

## **RENEWABLE ENERGY FOR SUSTAINABLE CONSUMPTION**

Although IBERDROLA RENOVABLES does not engage in the retail sale of energy to the end user (except for the United States, where it does so through its subsidiary Community Energy), the Company works to understand the expectations of all of its customers and stakeholders, fostering research and development into renewable and efficient technologies and promoting the continuous improvement of the Company's products and management processes.

## 1. MANAGEMENT APPROACH

The company's primary source of income is the sale of energy generated at its renewable energy facilities.

Both the price of energy and the identity of the purchasers of electricity generated by IBERDROLA RENOVABLES depend on the regulatory framework of the various countries in which the Company operates.

The option of selling energy, whether at fixed rates or at market rates, is a decision that must be made by the producer and must be maintained for a period of at least one year. IBERDROLA RENOVABLES, in line with its strategy of optimizing income, makes this choice based on expected future prices and the diversification of risk.

Retail sales of energy to IBERDROLA RENOVABLES' end users is concentrated in the United States, where it has customers in 15 states through its Community Energy subsidiary.

This company promotes the acquisition of renewable energy among end users, encouraging them to be part of the effort to fight global warming, and explaining that wind power is a simple, effective and well-known way to avoid the CO<sub>2</sub> emissions associated with electricity consumption.

The energy sold by Community Energy is certified by external verification. Community Energy's Green-e Certified Renewable Energy Credits (RECs) support projects to develop and construct wind farms. Green-e RECs link the customer with technology innovation in development of new wind farms.

In the rest of the Group, even though it doesn't sell energy to end users, IBERDROLA RENOVABLES is making efforts to become familiar with the expectations of all its customers and stakeholders and to provide products and services that are fully satisfactory to them. To do so, it promotes research and development activities in technologies that efficiently generate electricity from renewable energy, meeting or even exceeding the expectations of customers, employees and other stakeholders and promoting continuous improvement of the Company's products and process management.

The Company is making major efforts in research and development. In 2008, it invested 12.1 million euros, nearly 50% more than the previous fiscal year.

Among the most significant projects performed during prior fiscal years are the Renewable Energy Operation

Center (Centro de Operación de Renovables) (CORE), METEOFLOW (a system for predicting electric production in wind farms) and the Domina Project. More information about these projects is available on the Company's website:

[www.iberdrolarenovables.es](http://www.iberdrolarenovables.es).

Furthermore, IBERDROLA RENOVABLES includes safety and occupational health standards at all stages of the production system and has implemented an environmental management system that ensures that the negative environmental effects of its products are identified, evaluated and reduced.

In addition, IBERDROLA RENOVABLES fosters the extension of these practices to its supply chain, as set forth in its Contracting and Supplier Relations Policy.

These obligations are including among the Corporate Social Responsibility Policies available on the website [www.iberdrolarenovables.es](http://www.iberdrolarenovables.es) in the section "About Us, Our Policies."

## 2. PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

### Aspect: Customer health and safety

**PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.**

IBERDROLA RENOVABLES performs safety evaluation procedures at the concept development stage and at the R&D stage.

When a wind farm or other renewable energy plant is designed, strict standards are used both during construction and during operation so that all environmental and safety requirements are met.

In particular, all of IBERDROLA RENOVABLES' wind farms are certified under ISO 14001 for environmental management systems during the operational stage, and some of them are certified under OHSAS 18001 with respect to the occupational health and safety management system.

In addition, and as concerns safety and health, SCOTTISHPOWER RENEWABLES obtained OHSAS 18001 certification in March 2009 for all its facilities and business divisions in the United Kingdom.

### Aspect: Product and service labeling

**PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.**

In the United States, energy sourcing is reported. Community Energy sells energy from renewable energy sources, which is certified by external verification. The program giving rise to this activity is called "Green-e Energy and Green-e Climate verification."

The rest of the IBERDROLA RENEVABLES Group does not sell energy to end customers, for which reason this indicator does not apply to them.

**PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.**

As mentioned earlier, the only company of the IBERDROLA RENEVABLES Group engaged in the retail sale of energy is Community Energy, which is established in the United States. Community Energy performs annual customer satisfaction surveys for its commercial and institutional customers. The procedure consists of consolidating responses to a questionnaire and is completely anonymous. In 2008, participation was about 30%. The results of these surveys indicate that 92% of customers said they were very satisfied or satisfied with their service. In addition, 96% said they would recommend the company.

In addition, Community Energy has a customer service department that handles telephone calls and e-mails from residential and household customers. In 2008, it handled over 5,500 calls and 880 e-mails.

### Aspect: Marketing communications

**PR6. Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.**

The IBERDROLA RENEVABLES Group does not market any products. Communication is based on transmitting the Company's vision and values through its brand.

The Group's primary activity is considered positive because of its contribution to sustainable development. However, there are associations that oppose the development of wind farms because they believe they generate certain negative impacts, such as

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visual impacts, danger to avian fauna, and noise. The IBERDROLA RENEVABLES Group is taking action to reduce these impacts as much as possible through the various initiatives described in the management approach for the environmental and social dimension. The Company's vision is that solutions to these impacts can be found and impacts can be compensated by benefits to society and the environment from the exploitation of energy from renewable energy sources.

Furthermore, in the United States, Community Energy's "Green-e" marketing programs relating to green energy require the independence of the audits performed by third parties to assure customers through verification that the energy sales are carbon-free, with the issuance of Renewable Energy certificates.

### Aspect: Customer privacy

**PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.**

There are no complaints against the IBERDROLA RENEVABLES Group for reasons relating to the respect for privacy or the losses of personal data of customers.

### Aspect: Compliance

**PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.**

There have been no fines imposed on the IBERDROLA RENEVABLES Group for non-compliance with legal provisions regarding the supply or use of products and services.