

By March 2022, the group had more than €41 billion ESG funding, with more than 90% of its credit lines incorporating sustainability.

Iberdrola signs a new sustainable credit facility for €2.5 billion at very competitive conditions

- Signed with 24 banks, the multi-currency line is linked to the company's water footprint through two sustainability indicators: the reduction in water consumption used in power generation and the rating assigned to Iberdrola by the independent agency CDP Water.

14/07/2022

Iberdrola continues to strengthen its leadership in sustainable financing. The group has signed with 24 banks of different nationalities a new credit line linked to sustainability indicators for €2.5 billion. The cost of this operation is at historic lows for Iberdrola, with prices similar to those of its last operations of this type - in March 2019 and April 2021 - and demonstrates the support for Iberdrola despite the current volatility of the markets.

The facility signed has a term of five years, extendable for a further two years, and is multi-currency. The conditions obtained underscore the interest and confidence in the Group's solvency and strategy. The operation contributes to fulfilling its commitment to maintain adequate liquidity, which at the end of March 2022 amounted to more than €21 billion.

This new credit line is subject to two sustainability indicators -the reduction in the consumption of water used in power generation and the rating assigned to Iberdrola by the independent agency CDP Water- related to the environmental sphere. Based on compliance, the margin of the operation may be adjusted downwards (if met) or upwards (if not met) on an annual basis.

Iberdrola, aware of the importance of the use of water in the management of its activities, wishes to make a significant contribution to SDG 6: Clean Water and Sanitation. Two billion people still lack access to safely managed drinking water, 25% of the world's population lives in countries facing extremely high water stress, and only 54% of the world's population uses safely managed water. At the same time, climate change and the energy transition are altering supply and demand patterns in ways that are difficult to predict. In fact, each degree of global warming is projected to decrease renewable water resources by at least 20% for an additional 7% of the world's population.

The idea comes at a time of heightened environmental awareness, with a particular focus on water concerns. Indeed, the United Nations Climate Change Conference (COP26) in Glasgow in November 2021, which brought together 120 world leaders and more than 40,000 registered participants, dedicated, for the first time, an entire day to water-related issues.

The Iberdrola Group aims to issue most of its debt instruments under a green or sustainable format. Until now, many of the credit lines were already focused on contributing to the UN Sustainable Development Goals (SDGs) 7 and 13 (clean and accessible energy and combating climate change), so this new operation is focused on the impact on water management, promoting the reduction of water consumption in electricity production and seeking recognition from investors in the management thereof.

In the operation, BBVA acted as agent bank and coordinating bank in sustainability matters.

With the agreement signed today, more than 90% of the company's credit lines are sustainable. The company was already a pioneer in this type of operation in 2018, with the closing of the largest credit operation under sustainability criteria worldwide, amounting to 5.9 billion euros.

The transaction signed today is in line with the LMA (Loan Market Association) *Sustainability-Linked Loan Principles* and has an SPO (*Second Party Opinion*) from Moody's ESG Solutions.

Global leader in sustainable and green finance

Iberdrola has established itself as a global benchmark in sustainable financing, being the first group in the world to issue green bonds, after being the first Spanish company to open this market in 2014. In 2016, the company also underwrote the first green loan for an energy company, in the amount of €500 million.

At the end of March 2022, the group already had green financing or financing linked to sustainability criteria amounting to more than €41 billion, of which more than €16 billion corresponds to green bonds.

This approach to financing responds to the historic investment plan launched by Iberdrola, which envisages investments of €75 billion until 2025, aimed at doubling its renewable capacity to 60,000 MW and placing the value of its network assets at €47 billion. A plan that aims to promote the decarbonisation of the economy and, with it, economic recovery and employment, and which provides for investments of €150 billion by 2030, with which the group will reach an installed capacity of close to 100,000 MW.

Nota de prensa