

Iberdrola and the World Bank Group join forces to promote energy transition in emerging countries

Iberdrola and the International Finance Corporation - the private sector investment arm of the World Bank Group - will collaborate to promote energy transition in emerging countries through several avenues:

- A green loan linked to sustainability goals of nearly \$150 million to finance energy efficiency and digitization in Iberdrola's distribution networks in Brazil
- Green financing for Iberdrola's renewable projects in emerging countries such as Poland, Morocco and Vietnam, also linked to sustainability indicators
- Agreements to develop new pioneering clean energy projects in emerging countries, such as green hydrogen or offshore wind power generation.

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Iberdrola and the International Finance Corporation (IFC), part of the World Bank Group, are joining forces to promote energy transition in emerging countries. The two institutions today launched a partnership to support clean energy and decarbonization in several developing countries.

The agreement is structured in three pillars. First, IFC will provide Iberdrola with a green and sustainability-linked loan of \$150 million - approximately 138 million euros - to finance digitalization and energy efficiency improvements in the electricity distribution networks operated by Iberdrola's subsidiary in Brazil, Neoenergia. This is IFC's second loan to Neoenergia, following a \$115 million sustainable loan in 2022.

Second, Iberdrola and IFC are exploring another green loan, linked to sustainability indicators, for the development of renewable energy projects in emerging countries such as Poland, Morocco and Vietnam.

Thirdly, both institutions are analyzing collaboration options to support the development of new innovative clean energy projects in emerging countries, such as offshore wind generation and green hydrogen.

José Sainz Armada, Iberdrola's Director of Finance, Control and Corporate Development, said: "With this agreement we are making progress in the energy transition, decarbonization and electrification in developing countries, where Iberdrola is already working. It also consolidates IFC as one of Iberdrola's allies in providing financing for its projects in all areas of activity, from photovoltaic and wind farms to green hydrogen and smart grids".

Alfonso García Mora, IFC vice president for Europe, Latin America and the Caribbean, said: "We are proud of our collaboration with Iberdrola in emerging markets. The loans we have signed with Neoenergia represent a first step for a broader collaboration that will drive the energy transition in Brazil, Poland, Morocco and Southeast Asia. Iberdrola, as a pioneer in the industry, is a strategic partner for IFC."

In these countries, Iberdrola is already making progress on several renewable projects. In Poland, the company is developing a 7,300 MW offshore wind portfolio together with SeaWind. A couple of

years ago in Vietnam, Iberdrola acquired Sowitec Vietnam, a company with a 550 MW renewable portfolio under development, spread over six projects: five wind farms and a 50 MW floating photovoltaic project.

IFC, commitment to emerging markets

IFC, with an AAA credit rating, is the World Bank Group's private sector lending arm in emerging countries. IFC works to help countries improve their own private sectors by investing in companies through loans, equity and guarantees, mobilizing capital from other investors, and advising companies and governments to stimulate private investment. It is currently present in more than 94 countries in Latin America, Africa, Asia, the Middle East and Eastern Europe. Since its founding, the institution has invested more than \$285 billion through 2,000 projects.

IFC's relationship with Iberdrola dates back to 1998 with financing for Iberdrola's subsidiaries in Bolivia (Electropaz). Subsequently, in 2000, Iberdrola worked with IFC on projects in Brazil (Termopernambuco), and the relationship has continued to this day through several projects. Among these is the latest loan of 550 million Brazilian reais (\$115 million) from IFC to Neoenergia last year that combines green financing with a pricing structure linked to sustainability objectives.

Iberdrola, a benchmark in green finance

Iberdrola is a leader in green finance. The company continues to consolidate its leadership, with more than 48,000 million euros in sustainable operations, of which 17,619 million are in green bonds, making Iberdrola the largest private issuer of this type of debt worldwide.

IFC is a global benchmark in green and sustainable financing. IFC issued its first green bond in 2010 and is one of the world's largest issuers of green debt, with 172 green bonds issued in 20 currencies. Since 2020, IFC has invested more than \$4.5 billion in green and sustainability-linked lending to infrastructure companies in emerging countries. IFC has chaired the sustainable finance committee of the International Capital Markets Association (ICMA), which is responsible for publishing the official principles for these types of instruments. IFC also participates in the sustainable finance committee of the Loan Market Association (LMA) and the Asia-Pacific Loan Market Association (APLMA).