

'GREEN' MULTINATIONALS EXPOSED

IBERDROLA



HEADQUARTERS Bilbao (Basque Country), Spain

MAIN SHAREHOLDERS¹

- Qatar Investment Authority (Investment Management) — 8.71%
- Norges Bank Investment Management — 3.62%
- The Vanguard Group, Inc. — 3.29%
- Schroder Investment Management Ltd — 0.70%
- FIL Investments International — 0.61%
- Geode Capital Management LLC — 0.55%
- Wellington Management Co. LLP — 0.54%
- Massachusetts Financial Services Co. — 0.52%
- J.P. Morgan Asset Management (UK) Ltd — 0.47%
- Capital Research & Management Co. (Global Investors) — 0.43%

PROFITS

- US\$4.57 billion in 2022
- US\$26.83 billion between 2016 and 2022

TOP SALARIES AND BONUSES

US\$13.73 million for CEO José Ignacio Sánchez Galán (2022)²

DIVIDEND PAY-OUTS AND SHARE BUYBACKS

- US\$3.39 billion in dividend payouts in 2022; US\$19.85 billion between 2016 and 2022
- US\$1.25 billion in share buybacks in 2022; US\$7.88 billion in share buybacks between 2020 and 2022

RENEWABLE GENERATION

41.25 GW in installed capacity as of 2023³

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (US\$ BILLION)	4.57	4.60	4.13	3.82	3.56	3.17	2.99
DIVIDENDS (US\$ BILLION)	3.39	3.42	3.10	2.89	2.67	2.27	2.21
SHARE BUYBACKS (US\$ BILLION)	1.25	1.36	1.96	1.28	0.89	0.47	0.67

* Exchange rate based on IRS annual values: <https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>

Iberdrola is a leading energy multinational based in Spain. The company was established through the merger of Hidroeléctrica Española and Iberduero in 1992.⁴ Hidroeléctrica Española consolidated its power in the midst of Spain's fascist dictatorship. General Franco offered preferential treatment to Hidroeléctrica Española to compensate director Oriol Urquijo for his support of the coup d'état against the Spanish Democratic Republic in 1936.⁵ Between 1948 and 1960, Hidroeléctrica Española multiplied its net assets twenty-fold.⁶

Iberdrola is now one of the world's biggest electricity utilities in terms of market capitalisation.⁷ The company's history and present-day influence make its power omnipresent in the Spanish electricity sector — and in the global electricity industry. Many prominent Spanish politicians have occupied positions on the company's Board.⁸ On its website, the multinational highlights a turning point in 2006, when 'the company decided not to follow the general trend of diversifying its business and investment in sectors such as telecommunications, but to focus on the energy sector, where they invested in generation and grids in Spain, Mexico and Brazil.'⁹ However, **in 2022, 46 per cent of the electricity Iberdrola produced still involved either fossil gas or nuclear energy.**¹⁰

Capitalising on public subsidies is at the heart of the company's strategy. It received a €550 million green loan from the European Investment Bank for the construction of a total capacity of around 1,800 megawatts of photovoltaic and wind farms.¹¹ In Mexico, Iberdrola received subsidies worth 56.1 billion pesos (US\$3.11 billion) under the government's 2013 Electricity Industry Law.¹² The company is the leading applicant for NextGenerationEU funds in Spain, aiming to mobilise US\$35.4 billion through the scheme.¹³ Additionally, the company sent a presentation to the Spanish government's National Commission on Stock Markets for a portfolio of 175 projects in areas like green hydrogen, renewable energy, mobility, energy storage, smart grids and heat electrification.¹⁴ Iberdrola also had access to the European Central Bank's Corporate Sector Purchase Programme quantitative easing policy.¹⁵

Iberdrola has faced several accusations of fraudulent practices. **In 2015, the Spanish National Commission of Markets and Competition (CNMC) ruled that the multinational had manipulated the price of electricity in 2013,**

labelling its malpractice as ‘very serious’.¹⁶ The CNMC imposed a fine of €25 million which is still under appeal.¹⁷

In 2021, Iberdrola was accused of generating a ‘false drought’ by emptying the Valdecañas reservoir in Extremadura, Spain, rendering tanker trucks necessary to supply water to the surrounding population.¹⁸ Iberdrola claims that this action was necessary to generate electricity in the context of a heat wave.¹⁹ However, it did so when the price of electricity was very high, bringing in profits that prompted an investigation by the Ministry for Environment.²⁰ Recently, the High Court of Justice in Extremadura has ruled that Iberdrola must shut down 60 per cent of its 500 MW Nuñez de Balboa photovoltaic solar plant, because it occupies a piece of land that was illegally expropriated.²¹

Iberdrola was also involved in a long-running investigation around the deployment of espionage work by José Manuel Villarejo, former Commissioner of the National Police Corps.²² Allegations include the deployment of Villarejo by Iberdrola CEO José Ignacio Sánchez Galán to infiltrate a local movement opposing Iberdrola power station in the town of Arcos de la Frontera, Spain, and to spy on the CEO of the rival company, Endesa, Manuel Pizarro.²³ This case took a considerable amount of time to process and has now been closed, due to 10 years passing since the initial incidents.²⁴

In the international arena, Iberdrola has been publicly criticised by Mexican President Andrés Manuel López Obrador for organising a campaign against the reform of the Mexican electricity market.²⁵ Iberdrola would be one of the main parties affected by López Obrador’s project, which aims to stop the privatisation process that began in 2013 and limit private participation in electricity generation to 46 per cent.²⁶

This conflict, which has led to a new diplomatic clash between Spain and Mexico, was preceded by the imposition of a fine of 9.1 billion pesos.²⁷ The Energy Regulatory Commission of Mexico accused Iberdrola’s Mexican subsidiary of misusing the government’s self-supply scheme, using this to sell energy to their partners.²⁸ **The struggle between the Mexican state and Iberdrola now threatens the next wave of Investor-State Dispute Settlement (ISDS) cases in the renewable energy sector.**²⁹ This conflict has also seen Iberdrola sell US\$6 billion worth of gas assets in Mexico, instead pursuing expansion within the US to take advantage of generous green subsidies provided under the Inflation Reduction Act.³⁰

Iberdrola has been implicated in multiple environmental justice struggles around the globe. For example, the Belo Monte hydroelectric dam, Brazil, has been challenged due to the purported failure to consult affected Indigenous people.³¹ In addition, **multiple wind power projects including in Caetité, Brazil; Oaxaca, Mexico;³² Puebla, Mexico;³³ and the Thousand Islands region of the US have attracted opposition from community groups, local government bodies, environmental organisations and others due to allegations of harmful social and ecological impacts.** Allegations and potential impacts include land dispossession, destruction or harm to livelihoods, crops,

biodiversity, landscape and culturally important sites, as well as deforestation, air and water pollution, noise, human rights violations, and increased violence.³⁶

Finally, Iberdrola has signed Power Purchase Agreements with controversial large companies such as Amazon, Apple, Facebook and Nike,³⁷ alongside recent partnerships in renewable energies with Total and Shell.³⁸ It has also sealed agreements with BP, Fertiberia, Cummins, Porcelanosa, Diageo and Foresa around green hydrogen and promoted alliances for electrification and electric mobility with Volkswagen, Renault, Irizar and the smart charging solutions company Wallbox.³⁹ Here, we see Iberdrola working alongside some of the most polluting companies in the world.

CORE CONTROVERSIES

- **Iberdrola is one of the largest energy companies in the world.**
- **Many prominent Spanish politicians have been members of the company's board.**
- **Despite its 'renewable' marketing claims, in 2022, 46 per cent of Iberdrola's energy mix was from nuclear or fossil gas.**
- **Iberdrola received 56.1 billion pesos (US\$3.11 billion) in public subsidies from the Mexican government.**
- **Iberdrola is aiming to mobilise US\$35.4 billion through NextGenerationEU Funds.**
- **In Spain, Iberdrola has been accused of causing a drought by draining local drinking water reserves to generate electricity.**
- **Iberdrola was previously under a long-term espionage investigation due to allegedly infiltrating a local movement opposing an upcoming dam and spying on the CEO of rival company Endesa.**
- **Iberdrola is implicated in multiple environmental justice struggles across the world due to allegations of harmful social and environmental impacts and an alleged lack of consultation of Indigenous and other local people.**

The company was invited to send factual corrections to these findings but did not respond to our inquiry.

ENDNOTES

1. Please note, this data changes regularly. Source: MarketScreener (n.d.) 'Iberdrola, S.A'.
<https://www.marketscreener.com/quote/stock/IBERDROLA-S-A-355153/company/> Last accessed: 24 October 2023
2. N.B. Armando Martínez took over as CEO in 2023. Original data was in Euros (€13.06 million) and converted using the exchange rate at the time of writing. Source: Civieta, O. (2023) 'Este es el dinero que ganaron los presidentes de Iberdrola, Endesa, Naturgy y Repsol en 2022', 1 March. <https://www.businessinsider.es/dinero-ganaron-presidentes-iberdrola-endsa-naturgy-repsol-2022-1204708>
Last accessed: 31 October 2023
3. Iberdrola (2023) 'We increase renewable energy production by 5.7 %, thanks to investments in clean energy', 14 June.
<https://www.iberdrola.com/press-room/news/detail/iberdrola-increases-renewable-energy-production-5-7-per-cent-thanks-investments-clean%20energy> Last accessed: 31 October 2023
4. Iberdrola. (n.d.) 'History'. <https://www.iberdrola.com/about-us/our-company/our-history> Last accessed: 10 October 2023
5. Gilmartin, E. (2020) 'Franco's Stooges Still Dominate the Spanish Economy', 28 June. <https://jacobin.com/2020/06/francisco-franco-spain-monuments-fascism> Last accessed: 10 October 2023
6. Maestre, A. (2014) 'Franquismo S.A', 20 November. <https://www.lamarea.com/2014/11/20/franquismo-s/> Last accessed: 10 October 2023
7. Iberdrola. (2023) 'About Us'. <https://www.iberdrola.com/about-us> Last accessed: 10 October 2023
8. Senior politicians including Ángel Acebes, former Minister of Internal Affairs, Justice and Public Administration; Isabel García Tejerina, former Minister of Agriculture and Fisheries, Food and Environment; Fátima Báñez, former Minister of Employment and Social Welfare; and Emma Navarro, former Vice President of the European Investment Bank, among many others, have been on Iberdrola's Board of Directors.
9. Iberdrola. (n.d.) 'History'. <https://www.iberdrola.com/about-us/our-company/our-history> Last accessed: 10 October 2023
10. Statista. (2023) 'Distribution of Iberdrola's net electricity generation in 2022, by source'. <https://www.statista.com/statistics/1250480/iberdrola-electricity-generation-share-source/#statisticContainer> Last accessed: 10 October 2023
11. European Investment Bank. (2022) 'Spain: Iberdrola and EIB sign €550 million green loan to boost renewable energy', 22 July.
<https://www.eib.org/en/press/all/2022-334-spain-iberdrola-and-eib-sign-eur550-million-green-loan-to-boost-renewable-energy>
Last accessed: 10 October 2023
12. Alegria, A. (2022) 'Iberdrola ha recibido subsidios por 56.1 mil mdp', 21 January. <https://www.jornada.com.mx/2022/01/21/economia/018n3eco> Last accessed: 10 October 2023
13. Iberdrola. (n.d.) 'Iberdrola to mobilise investments of €30 bn to lead the green and digital transition'.
<https://www.iberdrola.com/about-us/next-generation-eu> Last accessed: 9 October 2023
14. Ibid.
15. Debt Observatory in Globalisation (ODG). (2020) 'Big corporations profiting from ECB's Covid19 emergency program PEPP', 10 June.
<https://odg.cat/en/blog/big-corporations-profiting-from-ecbs-covid19-emergency-program-pepp/> Last accessed: 10 October 2023
16. CNMC. (2015) 'RESOLUCIÓN DEL PROCEDIMIENTO SANCIONADOR INCOADO A IBERDROLA GENERACIÓN, S.A.U. POR MANIPULACIÓN FRAUDULENTA TENDENTE A ALTERAR EL PRECIO DE LA ENERGÍA MEDIANTE EL INCREMENTO DE LAS OFERTAS DE LAS UNIDADES DE GESTIÓN HIDRÁULICA DE DUERO, SIL Y TAJO'. <https://www.cnmc.es/file/125226/download> Last accessed: 10 October 2023
17. Ibid.
18. Manchado, S. (2021) 'La "falsa sequía" de Valdecañas: Iberdrola exprime el embalse y deja sin agua a los municipios del entorno', 13 August. https://www.eldiario.es/extremadura/sociedad/falsa-sequia-valdecana-iberdrola-exprime-embalse-deja-agua-municipios-entorno_1_8216093.html Last accessed: 28 September 2023
19. Binnie, I. (2021) 'Spain probes Iberdrola's use of reservoir water', 19 August. <https://www.reuters.com/world/europe/spain-probes-iberdrolas-use-reservoir-water-2021-08-19/> Last accessed: 28 September 2023
20. elDiario. (2021) 'Ribera anuncia una investigación por el vaciado de embalses explotados por Iberdrola: "No es razonable"', 13 August. https://www.eldiario.es/economia/ribera-anuncia-investigacion-vaciado-embalses-explotados-iberdrola-no-razonable_1_8217861.html Last accessed: 10 October 2023
21. Cabello, L. (2022) 'Spanish court orders Iberdrola to dismantle 60% of 500 MW operational PV plant', 17 June.
<https://www.pv-magazine.com/2022/06/17/spanish-court-forces-iberdrola-to-dismantle-60-of-500-mw-operational-pv-plant/>
Last accessed: 10 October 2023
22. Iberdrola. (2019) 'Iberdrola launches a new investigation to clarify its links with CENYT', 10 October. <https://www.iberdrola.com/press-room/news/detail/iberdrola-launches-investigation-clarify-links-with-cenyt> Last accessed: 10 October 2023

23. López-Fonseca, O. (2022) 'El juez archiva la investigación contra Sánchez Galán en el "caso Villarejo" por prescripción de los delitos', 23 June. <https://elpais.com/economia/2022-06-23/la-audiencia-nacional-archiva-la-causa-contra-sanchez-galan-por-los-encargos-de-iberdrola-a-villarejo.html> Last accessed: 10 October 2023
24. Ibid.
25. Cuneo, M. (2022) 'Qué hay detrás de la "pausa en las relaciones" entre España y México', 17 February. <https://www.elsaltodiario.com/multinacionales/claves-iberdrola-lopez-obrador-amlo-detras-reforma-electrica-pausa-relaciones-espana-mexico> Last accessed: 10 October 2023
26. Ibid.
27. Reuters. (2022) 'Mexican regulator fines Spain's Iberdrola unit \$466 mln', 27 May. <https://www.reuters.com/business/energy/mexican-regulator-fines-spains-iberdrola-subsiary-466-mln-2022-05-27/> Last accessed: 10 October 2023
28. Ibid.
29. Magallanes, A. and Barradas, R. (n.d.) 'The next wave of ISDS cases could be "powered" by recent policy changes in the renewable energy sector in Mexico'. <https://www.ibanet.org/article/A3E8ABFB-D9FC-40AD-9E35-F970430E3E47> Last accessed: 17 October 2023
30. Lombardi, P. (2023) 'Iberdrola aims for US subsidies after Mexican asset sale', 5 April. <https://www.reuters.com/business/energy/iberdrola-aims-us-subsidies-after-mexican-asset-sale-2023-04-05/> Last accessed: 17 October 2023
31. Environmental Justice Atlas. (2019) 'Belo Monte hydroelectric dam, Para, Brasil', 25 February. <https://ejatlas.org/conflict/belo-monte-hydroelectric-dam-para-brasil> Last accessed: 17 October 2023
32. Environmental Justice Atlas. (2016) 'Quilombola communities affected by wind power projects in Caetité region, Brazil', 11 February. <https://ejatlas.org/conflict/quilombola-communities-affected-by-wind-power-projects-in-caetite-region-brazil> Last accessed: 17 October 2023
33. Environmental Justice Atlas. (2020) 'Corredor Eólico en el Istmo de Tehuantepec, Oaxaca, México', 9 December. <https://ejatlas.org/conflict/corredor-eolico-en-el-istmo-de-tehuantepec-oaxaca> Last accessed: 17 October 2023
34. Environmental Justice Atlas. (2020) 'Parque Eólico PIER de Iberdrola en Puebla, México', 3 December. <https://ejatlas.org/conflict/parque-eolico-pier-de-iberdrola-en-puebla-mexico> Last accessed: 17 October 2023
35. Environmental Justice Atlas. (2017) 'Decade-Long Opposition to the Iberdrola Horse Creek Wind Project, USA', 6 September. <https://ejatlas.org/conflict/decade-long-opposition-to-the-iberdrola-horse-creek-wind-project> Last accessed: 17 October 2023
36. At the wind projects in Brazil, the affected population is experiencing loss of landscape, noise pollution, deforestation, loss of livelihood and land dispossession. The project is in operation. In Oaxaca, Mexico, the affected population is experiencing biodiversity loss, crop damage, soil contamination, deforestation, water pollution, human rights violations, land dispossession and loss of livelihood. The project is in operation. In the Tehuacán Valley (Pueblo), Mexico, the currently constructed project has already resulted in biodiversity loss, deforestation, land dispossession and increase in violence. In the Thousand Islands region of the US, a population of 16,000–50,000 could potentially be affected by air pollution, biodiversity loss, soil contamination, loss of livelihoods and access to culturally important sites. The project is proposed and not yet complete. For sources see footnotes 31–35.
37. Iberdrola. (2020) 'Iberdrola, spearheading PPAs', 21 December. <https://www.iberdrola.com/press-room/news/detail/iberdrola-spearheading-ppas> Last accessed: 29 September 2023
38. Iberdrola. (2022) 'Iberdrola leads success in UK's largest offshore wind auction: 7,000 MW with €22.5 billion investment', 16 January. <https://www.iberdrola.com/press-room/news/detail/iberdrola-leads-success-uk-offshore-wind-auction> Last accessed: 29 September 2023
39. Iberdrola. (2023) 'Energy transition: Driving a sustainable transition'. <https://www.iberdrola.com/sustainability/energy-transition> Last accessed: 17 October 2023

For over a century, energy multinationals have been wrecking the planet and exploiting people in pursuit of profit. Now, power producers and technology manufacturers are marketing themselves as 'green' to boost their reputation and benefit from public subsidies, grabbing lands, violating human rights and destroying communities along the way. Our investigation of fifteen 'green' multinationals conclusively shows that financial returns, not decarbonisation, is their primary business. 'Green' capital has taken over the energy transition, dictating its pace and blocking climate policies that hamper its profits. It is time to take on these greenwashing corporations and reclaim the entire energy sector through public ownership and democratic governance.

Download the full report and the 14 other company profiles on <https://www.tni.org/GreenMultinationals>.

