



Iberdrola's framework to assess climate alignment and tackle misalignments of organizations*

* This framework does not cover advocacy activities performed by Avangrid (Subsidiary of Iberdrola's Group in USA). This company, in compliance with United States of America legislation, develops all its advocacy activities autonomously. A climate alignment assessment of the organizations where membership corresponds to this company and the methodology it follows for that purpose will be informed by Avangrid.

Introduction: Iberdrola's Ambitious Approach to Climate Advocacy

Iberdrola embraces an ambitious and robust approach to climate advocacy, actively engaging within a diverse range of organizations across various sectors, including international organizations, industrial associations, alliances, foundations, think tanks, and NGOs.

This extensive set of relationships and activities is guided by five key principles:

- **Focusing on** the most **relevant and ambitious** organizations
- **Actively engaging** with each organization
- Providing **special support to those with greater leadership** and relevance (e.g., Corporate Leaders Group)
- **Managing misalignments** through a particular engagement based on active dialogue with key actors within each organization.
- **Fostering connections** among different organizations to build collaboration platforms (e.g., events at COP, gathering organizations from different backgrounds to move forward in the climate agenda).

Methodology to assess the alignment of climate positions of organizations connected with the Global Climate Agenda

- The Iberdrola group is committed to conducting a continuous **evaluation of the climate positioning** for the associations it collaborates with.¹ According to our commitment to transparency, this evaluation will be published annually.
- The evaluation process consists of two blocks: '**Climate ambition**' and '**Climate relevance**'. Each block is divided into specific indicators (refer to Table 1).

Table 1. Components of the climate positioning alignment assessment.

Blocks	Climate ambition	Climate relevance
Indicators	<ul style="list-style-type: none"> • Engagement (or support) of the organization with the climate science ecosystem. • Support for net zero emissions by 2050. • 2030 targets aligned with 1.5°C scenario. • Support for clean technologies, renewable energy, energy efficiency, green hydrogen... • Support for just transition and green growth as an opportunity. 	<ul style="list-style-type: none"> • Inclusion of Global Members. • Participation in the international climate agenda. • Leadership at COPs. • Geographical scope of campaigns. • Impact on media and governments.

- The indicators measure the association's **performance on a scale of 0 to 100**, and these scores are **averaged to get a final score** for each block. For the 'Climate ambition' block, based on the final score, each organization will be classified as: 'reluctant', 'not aligned', 'neutral', 'aligned' or 'leadership' (refer to Table 2).

¹ Iberdrola's group liaison delegate in each organization is responsible for drafting a comprehensive assessment of the alignment of the climate advocacy positions of the mentioned organization with Paris Agreement following the framework included in the group's methodology. The Direction of Climate Change and Alliances will provide guidance on the incidence and relevance of each organization in the context of the global climate agenda.

Table 2. Level of alignment with the Paris Agreement based on the obtained score.

Rating	Final Score	Explanation
Leadership	Score equal to or above 85	Explicit and robust support to policy frameworks fully aligned with 1,5°C (net zero target, intermediate targets...), active role in developing and spreading positive narratives on clean technologies and their impacts on society. Proactive engagement with the climate agenda at all levels (global, regional, local), with an intense range of activities in the key milestones (e.g. COPs).
Aligned	Score equal to or greater than 60 and less than 85	Explicit support to net zero targets and 1,5°C scenario, active role in deploying positive narratives and positions on green transition. Not very frequently they include a wide range of perspectives from different sector that in some contexts can weaken positions on key policy files or technologies perspectives assessments.
Neutral	Score equal to or greater than 40 and less than 60	Explicit or implicit support to net zero targets and 1.5°C scenario, active role in deploying positive narratives and positions on green transition. Very frequently they include a wide range of perspectives from different sector that in some contexts can weaken positions on key policy files or technologies perspectives assessments.
Not aligned	Score equal to or greater than 20 and less than 40	Show very general support to climate the agenda, but detailed positions are not aligned with 1.5°C.
Reluctant	Score less than 20	Positions contrary to the climate agenda and inconsistent with the 1.5°C scenario.

- It's worth noting that organizations failing to meet a minimum score in 'Climate relevance' will not be included in the published results of the assessment due to their low impact relevance. In the analysis performed for the FY2022, 54 organizations have been assessed as relevant².

² From all the organizations in which the Iberdrola Group participated in 2022 (532), an initial selection of those climate oriented is conducted. Over this selection the "climate-relevance" is assessed according to the above-mentioned methodology. Only those that are judged climate relevant are included in the analysis (54).

- The scores are determined by **analyzing the organization's** published **materials**, interventions, **statements**, social media presence, public consultations, and other **relevant factors**.³

Foreseen methodology to tackle climate position misalignments

- After conducting the previous assessment, if any 'reluctant' or 'not aligned' organizations have been identified, a follow-up plan will be activated.
- The **assessment** and **follow up plan** to tackle any potential misalignment is structured around the **following stages**:
 - **Identification** and qualitative **assessment** of the key **climate positions** developed by the organization.
 - Evaluation of the scale (relevance) of the misalignment.
 - **Detection** of the **area within the organization** where the climate position misalignment has occurred:
 - Technical working group level
 - Committee level
 - Board level
 - Once a **relevant and structural policy position misalignment**⁴ and its origin have been identified, the company implements the following **sequence of actions**:
 - **Connection** with the **liaison delegate** of Iberdrola group in the organization.
 - **Reinforcement of the engagement** of Iberdrola's group representatives in the area where the misalignment has emerged. Some examples of engagement actions: coordination of policy papers, intensification of bilateral meetings with the members who supported non-aligned positions, increase the frequency of conversations with the secretariat of the organization, or creation of alliances with other members to encourage to counter the association's positions.

³ For each organization it will take into consideration, among other elements, the score in the InfluenceMap's platform "Lobby Map".

⁴ Those that have emerged for at least two consecutive years.

- If the **misaligned climate position** is **not sorted out** with the previous measures, a high-level representative from Iberdrola group will connect with a **peer** from the organization to encourage a reoriented approach.
- Should this high-level conversation not meet expectations, an **escalation process** may be initiated. This process would follow the next steps:
 - **Notification of dissatisfaction** with the association's response regarding its misalignment with the 1.5°C goal through Iberdrola's delegate in the association.
 - **Review** of the association's policies and guidelines regarding **membership termination** or resignation.
 - Formal notification to the association that an internal process to **assess membership termination** has been **initiated**.
 - Provide the opportunity for the association to have a **final conversation** with the appropriate person or committee within the association, such as the membership director, board representative, or designated contact person. If the association does not provide a clear and credible action plan to tackle the situation **within 12 months**, one or more of the following actions will be implemented:
 - **Suspension or discontinuation** of membership or support to the association.
 - Request for the association **to refrain from publicly engaging** on issues that demonstrate misalignment with 1.5°C.
 - Make a clear **public statement regarding the disagreement** on the policy misalignment in the section of Iberdrola's website where the evaluation of the climate positioning is located.
- However, exceptionally, Iberdrola **may decide to maintain its membership in the organization**, either because there is alignment on other issues of importance to the company's business and operations, or because the participation is strategic from other perspectives, such as transmitting its vision and thesis in the organization to contribute to the progressive alignment of it with the Paris Agreement and the company's climate positioning.