30 people).
- In Brazil, some of the hydroelectric projects in the past caused population displacements or interfered with their economic activities. The mitigation plans that were implemented are described in the "Protection of human rights" section above. There were no displacements of people in 2018.

Contributions to society (LBG)

Social actions, in cooperation with government authorities and civil society organisations, constitute a significant part of Iberdrola's commitment to the community. Detailed information on such actions can be obtained both from the published reports and from the corporate websites of Iberdrola's subsidiaries in Spain, the United Kingdom, the United States, Brazil and Mexico.

Dedicated resources

Iberdrola has selected the *London Benchmarking Group* (LBG) model to measure and assess business contributions to the community due to its wide international recognition. It is regarded as the most highly-valued standard for measuring the results and impacts of social programmes, both for the company and for the community. This standard only recognises projects that involve voluntary contributions for social or environmental protection ends, for non-profit purposes and that are not restricted to groups related to the company.

A detailed description of the LBG model can be found at the www.lbg.es.



Iberdrola has used the LBG model to report its contributions to society in this *Sustainability Report* for financial year 2018.

Contribution to the community in 2018	(euros)
By category	
- Charitable gift	3,481,748
- Community investment	36,268,099
• Socioeconomic development of the community	
• Energy sustainability	
• Art and culture	
• Education and training	
• Cooperation and community service	
- Commercial initiatives in the community	10,328,534
- Management costs	3,373,888
By type of contribution	
- Cash contributions ⁹⁷	49,946,201
- Staff time- Aportaciones en especie	115,648
- In-kind contributions	16,532
- Management costs	3,373,888
Total	53,452,269

Also, for the second year in row, Iberdrola has evaluated the SDGs and targets to which each of its social initiatives contribute, as shown in the following table:

Contribution to the community in 2018	(euros)
By Sustainable Development Goals (SDGs)⁹⁸	
1. End poverty	2,681,838
2. Zero hunger	10,329
3. Good health and well-being	6,032,889
4. Quality education	7,480,624
5. Gender equality	1,032,313
6. Clean water and sanitation	23,262
7. Affordable and clean energy	487,669
8. Decent work and economic growth	1,476,338
9. Industry, innovation and infrastructure	166,311
10. Reduced inequalities	612,763
11. Sustainable cities and communities	23,674,742
12. Responsible consumption and production	149,664
13. Climate action	1,208,086
14. Life below water	287,244
15. Life on land	717,876
16. Peace, justice and strong institutions	220,446
17. Partnerships for the goals	2,273,662
Total	48,323,924

Benefits for society

Iberdrola uses various parameters to measure the results achieved by its community support programmes. In its Master Plan for the 2019-2021 period, Iberdrola's foundations have among their guidelines the development of evaluation mechanisms that include a methodology adapted from LBG to measure outputs and impacts for its most important programmes and projects which include direct contributions to the Sustainable Development Goals.

In 2018, Iberdrola's foundations forged multiple alliances in Spain, the United Kingdom, the United States, Brazil and Mexico covering a total social investment of 9.3 million euros for its commitment to society in these areas of work:

- **Training and Research:** this area of work focuses on a group of young students, supporting their degree studies, technical training and languages. Education is a useful tool to promote sustainable development and these initiatives offer opportunities to youth with good academic backgrounds who do not need financial resources to engage in their studies. These projects of Fundación Iberdrola linked to training contribute to achieving SDG 4 Quality education with an investment of 1.3 million euros.
- **Biodiversity and Climate Change:** from this work area there is work with public institutions and entities dedicated to protection of the environment, contributing to the scope of specific targets of SDGs 13 Climate action and 15 Life on land with an investment of 1 million euros.
- **Art and Culture:** from this area there is work with cultural institutions, prestigious museums, public institutions and religious entities in order to promote culture and restore and conserve artistic heritage, favouring local development. This directly impacts Goals 8 Economic growth and 11 Sustainable cities and communities with an investment of 2.2 million euros.
- **Social Action:** from this area there is work with non-profit institutions, foundations and development agencies to boost social and humanitarian projects focused on the most vulnerable people and that contribute to reaching the specific goals of SDGs 1 End poverty, 3 Good health and well-being, 5 Gender equality, 7 Affordable and clean energy and 10 Reduced inequalities with an investment of 3.5 million euros.

Benefits for the company

Iberdrola believes that the main benefits that it obtains from its commitment to society are:

- Building and reinforcing relationships of trust with communities, through the support of social organisations and national, regional and local governments, which has a favourable impact on relations with all of the Stakeholders.
- Achieving higher brand recognition and improving its corporate reputation.
- Improving employee satisfaction, by their belonging to a socially valued and recognised company, which favours the attraction and retention of talent.
- Strengthen focus of social action for Iberdrola's Stakeholders and for society in general.
- Contribute to the scope of the larger global challenge, the Sustainable Development Goals.
- Contribute knowledge, technical experience and skills for human development.

Corporate volunteering programme

The Iberdrola group offers its workforce various volunteer opportunities within the framework of its Corporate Volunteering Programme, in which more than 3,500 employees participated during 2018. Created in 2006, it is today a global and international project aligned with the values of the group and its *General Sustainable Development Policy*, which is intended to channel the employees' spirit of community service (solidarity) and motivate them to participate in social projects aimed at the integration of vulnerable groups, improving the environment and sustainable development.

The Programme is aligned with the Sustainable Development Goals defined by the United Nations for the 2015-2030 horizon, and especially focused on goals 3 (good health and well-being), 4 (quality education), 7 (affordable and clean energy), 10 (reduced inequalities) and 13 (climate action). This year the programme was recognised with an Innovation Award during the IMPACT2030 summit, held at the United Nations Headquarters in New York. This award recognises the innovative approaches of companies that make the most of their human capital, through corporate volunteering programmes,

to move forward in achieving the Sustainable Development Goals (SDGs). Specifically, Iberdrola was selected for being a company that innovates to educate, inspire and unite employees around the SDGs in their community, and provides opportunities for them to be agents for change and achieve an impact, as well as for its exceptional commitment to move volunteers to action on the SDGs.

Also, this year, Iberdrola became part of the governing board of Voluntare, the most important Spanish-speaking international corporate volunteering network, with a presence in both Spain and in Latin America. With this decision, the company strengthens its commitment to Corporate Volunteering as a sustainable development tool.

Iberdrola has also maintained its leadership in the Corporate Volunteerism Observatory together with the NGO Cooperación Internacional, an initiative that, since its inception, promotes study, research and training and promotion activities relating to corporate volunteerism, with the goal of helping corporations make appropriate decisions in this area.

Some of the more noteworthy corporate volunteer initiatives carried out in 2018 were the following:

- The seventh edition of the global INVOLVE (International Volunteer Vacation for Education) project, which has offered training in new technologies to youths at risk of exclusion, with a two-week stay over the summer in Brazil or Mexico, respectively, of an international team of 34 volunteers from Spain, the United Kingdom, the United States, Brazil and Mexico, supported by local volunteers as an intercultural link.
- National and international volunteer days were organised, including International Volunteer Day held simultaneously in Spain, the United Kingdom, the United States, Brazil and Mexico which, under the motto *Together we build the world that we want!*, brought together more than 1,800 participants in more than 60 simultaneous initiatives, directed towards the fight against climate change, the inclusion of vulnerable groups and raising awareness about diversity. Volunteer Days were also held in Spain, with games and sports days to encourage the normalisation and integration of persons with functional diversity.
- Cooperation initiatives for development in African countries, within the framework of the "Electricity for All" programme, and its public-private cooperation project to improve electric power supply at several refugee camps in Ethiopia, which has commenced its second phase. At the same time, the company worked on another initiative to improve access to water through photovoltaic solar systems at refugee camps in Kenya, Mauritania and Sudan.
- "Iberdrola with Refugees" has continued giving support to the Integration Schools, promoted by Fundación para el Fomento del Desarrollo y la Integración (FDI), where 104 refugees have been able to take advantage of digital tools workshops in 2018, in addition to training in the Spanish language and adjustment to the environment. These workshops have expanded their humanitarian emergency response to include a group of refugees from the Aquarius vessel who arrived in Spain, and culinary integration days have allowed for cultural exchange at various Spanish cities.
- Other international initiatives in which the company participated were "Lights... and Action!" together with Fundación Tomillo to provide energy efficiency training and develop the employability of youths from underprivileged environments, and "Know your Laws", which has favoured the integration of immigrants through courses offered by company employees with legal training. In the United Kingdom, several volunteers have made available professional knowledge on marketing or administrative work, respectively, to the social entities Glasgow Building Preservation Society and Ronald McDonald House.
- Climate action continued with global projects such as "Fight against climate change" in Spain, Mexico, Brazil and the United Kingdom to raise awareness among youth on this problem through talks at school centres, and training was offered to 6,408 children at 77 centres. "Climate Volunteers", together with AIESEC, had 29 participants from the 5 countries where the company has a presence, who had the opportunity to live a volunteer experience in Brazil, Colombia and Costa Rica to create environmental awareness in various communities.

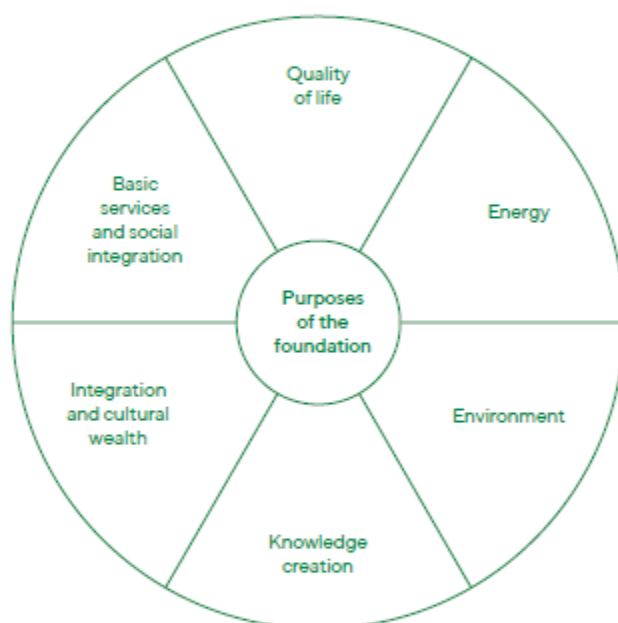
- Environmental care activities, cleaning of invasive species and reforestation in various cities in Spain, the United Kingdom, the United States, Brazil and Mexico, such as the 11th Tree Day in Spain, which has allowed for recovery of the Urdaibai (Biscay) Biosphere Reserve and thus continue with the "Iberdrola Forest" project, and participation in SEO/BirdLife's "LIBERA" initiative together with Ecoembes, with its large cooperative trash collection at various points in Spain to raise awareness concerning nature without trash.
- Projects to offer a new life for unused objects, such as "Solidarity Recycling", combining solidarity and environmental ends, which has continued to collect plastic plugs and has expanded the scope of its activities by including the collection of prescription glasses for donation to refugee camp inhabitants in Lesbos (Greece).
- Sports competitions with environmental ends, such as the ECORUN race.
- International food collection campaigns, which have allowed for the collection of more than 6.5 tons of basic foodstuffs and children's products. This activity ended with volunteer activities at social canteens and distribution of food to homeless persons.
- The company participated in various sports competitions aimed at the integration of vulnerable groups, such as the "Capacities Race", "Run for Syria", "Final Four. First National Wheelchair Basketball Competition, HePA Race and various races to support cancer victims, such as the Race against Cancer to support the Asociación Española Contra el Cáncer, "Mexico Special Olympics for integration", "11th Nobody Gives Up Here Race" to support Mexican children with cancer, and the "I run VS Cancer" race.
- Activities to promote the independence of vulnerable women, such as the "Women with their Own Light" Literary Workshop, or a sports day adapted for women with functional diversity for Women's Day.
- Childhood support activities with various entities such as Aldeas Infantiles, the Asociación Española de Ayuda a Niños con Enfermedades Hepáticas y Transplantados Hepáticos (HEPA) in Spain, the Red Cross in the "Their rights at stake" campaign or "Solidarity Tree" which has offered support for more than 10 Brazilian institutions to assist the minors who are part of their programmes. There are also other activities in Mexico and the United Kingdom.
- Participation in the International Corporate Volunteering Week which, under the "Give & Gain" motto, offers visibility and promotes the role of corporate volunteering as an agent for social change.

The company continues its links with the main international work groups and volunteer associations, such as Voluntare, EVEN (Employee Volunteering European Network), IMPACT 2030 and IAVE, participating in their International Conferences, where we share our volunteering good practices.

The *Volunteer Portal* continues to be the meeting point for all professionals of the group interested in social and community service actions, using a global and trilingual website. The *Volunteerism Newsletter* has provided weekly information on activities.

Foundations

ScottishPower Foundation, Avangrid Foundation, Fundación Iberdrola México, Instituto Neoenergía and Fundación Iberdrola España represent Iberdrola's commitment to sustainable development in the countries in which it does business. Pursuant to the Master Plan, the foundations have updated their mission, vision and values to include among their purposes and principles the contribution to the achievement of the Sustainable Development Goals (SDGs). The 2030 Agenda, promoted by the United Nations General Assembly, provides a unique opportunity for global transformation leading to more inclusive and sustainable development models. Along these lines, the foundations prioritise their focus on sustainable human development in order to define objectives linked to programmes and specific aims under the SDGs and to contribute to fostering positive changes for the most vulnerable people and for the planet. It should also be noted that they engage in specific collaboration with other cultural, social, scientific and cooperation institutions in all of the countries.

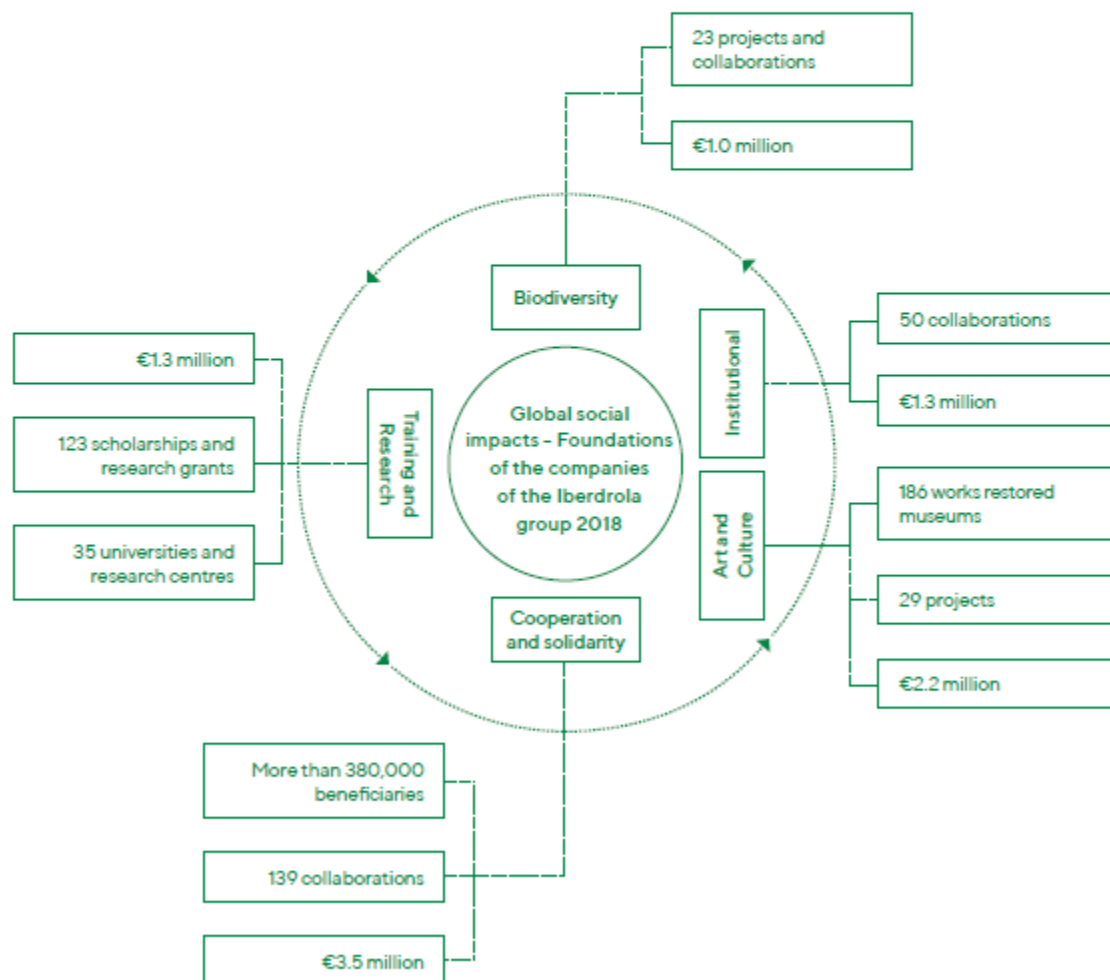


The charts below show the economic impact of the activities of Iberdrola's foundations by global achievement and by country during 2018 (also shown in the social contribution figures in accordance with the LBG Model previously reported upon in this chapter):

Activities of Iberdrola Foundations by area of activity (€ millions)	2018
Training and research	1.3
Climate change	1.0
Art and culture	2.2
Solidarity and cooperation	3.5
Institutional collaboration	1.3

Activities of Iberdrola Foundations by country (€ millions)	2018
Spain	5.5
United Kingdom	1.2
United States	2.1
Brazil	0.3
Mexico	0.3

Foundations of the companies of the Iberdrola group
Results in areas of activity in 2018 (€)



The results and achievements by country are available in Annex 1 – Supplementary information.

Training and Research Area: aids for course studies, scholarships and research

The new foundations Master Plan now takes a fresh approach in order to advance equality of opportunity for access to education by means of a new Support Programme for course studies that includes the following projects:

In the United States:

- *KVCC Lineworkers* in the training of electricians in Maine, through scholarships in the CMP Lineworker Technology Programme, to train specialists while prioritising the inclusion of young women in the energy sector.
- *Monroe Community College Foundation – Salute to Excellence* (Rochester): scholarships for underprivileged students, giving them the opportunity to complete their higher education and overcome barriers to complete their university studies.
- *Binghamton University Foundation*: two-semester course in which the students participate in real engineering projects, together with Binghamton University, the Kopernik Observatory and Science Park, the Chesapeake Alliance Discovery Centre for the Protection of the Alaskan Malamute, Broome Humane Society, Willow's Wings Animal Sanctuary & Rescue, and The Community Foundation Greater New Haven.

In Mexico:

- There is a programme of collaboration with the Tecnológico de Monterrey University at its Altamira campus for the education of low-income youth in bachelor's and engineering degrees.

In Spain:

- Initiatives for linguistic immersion in English: the aim is to teach English to school students in their 3rd and 4th years of Compulsory Secondary Education. The selection of the students is made by the Education Department of several Autonomous Communities that participate in the programme, according to objective criteria of academic excellence and financial resources. The programme promotes and facilitates the participation of students in rural areas, given that this is the profile of student that finds it most difficult to access this kind of training. Iberdrola offers its facilities over the summer and Easter periods as a venue for these courses. A total of 80 students and 22 teachers have participated in the summer courses in Castile and León, Extremadura and the Valencian Community.

This area also benefitted from scholarships and research grants in 2018:

- Fundación Iberdrola México has awarded a total of 13 scholarships to underprivileged students at the Altamira Technical Training centre with the aim of achieving the inclusion of these vulnerable youths.
- Instituto Neoenergia in Brazil has awarded 9 scholarships in order to allow youths to pursue an international master's degree, thus promoting the training of high-level professionals who are capable of contributing to the development of a sustainable energy service.
- Fundación Iberdrola España has awarded a total of 56 scholarships and grants, 20 of which focus on energy and environmental research. A call for scholarships has also been launched through Fundación Carolina to pursue energy and environment master's degrees at Spanish universities, and 2 Fullbright scholarships have been awarded for energy and environment master's degrees.

In collaboration with ICAI – Universidad de Comillas, Iberdrola has announced a call for 9 scholarships for undergraduate students in order to help with their studies. There are also scholarships for leading museums: 3 for restoration and conservation at the Prado Museum and 2 for the Bilbao Museum of Fine Arts. In the area of sports, the foundation continues to support the Paralympics by awarding 10 support grants to undergraduate sportspeople.

The company also manages other training programmes, as set forth in greater detail in the "Creation of employment and salaries" section of chapter II.1

Biodiversity and Climate Change Area: conservation of birds, habitats and ecosystems

In Spain, particularly noteworthy is the Migra project, aimed at monitoring the movements of migratory birds, in collaboration with the Spanish Ornithology Society SEO/BirdLife. At the end of 2018, the programme has 946 birds tagged from 32 different species. During the financial year, 10 Montagu's harriers have been tagged, and information has been downloaded about the lesser kestrels tagged with nano-GPS last year with the collaboration of Grefa, the Córdoba Zoo and the City Council of Alcalá de Henares. Finally, several days were devoted to recapturing common and pallid swifts tagged in prior years, with two birds having been recaptured in Barcelona.

Another important initiative is the signing of a collaboration agreement with the Fundación para la Conservación del Quebrantahuesos (Bearded Vulture Conservation Foundation) with a view to studying the influence of climate change on this and other alpine birds. In 2018, 39 boxes were installed to capture insects, and for 72 nights hematophagous mosquito traps were set using ultra-violet light and CO₂ as attractants. 32 samples were obtained, which were taken to the University of Veterinary Medicine of Zaragoza, where they continue to be studied.

In the United Kingdom, support is given to the Dolphin Watch project for the protection of dolphins at the Sussex Wildlife Trust. The Foundation supports the 50th anniversary of this education centre and nature reserve with outreach and awareness-raising projects regarding the conservation and care of habitats.

In the United States, support has been given to Riverkeeper in New York, an initiative to help transform the Jettie S. Tisdale school, Johnson Oak Park in the impoverished East End of Bridgeport. It highlights the evolution and importance of parks in terms of urban biodiversity, human health, access and equality, the economy and other benefits. In partnership with the City of Bridgeport and other Stakeholders, efforts have centred around engaging the community in designing the restored green space known as Park City.

On land located near the Industrial Port zone of Altamira in Mexico, a project is being promoted that is devoted to the conservation of Felines, which aims to guarantee the survival of a number of jaguars, jaguarondis, ocelots and bobcats that inhabit the region. Progress has been made in the creation and demarcation of biological corridors facilitating the safe passage of these animals in danger of extinction.

The conservation of the Mangrove is another of the projects promoted by Fundación Iberdrola México to ensure the survival and encourage the increase of flora and fauna in the mangrove ecosystem through constant monitoring, research and demarcations that ensure permanence there. Another initiative is the conservation project Parque Estatal Cañón de Fernández, in partnership with PRONATUR in the Fernández Canyon, to protect biological and ecological processes in the area and provide environmental services in the ecosystems of the state park.

Of note in Brazil is the *Flyways* project for the conservation of wader birds and endangered species. In collaboration with *Save Brazil*, support is also given to a project devoted to the conservation of endangered birds in the area of Rio Grande do Norte. The last census carried out yielded 4 species of endangered wader birds, a total of 306 specimens. Finally, outreach activities have been developed regarding wader birds and the importance of conservation of their habitat, for students and teachers of the *Maria Salete Martins* School.

Eco-citizen: building a sustainable future is another initiative in Brazil that focuses on training professionals in sustainable technology systems and their roll-out in communities that are socially at risk. The project includes training activities for professionals in the area of eco-construction, through free courses for training and implementation of sustainable technology systems in socially vulnerable communities. In order to promote this social initiative, a community vegetable garden was started, using sustainable techniques.

Art and Culture Area: programmes for lighting, restoration and support to museums

The Iberdrola Foundations Lighting Programme is mainly focused on improving the interior and/or exterior lighting of remarkable buildings, to showcase the historical-artistic heritage. The use of new LED technology entails a series of advantages such as improving conservation, increasing energy efficiency (on average 75 % more than conventional bulbs) and reducing maintenance expenses thanks to a much longer-lasting useful life. In addition to the artistic, economic and environmental benefits, one must add the potential of these projects that favour economic activity, facilitating local development around the historical-artistic heritage. The most significant projects in 2018 were the following:

- In the United States, Avangrid Foundation has sponsored lighting projects in the Morgan, Hilles, Austin and Wadsworth 301-303 galleries, replacing 2,625 bulbs with LED technology.
- The Foundation in Mexico champions the MUNAL Programme to light halls in Mexico's National Museum of Art (MUNAL), improve energy efficiency and play a role in conserving the works of art in this museum.
- The Foundation in Spain has launched and completed quite significant projects in 2018: exterior lighting on the façade of the Monastery of Uclés, decorative lighting of the Royal Pantheon at San Isidoro de León Collegiate Church, the Military Museum in Toledo and the restoration workshop at the Royal Tapestry Factory using the latest LED technology. Work continues on the projects of the Ávila Cathedral, the Salamanca Cathedral, the Fonseca School, the Talavera Basilica, the Barrena Palace in Ordizia, Valdepeñas Church and the Supreme Court in Madrid.
- Instituto Neoenergia has been the driving force behind the projects for lighting of the Cinco Pontas Fort in Recife and for restoration of the Barra Grande Fort in Guarujá, Brazil.

Also in Spain, the Iberdrola Museum Programme collaborates with the Restoration Workshops of the Prado Museum and the Bilbao Museum of Fine Arts for the conservation of paintings, sculptures and works of art on paper at their art galleries. This museum has also promoted the Art to Touch Programme for persons with disabilities, especially those who are visually handicapped.

Another significant restoration initiative is the Atlantic Romanesque Plan involving church buildings in Spain and Portugal.

Within the scope of the Restoration Programme, the following projects have been completed: Tapestries of the Royal College of the Patriarch, the altarpiece of the Cuenca Cathedral, the codices of the Yuso Monastery Library and the restoration of the three flags of Saigon owned by the Naval Museum of Madrid. In the last months of 2018, work has started on a project to restore the altarpiece of the church of San Martín de Tours, in Villarmentero de Campos, Palencia.

The Exhibitions Programme has had two main initiatives: in Spain, the exhibition Sorolla and Fashion with simultaneous and complementary exhibits at the Sorolla Museum and the Thyssen-Bornemisza Museum. The exhibition brings together more than seventy paintings from museums and national and international private collections, some of them never previously exhibited to the public, together with a significant collection of period dresses and accessories, with valuable pieces also loaned by prominent institutions and private collections, many of them previously unseen.

In Mexico there has been a temporary exhibition of European and Novohispanic paintings promoted by the Foundation in Mexico and the MUNAL Museum under the title *Caravaggio. A work, a legacy*. Another exhibition promoted by Iberdrola's foundation in Mexico is *Nahui Olin. La mirada infinita*, showcasing a representative collection of the Mexican avant-garde artist María del Carmen Mondragón, with collaborators being invited to the opening and enjoying a guided tour round the temporary exhibition.

The Art and Culture Outreach Programme has the ScottishPower Foundation as a point of reference. The following initiatives were supported in 2018:

- The international scenic arts festival Futureproof, aimed at young people from different backgrounds and communities. This is a multi-artistic and multi-platform space that will be set up in ten areas in Scotland and will be shared with the rest of the United Kingdom via social networks.

- *Art Promotion Llangollen International Musical Eisteddfod* is based on previous work to promote art education, reduce inequality of opportunity and make Eisteddfod a truly inclusive event. This project will improve the skills and confidence of participants that face difficult circumstances and will result in the creation of a unique music and dance presentation that celebrates diversity. The project will also enhance the dimension of culture, beliefs and community commitment, and will promote respect and understanding.
- National Museums Scotland. *Powering Up 2.0*. Financing will make it possible to improve the successful *Get Energized* programme, recognised by teachers as an excellent and attractive initiative to promote and disseminate cultural activities in Edinburgh.

Among the projects implemented by Avangrid Foundation, the following cultural events are particularly noteworthy: The *International Festival of Arts & Ideas* (Connecticut) aimed at creating and producing plays with a special focus on community education and engagement, and the *Rochester Area Community Foundation/Rochester International Jazz Festival* (New York), which is internationally acclaimed, attracts a large and diverse audience and celebrates and develops the local community. Finally, through Barrington Stage Company (Massachusetts), Avangrid Foundation develops the *Playwright Mentoring* theatre programme, which offers teenagers at risk (13 to 19) a safe place where they can talk about the serious challenges in their daily life, using their own life stories as a basis for creating original plays. The project provides participants a protective space for young people.

Cooperation and Solidarity Area

Iberdrola's Foundations consolidate their *Social Programme* in order to contribute to improving the quality of life of the most vulnerable groups, with a special focus on childhood, youth and women. The programme works with non-profit institutions devoted to eradicating child poverty, fostering education as a useful tool for youths, promoting the social inclusion of persons with disabilities and improving the quality of life of persons who are seriously ill and their families.

Spain:

In 2018, 52 alliances have been entered into with non-profit social organisations and local institutions to provide support to 22 solidarity initiatives and promote 35 finalist projects, with an investment in excess of one million euros and a positive impact on 65,000 beneficiaries, which has entailed the creation of one hundred direct jobs. The programme works along three lines of action, and the following are the most significant collaboration projects:

- Projects to eradicate child poverty:
 - Asociación Ciudad Joven: school support, leisure and free time for the social inclusion of children.
 - Fundación Balía por la Infancia: "Aula BALIA" for boys and girls at risk of social exclusion.
 - Candelita: "Conduce a tu futuro" ("Lead your future"): guidance, training and support for vulnerable women to facilitate access to employment.
 - Fundación Altius: "Jóvenes en la cocina" ("Youths in the kitchen"): social and occupational inclusion of 250 unemployed youths at risk of exclusion.
 - Fundación Tomillo: training in energy efficiency aimed at vulnerable youths as drivers of social change.
 - Ayuda en Acción: "Re-Ilumina": equality of opportunity for quality education.
 - Amigó: "Proyecto conviviendo" ("Living together Project"): prevention of violence among teenagers and their families in the Basque Country and Madrid.
 - Ilundai Haritz Berri: "Bizi-Baso", the forest of life: support for the social and occupational inclusion of vulnerable youths.
 - Bizitegi: temporary lodging for homeless women.
 - Columbares: comprehensive service for socially vulnerable children in the municipality of Murcia.
 - Fundación Anar: involvement with children, victims of gender-based violence through the ANAR phone line.

- Save the Children Foundation: fight against child poverty and social and occupational inclusion for children, teenagers and families.
- Projects focused on the autonomy of persons with disabilities:
 - Upacesur: medical-functional rehabilitation of children and youths with cerebral palsy and other multiple disabilities.
 - Fundación Síndrome de Down: training and occupational integration project. Social entrepreneurship as a component of personal development and the occupational inclusion of youths.
 - ADSIS: support services in the transition to adult life for youths at risk of social exclusion.
 - AMICOS: training for persons with disabilities.
 - ASPRODEMA: "Tendiendo puentes a la comunidad" ("Building bridges with the community"), support resources centre for the promotion of personal autonomy.
 - ASOCIDE: "Guides-Interpreters for deaf and blind persons – communication is possible". Support for deaf and blind persons in their daily activities with the help of specialised guides-interpreters.
 - ANFAS: model centred around families and natural contexts with a focus on early care (3 to 6 years).
 - GUREAK: "Nuevos pasos" ("New steps"), a social and occupational inclusion of persons with disabilities.
 - ASIDO: "Quiero vivir mi propia vida" ("I want to live my own life"), a project promoting personal autonomy in persons with intellectual disabilities.
- Projects to improve the quality of life of seriously ill persons:
 - ASPANION: psycho-social and financial support for children with cancer and their families.
 - AMAMEC: "Mucho por vivir" ("A lot to live"), psychological, physical and social care for women suffering from breast cancer.
 - AECC: emergency social and psychological care for families at risk of social exclusion due to oncologic disease.
 - Menudos Corazones: integration programme based on leisure and free time for children, teenagers and youths with heart disease.
 - Proyecto Hombre: various types of collaboration with institutions engaged in the Proyecto Hombre programme and which develop projects focusing on therapeutic intervention in cases of comorbidity, addictions and psychiatric disorders; learning and service programme for the promotion of leisure among young people; dual approach to the treatment of persons affected by addictions; treatment and reinsertion programme for persons with alcohol addiction problems.

In the United Kingdom:

- Alzheimer Scotland: The *Dementia Friends* programme aims to foster the public's understanding of and empathy towards this disease, so that persons suffering from dementia feel supported, accepted and welcome in their communities.
- Bangor University: The ReachingWider association focuses on higher education for vulnerable people in Wales. Its *Bright Sparks* initiative aims to encourage and inspire students and help them achieve their potential in the science, technology, engineering and mathematics (STEM) schools across the six regions in North Wales.
- Adventure for All: The Bendrigg Trust is an outdoor education centre specifically for disabled people. Its goal is to help them integrate into society, achieve independence and become healthier through adventure activities and spending time away from home.
- Live Music Off the Grid! The project involves providing live music at health centres and hospitals in remote areas such as the Scottish Highlands & Islands, Dumfries & Galloway, Kintyre, Cumbria, Northern Ireland, Wales, Devon and Cornwall.

- Prince & Princess of Wales Hospice: Provides specialised free palliative care in Glasgow to terminally ill patients, offering support to their families and carers.
- The Manchester Young Men's Christian Association: Backing of the Mental Health Champions project targeting young men to halt the rise in mental health problems. It also helps young men's parents, teachers and employers to provide better support.
- The Outward Bound Trust: This project enables young people to get involved in community activities by spending five days at the Loch Eil centre. Everyone taking part is to attend an event to share their experiences with friends and families, and 6 young people will be chosen to take part in a summer programme.
- The Great Steward of Scotland's Dumfries House Trust. *Engineering Education Programme*. The Engineering Education Centre provides indoor and outdoor experience-based learning for early primary school and secondary school students. The financing will help pay for students' school visits in South West Scotland and will contribute to their development and growth. It will also support family/public participation events. The aim of the programme is to reach a wider geographical area and also encourage the participation of schools that did not have the chance to take part in STEM activities in the past.

In the United States:

- *Operation Fuel*: Ensures that struggling families have access to year-round energy assistance in more than one hundred towns across Connecticut. Local government and community-based organisations take part in this project. It includes other activities to guarantee basic needs such as distribution of food, clothes, etc.
- Yale New-Haven Hospital (Connecticut): Ongoing support for the Yale-New Haven Hospital McGivney Center for Musculoskeletal Care, which provides specialist care and the best relief possible for patients with chronic diseases. The hospital has a specific mission to meet the needs of the most vulnerable people.
- United Way Worldwide - Trust - Employee Match (Connecticut & Massachusetts): Support for community-based organisations that encourage volunteering for the common good.
- *Working for Worcester* (Massachusetts): Improvements to recreational infrastructure and school facilities, parks, community centres, sports fields and other leisure/free time spaces in Worcester.
- Urban League of Rochester: Early Acquisition programme for transition from secondary school to university, by means of which young people from minority and disadvantaged groups are provided with training for university, work and life. The mission of the *Urban League of Rochester*, New York is to enable Afro-Americans, Latinos and other disadvantaged persons to secure economic self-reliance and to guarantee civil rights, removing all barriers to equal participation in the economic and social mainstream of America.
- Chelsea Hicks Foundation: Therapeutic play project for more than 2,400 children and their families every year in local hospitals.
- *Progress Center*: The project offers students at risk or from low-income households in the Oxford Hills area new backpacks and school supplies to start the new school year.
- Food Bank of Western Mass., to significantly reduce food insecurity among residents of the counties of Berkshire, Franklin and Hampden.
- Ronald McDonald House of Connecticut and Western Massachusetts: Refuge home for children receiving medical treatment and their families. It helps to create a homely atmosphere, to have a wide variety of supplies to choose from to prepare breakfast, lunch and dinner for the families, and is essential to ease the financial burden of having to buy all food out, thus enabling the families to focus on what matters most: the health and well-being of their children.

Mexico:

The Asociación Civil Excelencia Educativa offers boys and girls a participative space where they can be active subjects in the learning process, enjoying new ways of approaching knowledge. This initiative was carried out throughout 2018 in 11 schools located near Iberdrola plants and installations.

Brazil:

Particularly significant is the *Jovens Brilhantes* (Young Brilliant People) project, to help children and adolescents in the state school system develop the skills and competencies needed for the 21st century. Target subjects are STEM (science, technology, engineering and mathematics) and a nurturing and interactive approach is taken to meet the real challenges faced in society. The institute also collaborates with UNICEF and the Ayrton Senna Foundation on projects helping children at risk.

International Cooperation Programme for Human Development

The International Cooperation Programme addresses humanitarian crises and promotes multi-sector alliances in order to foster sustainable development and overcome situations of extreme poverty through the electrification of basic social infrastructures (schools, health or community centres, etc.), with education and technical training components that promote productive and local development actions and the provision of help in humanitarian emergency crises. The most significant alliances are:

- The SHIRE Alliance, promoting access to electricity in refugee camps. This initiative is promoted by the Universidad Politécnica de Madrid, and also has the support of the UNHCR, AECID and the European Union.
- ILUMEXICO contributes to the development of marginalised communities in Mexico where there is no access to the national electricity grid or where the service they receive is poor. Infrastructure and community work programme relating to renewable energy.
- Migrant Children Alliance in Sahel: led by Save the Children, it promotes a system for the protection of migrant boys and girls through a network of care and training centres in Mauritania with the participation of the European Union.

As regards humanitarian emergencies, mention should be made of the negative impact of Hurricane Harvey, which affected Florida's most vulnerable population. In the United States, the company continues to collaborate with the Red Cross (American Red Cross Disaster Relief) to help victims and contribute to reconstruction in the affected areas of Puerto Rico.

Institutional collaboration

Finally, the Foundations engage in specific collaboration with other cultural, social, scientific and cooperation institutions in the respective countries.

Iberdrola and the Global Compact

Iberdrola has been a member of the Global Compact since 2002, undertaking to support, promote and disseminate its ten principles regarding human rights, labour practices, the environment and the fight against corruption, both internally and within its area of influence. During these years, the company has continued to further develop the policies and practices proposed by the Compact, which it has made public through its annual *Sustainability Report* and its corporate website.

Since 2004, as a founding member, the company has belonged to the Red Española del Pacto Mundial (Spanish Global Compact Network), and has prepared progress reports on compliance with the principles of the Compact, which are publicly available both on the website of the Red Española del Pacto Mundial and on the UN Global Compact website.

During 2018, Iberdrola took in the following actions in connection with the Global Compact:

- Submission of the Progress Report 2017 on compliance with the principles of the Compact, rated at the highest level for this type of report ("GC Advanced").
- Attendance at the 2018 General Assembly of the Red Española.
- Iberdrola and the Red Española del Pacto Mundial have developed the *Moving for Climate NOW* initiative, within the framework of the COP24 Climate Summit held in Katowice (Poland) in November 2018.
- Iberdrola participated with the Global Compact on numerous initiatives to promote and develop the Sustainable Development Goals, which can be seen in the "Iberdrola's contribution to the SDGs" section of Chapter I. About Iberdrola.
- Active collaboration in promoting sustainable finances and creating robust sustainability reporting frameworks through participation in the Platforms on *Financial Innovation for the SDGs* and *SDG Reporting*.
- Encourage the global process of climate action in its role as a sponsor of the Pathways to Low-Carbon and Resilient Development Platform. In this area, also quite noteworthy is Iberdrola's contribution to the preparation of the "Ambition Loop" report, focused on generating dynamics to increase ambitions in the area of climate change, and participation at meetings and events held at the principal climate change milestones during 2018 (Katowice Climate Summit, New York Climate Week, etc.).
- Highest level of support for Global Compact events, with the participation of Iberdrola's chairman at the *UN Global Compact Leaders Summit* held within the framework of the United Nations General Assembly in September 2018.

As mentioned above and shown both in these joint activities and in its daily work, Iberdrola has linked the SDGs to its business strategy, and actively works with the Global Compact to contribute to the achievement thereof, within its scope of activities.

In 2019, Iberdrola will continue to actively participate in the activities of the Red Española del Pacto Mundial in a manner similar to the past year.

Item 6 - Remuneration of Senior Executives

49. REMUNERATION OF SENIOR EXECUTIVES

Senior executives are those who answer directly to the Company's board of directors, chairman and chief executive officer and, in all cases, the internal audit director, apart from any other director recognised as senior executive.

At 31 December 2018 and 2017, the Company had 5 and 5 senior executives respectively.

The personnel expenses relating to senior executives amounting to Euros 6,598 thousand and Euros 10,373 thousand in 2018 and 2017, respectively, are recognised under the "personnel expenses" heading in the income statements of the mentioned years.

The remuneration and other compensation received by senior executives in 2018 and 2017 are detailed below:

Thousands of Euros	31.12.2018	31.12.2017 (1)
Retribution in cash	3,050	4,227
Performance-based compensation	2,214	2,909
Retribution in kind	98	421
Payments to account not charged	33	36
Social Security	69	70
Promoter contribution pension plan	30	40
Complementary policy accrual	613	2,171
Complementary policy risk	491	499
Total	6,598	10,373

Number of shares	31.12.2018	31.12.2017
Share-based payment plan, strategic bonus	261,106	261,106
Charged taxes and payments in cash Strategic Bonus (thousands of Euros)	1,206	2,503

- (1) Includes the proportional part of remuneration and other payments the Business CEO until 31 March 2017, then appointed member-Business CEO.

Includes the proportional part of remuneration and other payments, as well as the settlement of the 2014-2016 Strategic Bonus for the Director of Internal Audit, until the date of retirement.

Includes the proportional part of the Internal Audit Officer until the date of appointment, on 21 February 2017.

During the first semester of 2017, 261,106 shares corresponding to the 2014-2016 Strategic Bonus, were delivered to senior management, as described in Note 20; thus, the members of senior management received IBERDROLA shares in equal amounts in 2017, 2018 and 2019.

For comparative purposes, the total remuneration received by the Business CEO in 2018 amounted to Euros 1,710 thousand. The total top management remuneration amount in 2017 does not include the Euros 750 million the Business CEO was paid for his position as member of the board in 2018 (Note 47).

In the first half of 2018 the second of three annual payments has been made corresponding to the Strategic bonus 2014-2016 (Note 21), once the valid period of the grounds supporting this remuneration have been confirmed. Senior management members have received 261,106 shares for the second payment. At 31 December 2018, a provision of Euros 3,384 thousand had been recorded to guarantee the third and final payment.

A maximum of 1,000,000 shares in aggregate are to be delivered to senior executives under the *2017-2019 Strategic Bonus* (Note 21), tied to their success in achievement of objectives. As of 31 December 2017, Euros 5,090 thousand have been provided for these commitments.

Under the same conditions as the other directors of companies that are not wholly owned directly or indirectly by the Company and in accordance with the directors' Remuneration Policy approved by the General Shareholders' Meeting held on 13 April 2018, the members of senior management who have held the office of director have received from these companies the remuneration corresponding to the office in accordance with their corporate governance rules. In the year 2018 the remuneration received amounted to Euros 970 thousand.

The indemnity clauses for senior management are described in section C.1.39 of the Annual Corporate Governance Report included in the Directors' Report.

On the other hand, during 2018 and 2017 there were no other transactions with the executives outside the normal course of the business.

The amount of fixed and variable remuneration to executives not included in IBERDROLA's top management (150 people) totalled Euros 47,310 thousand in 2018. In 2017, the amount was Euros 44,610 thousand (145 people). These amounts do not include shares delivered as part of the 2014-2016 Strategic bonus.

Item 7- Summary of Affiliate Transactions

50. RELATED PARTY TRANSACTIONS AND BALANCES

The transactions detailed below are specific to the ordinary business activity and have been carried out on an arm's-length basis:

Transactions carried out by IBERDROLA with significant shareholders

The most noteworthy transactions in 2018 and 2017 are as follows:

Significant shareholders ⁽¹⁾		
	2018	2017
Thousands of Euros	Qatar Investment Authority	Qatar Investment Authority
Dividends and other distributed profit ⁽²⁾	2,766	18,948

(1) IBERDROLA treats as a major shareholder any shareholder who exerts a significant influence on the company's financial and operating decisions. Significant influence is defined as having at least one director on the Board.

This also applies to those significant shareholders whose ownership interest in the company enables them to exercise the proportional representation system.

At 31 December 2018 only Qatar Investments Authority meets this condition.

(2) Amounts recognised as dividends and other benefits distributed in the first half of 2018 and 2017 correspond to the scrip dividend scheme and the attendance fee received if applicable.

Transactions carried out by other companies with significant shareholders

The most noteworthy transactions in 2018 and 2017 are as follows:

Significant shareholders ⁽¹⁾		
	2018	2017
Thousands of Euros	Qatar Investment Authority	Qatar Investment Authority
Finance income ⁽²⁾	344	

2) Correspond to income for cash placing in Qatar National Bank by Scottish Power, Ltd. At 31 December there were no outstanding balances.

Other investments in equity-accounted investees

The breakdown of transactions with equity-accounted investees which are related parties that were not eliminated in consolidation (Note 2.b) is as follows:

	2018					2017						
Thousands of Euros	Asset acquisition	Trade payables	Trade receivables	Sales and services provide	Provisions	Received services	Asset acquisition	Trade payables	Trade receivables	Sales and services provide	Provisions	Received services
SIEMENS-GAMESA (1)	218,602	83,510	765	1,376	1,702	37,602	365,038	126,339	2,678	2,898	1,836	55,445
East Anglia Offshore Wind, Ltd.	4,418	3,905	706	—	—	—	—	—	—	226	—	—
NGET/SPT Upgrades Ltd. (2)	85,033	874	2,839	1,731	—	741	117,397	—	891	2,848	—	—
Morecambe Wind, Ltd.	—	1,207	—	2,022	13,469	—	—	—	—	1,041	13,284	—
Companhia Hidrelétrica Teles Pires, S.A. (3)	—	7,300	1,189	14,575	84,571	—	—	9,598	19	530	101,526	—
Norte Energia, S.A. (3)	—	21,854	—	—	188,769	—	—	15,809	—	—	125,112	—
Energetica Aguas da Pedra, S.A. (3)	—	1,683	2,683	1,906	14,474	—	—	1,853	1	—	—	—
Fudepor, S.L. (4)	—	—	38	4,233	—	—	—	0	2	5,623	—	—
Cogeneración Gequisa, S.A. (4)	—	1,709	1	6,607	—	—	—	337	1	2,691	—	—
Intermalta Energia, S.A. (4)	—	—	3	7,143	—	—	—	—	4	227	—	—
Vineyard Wind LLC (Note 13.a)	—	—	—	2,608	—	—	—	—	—	—	—	—
Other companies	1,762	76,902	15,100	6,128	4,195	2,121	338	86,333	16,808	11,053	8,389	5,214
Total	309,815	198,944	23,324	48,329	307,180	40,464	482,773	240,269	20,404	27,137	250,147	60,659

⁽¹⁾ The purchase of assets mainly correspond to sales to SIEMENS-GAMESA of repair equipment, wind turbines and towers for the wind farms: Kilgallioch, (United Kingdom), Pier y Bajo (Mexico), Twin Butt II (United States) and Chimiche II (Tenerife-Spain)

On 21 December 2011, IBERDROLA and Gamesa Eólica, S.L.U (a company belonging to the GAMESA Group) entered into a framework agreement for the supply and maintenance of wind turbines whereby IBERDROLA undertakes to acquire from GAMESA a minimum amount of megawatts equal to 50% of the total fleet of onshore wind turbines acquired by IBERDROLA for its renewables business unit during the term of the framework agreement. This commitment will remain in effect from 1 January 2013 until 31 December 2022 or until the number of megawatts acquired by IBERDROLA from GAMESA under the framework agreement reaches 3,800, whichever occurs first.

⁽²⁾ The purchase of assets mainly corresponds to investments made by Scottish Power Transmission, Ltd. to build the submarine interconnection line in the Irish Sea to increase the power transmission capacity between England and Scotland. For this purpose, Scottish Power Transmission, Ltd. participates together with the British operator National Grid in the joint venture NGET/SPT Upgrades, Ltd.

⁽³⁾ Supplies relate mainly to purchases of electricity.

⁽⁴⁾ The sales and services rendered mainly correspond to gas sales to co-generation companies.

Transactions with directors and senior executives

	Significant shareholders ⁽¹⁾			
	2018		2017	
	Directors	Executives	Directors	Executives
Thousands of Euros				
Dividends and other distributed profit (1)	482	11	765	179

(1) Recognised dividends and other benefits distributed in the first half of 2018 and 2017 corresponded to the scrip dividend and the attendance fee to the General Shareholder's Meeting, if applicable.

Item 9 – Financial Statements

Financial Statements December 31, 2018

The financial statements presented herein have been prepared according to IFRS and denominated in Euros. The exchange rate is approximately 1 Euro = 1.14 US Dollars for the balance sheet and 1 Euro = 1.18 US Dollars for the income statement.

IBERDROLA, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

Thousands of Euros				
ASSETS	Note	31.12.2018	31.12.2017 (*)	
Intangible assets	8	21,000,248	21,148,027	
Goodwill		7,837,843	7,932,404	
Other intangible assets		13,162,405	13,215,623	
Investment property	9	428,592	424,029	
Property, plant and equipment	10	66,109,320	64,082,379	
Property, plant and equipment in use		58,517,671	57,301,296	
Property, plant and equipment under construction		7,591,649	6,781,083	
Current financial investments		5,191,132	5,013,504	
Equity-accounted investees	13.a	1,709,518	1,790,896	
Non-current securities portfolio		68,831	65,342	
Other non-current financial investments	13.b	2,685,387	2,612,565	
Derivative Financial instruments	28	727,396	544,701	
Trade and other receivables-non-current	14	1,480,252	838,690	
Deferred tax assets	31	5,485,999	5,382,373	
Non-current assets		99,695,543	96,889,002	
Assets held for sale	6	62,164	355,731	
Nuclear fuel	16	272,674	331,883	
Inventories	17	2,173,831	1,870,121	
Trade and other receivables current		6,854,733	6,721,258	
Current tax assets	32	252,907	546,304	
Public entities, other	32	503,444	318,582	
Trade and other receivables current	18	6,098,382	5,856,372	
Current Financial investments		1,177,821	1,323,224	
Non-current securities portfolio		–	1,744	
Other current financial investments	13.b	571,568	598,883	
Derivative financial instruments	28	606,253	722,597	
Cash and cash equivalents	19	2,801,157	3,197,340	
CURRENT ASSETS		13,342,380	13,799,557	
TOTAL ASSETS		113,037,923	110,688,559	

(*) The consolidated statement of financial position at 31 December 2017 is presented for comparative purposes only.

The accompanying Notes 1 to 54 and the Appendix are an integral part of the consolidated statements of financial position at 31 December 2018.

Thousands of Euros			
EQUITY AND LIABILITIES	Note	31.12.2018	31.12.2017 (*)
Parent company	20	36,582,199	35,509,260
Subscribed capital		4,798,222	4,738,136
Valuation adjustments		(32,196)	(42,254)
Other reserves		32,731,625	31,435,651
Treasury shares		(1,010,348)	(597,797)
Translation differences		(2,919,156)	(2,828,470)
Net profit for the year		3,014,052	2,803,994
Non-controlling interests		5,668,803	5,671,380
Perpetual subordinated bonds		1,725,552	1,552,546
EQUITY		43,976,554	42,733,186
NON-CURRENT SECURITIES PORTFOLIO HAVING THE SUBSTANCE OF A FINANCIAL LIABILITY	22	140,582	14,762
Capital grants	23	1,477,928	1,481,111
Facilities transferred or financed by third parties	24	4,823,396	4,763,148
Provisions		5,447,587	5,486,820
Provision for pensions and similar obligations	25	2,420,032	2,533,465
Other provisions	26	3,027,555	2,953,355
Financial debt		31,138,863	29,784,705
Financial debt - loans and borrowings	27	30,751,710	29,465,739
Derivative financial instruments	28	387,153	318,966
Other non-current liabilities	30	874,006	1,140,638
Deferred tax liabilities	31	9,042,567	8,558,419
TOTAL NON-CURRENT LIABILITIES		52,804,347	51,214,841
CURRENT SECURITIES PORTFOLIO HAVING THE SUBSTANCE OF A FINANCIAL LIABILITY	22	36,647	32,519
Liabilities linked to assets held for sale	6	561	134,544
Provisions		579,984	626,841
Provision for pensions and similar obligations	25	22,874	40,604
Other provisions	26	557,110	586,237
Financial debt		7,023,143	7,509,809
Financial debt - loans and borrowings	27	6,574,762	7,224,759
Derivative financial instruments	28	448,381	285,050
Trade and other payables		8,476,105	8,422,057
Trade payables	33	5,428,933	5,307,551
Income tax	32	349,314	259,633
Public entities, other	32	1,039,449	988,926
Other current liabilities	30	1,658,409	1,865,947
Current Liabilities		16,079,793	16,693,251
TOTAL EQUITY AND LIABILITIES		113,037,923	110,688,559

IBERDROLA, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED AT 31 DECEMBER 2018

Thousands of Euros			
	Note	31.12.2018	31.12.2017
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS			
Revenue	35	35,075,873	31,263,262
Supplies	36	(19,640,736)	(17,899,454)
GROSS MARGIN		15,435,137	13,363,808
Personnel expenses	37	(2,678,725)	(2,775,994)
Capitalised personnel expenses	37	658,719	604,398
Net personnel expenses		(2,020,006)	(2,171,596)
External services		(2,797,175)	(2,578,653)
Other operating income		661,950	579,644
Net external services		(2,135,225)	(1,999,009)
Net operating expenses		(4,155,231)	(4,170,605)
Taxes	39	(1,931,003)	(1,874,503)
GROSS OPERATING PROFIT (EBITDA)		9,348,903	7,318,700
Change in Trade and other contract assets	2.a	(253,656)	(197,399)
Amortisations, depreciation and provisions	40	(3,655,874)	(4,408,670)
OPERATING PROFIT (EBITDA)		5,439,373	2,712,631
Result of equity-accounted investees - net of taxes	13.a	55,904	(28,733)
Finance income	42	839,911	921,790
Financial costs	43	(1,996,005)	(1,858,892)
Financial result		(1,156,094)	(937,102)
Gains on sales of non-current assets	41	48,468	299,093
Losses on sales of non-current assets	41	(39,617)	(20,039)
Non-current asset profit/(loss)		8,851	279,054
PROFIT OF THE YEAR BEFORE TAX		4,348,034	2,025,850
Income tax	31	(959,499)	1,397,127
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		3,388,535	3,422,977
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (NET)		(51,167)	(253,011)
Non-controlling interests	20	(323,316)	(365,972)
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		3,014,052	2,803,994
BASIC AND DILUTED EARNINGS PER SHARE IN EUROS FOR CONTINUING OPERATIONS	53	0.475	0.458
BASIC AND DILUTED EARNINGS PER SHARE IN Euros FOR DESCONTINUED OPERATIONS	53	(0.008)	(0.038)

(*)The consolidated income statement at 31 December 2017 is presented for comparative purposes only.
The accompanying Notes 1 to 54 and the Appendix are an integral part of the consolidated income statement.

Translation of Annual accounts originally issued in Spanish and prepared in accordance with IFRS as adopted by the European Union (see Note 55). In the event of a discrepancy, the Spanish-language version prevails.

IBERDROLA, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED AT 31 DECEMBER 2018

Miles de euros	Note	31.12.2018			31.12.2017 (*)			Total
		Of the parent company	From Non-controlling shares	Of perpetual subordinated bonds	Of the parent company	From Non-controlling shares	Of perpetual subordinated bonds	
NET PROFIT FOR THE YEAR		3,014,052	285,747	37,569	3,337,368	2,803,994	333,730	3,169,966
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS								
Valuation adjustments		14,368	(7,298)	—	7,070	114,278	4,836	119,114
Change in value of available-for-sale investments	2.a	—	—	—	—	577	—	577
Change in value of cash flow hedges		25,554	(9,884)	—	15,670	158,462	7,993	166,455
Change in hedging cost		1,041	—	—	1,041	—	—	—
Tax effect		(12,227)	2,586	—	(9,641)	(44,761)	(3,157)	(47,918)
Differences in exchange rates		(90,686)	(193,420)	—	(284,106)	(1,769,353)	(555,977)	(2,325,330)
Valuation gains or losses		(90,686)	(193,420)	—	(284,106)	(2,065,566)	(555,977)	(2,621,543)
Amounts transferred to the consolidated income statement	6	—	—	—	—	296,213	—	296,213
TOTAL		(76,318)	(200,718)	—	(277,036)	(1,655,075)	(551,141)	(2,206,216)
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS EQUITY-ACCOUNTED INVESTEEES								
Other reserves		(39,595)	(634)	—	(40,229)	(151,887)	1,110	(150,777)
Actuarial gains and losses on pension schemes	25	(48,501)	(333)	—	(48,834)	(57,818)	28,490	(29,328)
Tax effect		8,906	(301)	—	8,605	(20,090)	(10,587)	(30,677)
Impact of US Tax reform	31	—	—	—	—	(73,979)	(16,793)	(90,772)
Valuation adjustment		5,613	—	—	5,613	(17,596)	—	(17,596)
Change in value of cash flow hedges		7,233	—	—	7,233	(21,992)	—	(21,992)
Tax effect		(1,620)	—	—	(1,620)	4,396	—	4,396
TOTAL		(33,982)	(634)	—	(34,616)	(169,483)	1,110	(168,373)
OTHER COMPREHENSIVE INCOME OF EQUITY-ACCOUNTED INVESTEEES EQUITY-ACCOUNTED INVESTEEES (NET OF TAXES)								
Other reserves		(862)	—	—	(862)	(11,952)	—	(11,952)
Valuation adjustments		(11,031)	—	—	(11,031)	10,458	—	10,458
TOTAL	13.a	(11,893)	—	—	(11,893)	(1,494)	—	(1,494)
TOTAL NET PROFIT RECOGNISED DIRECTLY IN EQUITY		(122,193)	(201,352)	—	(323,545)	(1,826,052)	(550,031)	(2,376,083)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,891,859	84,395	37,569	3,013,823	977,942	(216,301)	793,883

(*) The consolidated statement of comprehensive income at 31 December 2017 is presented for comparison purposes only. The accompanying Notes 1 to 54 and the Appendix are an integral part of the comprehensive income for the year ended at 31 December 2018.

Translation of Annual accounts originally issued in Spanish and prepared in accordance with IFRS as adopted by the European Union (see Note 55). In the event of a discrepancy, the Spanish-language version prevails.

IBERDROLA, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AT 31 DECEMBER 2018

	Other reserves												
Thousands of Euros	Subscribe d capital	Treasury shares	Legal reserve	Revaluatio n reserves	Share premium	Other restricted reserves	Retained earnings	Valuation adjustments	Translation differences	Net profit for the year	Non- controlling interests	Perpetual subordinated bonds	Total
Balance at 01.01.2018	4,738,136	(597,797)	968,998	236,866	14,667,676	693,684	14,868,427	(42,254)	(2,828,470)	2,803,994	5,671,380	1,552,546	42,733,186
Adjustments due to IFRS 9 (Note 2.a.)	–	–	–	–	–	–	100,731	1,108	–	–	(8,017)	–	93,822
Adjustments due to IFRS 15 (Note 2.a.)	–	–	–	–	–	–	(40,325)	–	–	–	–	–	(40,325)
Adjusted Balance at 01.01.2018	4,738,136	(597,797)	968,998	236,866	14,667,676	693,684	14,928,833	(41,146)	(2,828,470)	2,803,994	5,663,363	1,552,546	42,786,683
Net profit for the year	–	–	–	–	–	–	(40,457)	8,950	(90,686)	3,014,052	84,395	37,569	3,013,823
Transactions with shareholders or owners													–
Share capital increase (Note 20)	208,866	–	–	(208,866)	–	–	(859)	–	–	–	–	–	(859)
Share capital reduction (Note 20)	(148,780)	1,245,420	–	–	148,780	–	(1,245,469)	–	–	–	–	–	(49)
Restructuring Distribution of year 2017	–	–	–	–	–	–	2,661,298	–	–	(2,803,994)	(197,955)	–	(340,651)
Acquisition of free allocation rights (Note 20)	–	–	–	–	–	–	(97,899)	–	–	–	–	–	(97,899)
Transactions with treasury shares (Note 20)	–	(1,657,971)	–	–	–	–	(225)	–	–	–	–	–	(1,658,196)
Other changes in equity													–
Securities portfolio-based payments (Note 21)	–	–	–	–	–	–	2,671	–	–	–	(448)	–	2,223
Issue of perpetual subordinated bonds (Note 20)	–	–	–	–	–	–	(2,538)	–	–	–	–	700,000	697,462
Write-off of perpetual subordinated bonds (Note 20)	–	–	–	–	–	–	–	–	–	–	–	(525,000)	(525,000)
Other movements	–	–	–	–	–	–	19,132	–	–	–	119,448	(39,563)	39,017
Balance at 31.12.2018	4,798,222	(1,010,348)	968,998	28,000	14,816,456	693,684	16,224,487	(32,196)	(2,919,156)	3,014,052	5,668,803	1,725,552	43,976,554

	Other reserves												
Thousands of Euros	Subscribe d capital	Treasury shares	Legal reserve	Revaluatio n reserves	Share premium	Other restricted reserves	Retained earnings	Valuation adjustments	Translation differences	Net profit for the year	Non- controlling interests	Perpetual subordinated bonds	Total
Balance at 01.01.2017 (*)	4,771,559	(1,083,367)	958,271	368,436	14,667,676	528,691	14,983,227	(149,394)	(1,059,117)	2,704,983	3,445,898	550,526	40,687,389
Comprehensive income for the year (excluding impact of Changes to the consolidation perimeter) (Note 6)	-	-	-	-	-	-	(163,839)	107,806	(2,407,780)	2,759,982	(216,301)	32,242	112,110
Transactions with shareholders or owners													
Scrip issue (Note 20)	131,570	-	-	(131,570)	-	-	(834)	-	-	-	-	-	(834)
Share capital decrease (Note 20)	(164,993)	1,280,176	-	-	-	164,993	(1,280,214)	-	-	-	-	-	(38)
Distribution of 2016 profit	-	-	10,727	-	-	-	2,507,184	-	-	(2,704,983)	(101,332)	-	(288,404)
Acquisition of free allocation rights (Note 20)	-	-	-	-	-	-	(645,800)	-	-	-	-	-	(645,800)
Transactions with treasury shares (Note 20)	-	(794,606)	-	-	-	-	2,950	-	-	-	-	-	(791,656)
Other movements in equity													-
Share-based payments (Note 21)	-	-	-	-	-	-	6,830	-	-	-	845	-	7,675
Modification of the consolidation perimeter (Note 6)	-	-	-	-	-	-	(500,926)	(666)	638,427	44,012	2,320,651	-	2,501,498
Issue of Perpetual subordinated bonds (Note 20)	-	-	-	-	-	-	(5,150)	-	-	-	-	1,000,000	994,850
Other changes	-	-	-	-	-	-	(35,001)	-	-	-	221,619	(30,222)	156,396
Balance at 31.12.2017 (*)	4,738,136	(597,797)	968,998	236,866	14,667,676	693,684	14,868,427	(42,254)	(2,828,470)	2,803,994	5,671,380	1,552,546	42,733,186

(*) The consolidated statement of changes in equity at 31 December 2017 is presented for comparison purposes only.
The accompanying Notes 1 to 54 and the Appendix are an integral part of the consolidated statement of changes in equity for the year ended at 31 December 2018.

Translation of Annual accounts originally issued in Spanish and prepared in accordance with IFRS as adopted by the European Union (see Note 55). In the event of a discrepancy, the Spanish-language version prevails.

IBERDROLA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED AT 31 DECEMBER 2018

Thousand of Euros	Note	31.12.2018	31.12.2017 (*)
Profit of the year from continuing activities before tax		4,348,034	2,025,850
Profit of the year before tax discontinued operations before tax		(64,660)	(321,490)
Adjustments for			
Amortisation, depreciation, provisions valuation adjustments finance assets and personnel expenses for pensions	37, 40	4,080,238	4,969,021
Results of companies accounted for using the equity method net of taxes	13	(55,904)	28,405
Grants credited to income and other deferred income	23	(282,898)	(276,795)
Income and expenses financial	42, 43	1,156,094	946,812
Profit from the disposal on non-current assets	41	(8,851)	(278,962)
Changes in working capital			
Change in trade and other receivables		(434,905)	36,145
Change in inventories		(313,389)	(169,087)
Change in trade and other payables		(24,057)	(310,640)
Change in non-current receivables and other payables		(24,520)	(1,397)
Provisions paid		(511,382)	(470,723)
Income tax paid		(332,891)	(542,169)
Dividends received		55,339	50,483
Cash flows from (used in) operating activities		7,586,248	5,685,453
Change in cash due to variations in the method and / or perimeter of consolidation	6	—	76,366
Investments in intangible assets	8	(1,113,978)	(530,992)
Capitalised interests paid for intangible assets	42	(35,735)	(21,506)
Investments in associates	13.a	(91,305)	(77,331)
Sale of subsidiaries		(1,746)	(1,641)
Other investments		(675,737)	1,016
Acquisition of investment property	9	(11,878)	(4,169)
Acquisition property, plant and equipment	10	(5,237,151)	(5,594,372)
Capital grants and other deferred income	23	14,040	42,761
Capitalised interests paid for property, plant and equipment	42	(156,896)	(112,536)
Net inflow/outflow due to current financial assets		(67,300)	584,087
Interest received		192,291	130,830
Income tax		22,076	—
Proceeds from sales of non-financial assets		6,604	2,800
Proceeds from sales of financial assets		47,152	312,017
Sale of subsidiaries		1,059,150	—
Net cash flows from (used in) investing activities		(6,050,413)	(5,192,670)
Free-of-charge allocation rights acquisition	20	(97,899)	(645,800)
Dividends paid		(142,696)	(187,072)
Dividends paid to non-controlling interests		(161,241)	(104,029)
Issuance of perpetual subordinated bonds	20	697,462	1,000,000
Reimbursement of perpetual subordinated obligations	20	(525,000)	—
Payments of perpetual subordinated bonds interests	20	(39,563)	(35,337)
Issues and disposal from borrowings	20	13,325,103	13,637,173
Repayment of borrowings	29, 22	(12,493,320)	(10,419,647)
Interest paid excluded capitalised interest		(879,389)	(840,985)
Cash outflows due to capital decrease		(49)	(38)
Cash outflows due to capital increase		(859)	(834)
Treasury shares acquisition	20	(1,674,480)	(1,004,890)
Proceeds from sale of treasury shares	20	63,266	90,589
Transactions with non-controlling interests		132,483	(67,503)
Net cash flows from (used in) financing activities		(1,796,162)	1,421,627
Effect of exchange rate changes on cash and cash equivalents		(135,856)	(149,756)
Net increase / (decrease) in cash and cash equivalents		(396,183)	1,764,654
Cash and cash equivalents at the beginning of the year		3,197,340	1,432,686
Cash and cash equivalents at the ending of the year		2,801,157	3,197,340

(*) The consolidated statement of cash flows for 2017 is presented for comparison purposes only.

The accompanying Notes 1 to 54 and the Appendix are an integral part of the consolidated statements of cash flows for the year ended at 31 December 2018.