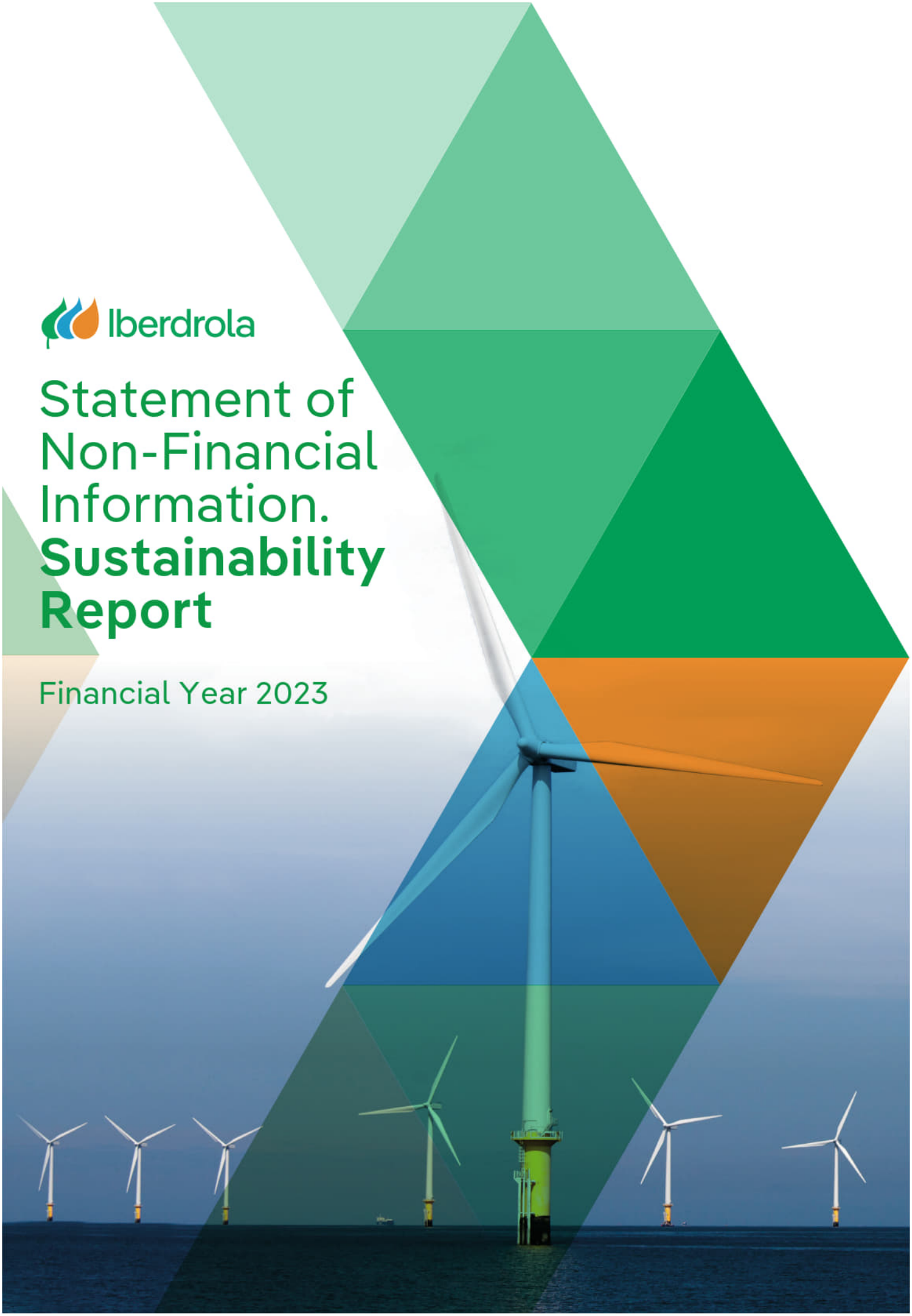
Iberdrola

Statement of Non-Financial Information. **Sustainability Report**

Financial Year 2023



External Independent Assurance Report on the Statement of Non-Financial Information. Sustainability Report

KPMG Auditores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Non-Financial Information Statement. Sustainability Report of Iberdrola, S.A. and subsidiaries for 2023

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Iberdrola, S.A.:

We have been engaged by Iberdrola, S.A. management to perform a limited assurance review of the accompanying Non-Financial Information Statement. Sustainability Report of Iberdrola, S.A. (hereinafter, the Parent) and subsidiaries (together, the Group) for the year ended 31 December 2023, prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter, GRI Standards) and the indicators of the Sustainability Accounting Standards Board (SASB) for the "Electric Utilities & Power Generators" sectors (hereinafter, the Report), which forms part of the Group's consolidated Directors' Report for 2023.

In addition, pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of the Group for the year ended 31 December 2023, included in the Report, which has been prepared in accordance with prevailing mercantile legislation and following the criteria of the selected GRI Standards, based on the content indicated for each topic in the "Disclosures from the Statement of Non-Financial Information" of the Report.

The Report includes additional information to that required by the GRI Standards, the SASB indicators for the "Electric Utilities & Power Generators" sectors and by the prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. Our work was limited exclusively to providing assurance on the information identified in the "GRI content Index", "SASB content Index" and "Disclosures from the Statement of Non-Financial Information" tables of the accompanying Report.

In addition, we performed a Moderate Assurance review of the application of the principles of inclusivity, materiality, responsiveness and impact on the information included in the "Stakeholder engagement" section of the accompanying Report, prepared in accordance with the AA1000AP AccountAbility Principles (2018).

Responsibility of the Parent's Directors

The Directors of the Parent are responsible for the content and authorisation for issue of the Report, which includes the NFIS and forms part of the Group's Consolidated Directors' Report. The Report has been prepared in accordance with prevailing mercantile legislation and pursuant to the GRI Standards and the SASB indicators for the "Electric Utilities & Power Generators" sectors, based on each subject area in the "Disclosures from the Statement of Non-Financial Information", "GRI content Index" and "SASB content Index" tables in the abovementioned Report.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

The Directors of the Parent are responsible for applying the principles of inclusivity, materiality, responsiveness and impact to the information included in the "Stakeholder engagement" section of the Report, prepared in accordance with the AA1000 AP AccountAbility Principles (2018).

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the Report is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the Report was obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM1), which requires the firm to design, implement and operate a quality management system that include policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team comprised professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance. It also included specialists in the AA1000AP AccountAbility Principles (2018) on stakeholder engagement and on social, environmental and financial performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE). We also conducted a type 2 moderate assurance review of the information included in the "Stakeholders engagement" section of the Report, in accordance with the AA1000AS v3 AccountAbility Sustainability Assurance Standard (2020).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Group that participated in the preparation of the Report, reviewing the processes for compiling and validating the information presented in the Report and applying certain analytical procedures and sample review tests, which are described below:

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the Report for 2023 based on the materiality analysis performed by the Group and described in the "About this report" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the Report for 2023.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material topics presented in the Report for 2023.
- Review, through meetings with Group personnel responsible for implementing the Stakeholder Relations Model and reviewing the internal documentation on the deployment of the model, of the nature and scope of the processes defined in order to comply with the AA1000AP AccountAbility Principles (2018), and evaluation of the reliability of the information on performance indicated in the aforementioned scope.
- Corroboration, through sample testing, of the information relative to the content of the Report for 2023 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The Non-Financial Information Statement. Sustainability Report of Iberdrola, S.A. and subsidiaries for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the GRI Standards and the SASB indicators for the "Electric Utilities & Power Generators" sectors identified in the "GRI content Index" and "SASB content Index" tables of the Report.

b) The NFIS of Iberdrola, S.A. and subsidiaries for the year ended 31 December 2023, included in the Report, has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards, based on each subject area in the "Disclosures from the Statement of Non-Financial Information" table of the Report.

c) The information included in the "Stakeholder engagement" section of the Report regarding the principles of inclusivity, materiality, responsiveness and impact have not been prepared, in all material respects, in accordance with the AA1000AP AccountAbility Principles (2018).

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Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and the delegated acts promulgated in accordance with this Regulation, stipulate the obligation to disclose information on how and to what extent the undertaking's activities are associated with eligible economic activities relating to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and relating to certain new activities included in the objectives of climate change mitigation and adaptation. This obligation applies for the first time for the 2023 fiscal year, in addition to the information related to eligible and aligned activities required in 2022 associated with the climate change mitigation and climate change adaptation objectives. Therefore, no comparative information on eligibility has been included in the attached Report for the other environmental objectives listed above or for the new activities included in the climate change mitigation and adaptation objectives. Furthermore, inasmuch as the information relating to 2022 was not required to be as detailed as in 2023, the disclosures included in the attached Report are not strictly comparable. Additionally, the Directors of the Parent have included information on the criteria that, in their opinion, enable them to comply better with the aforementioned obligations, which are defined in the "European taxonomy of environmentally sustainable activities" section of the accompanying Report. Our conclusion is not modified in respect of this matter.

Recommendations

Notwithstanding the above conclusions, our main observations on the application of the principles of inclusivity, materiality, responsiveness and impact of the AA1000AP AccountAbility Principles (2018) are set out below:

On the principle of Inclusivity

In 2016 Iberdrola, S.A. approved its Stakeholder Relations Model, based mainly on standard AA1000, to develop its stakeholder relations policies, provide a system for relations with Iberdrola Group's stakeholders and create a corporate culture in this respect. Since then, improvements have been progressively made to the Model in accordance with the benchmarks applicable in this regard, with the main aim of achieving greater decentralisation at local level in the five main countries. A review of prevailing stakeholder groups and their segmentation was performed in 2023 with the threefold objective of: updating terminology; simplifying stakeholder mapping; and enhancing segmentation based on the current requirements of the areas and businesses in the stakeholder relations map. This review culminated in an update of the Policy in December 2023.

With regard to this principle, we recommend that decentralisation efforts continue, uploading this new segmentation into the available stakeholder management tool. We also recommend that work continue to incorporate the Model into new facilities in 2024.

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On the principle of Materiality

For the stakeholder groups and subgroups defined, the Stakeholder Relations Model enables the identification of material topics, the associated impacts, and the main risks and opportunities in corporate areas and the three businesses in the five main countries. Of note, more in-depth analysis was performed in 2023 on the risks and opportunities identified, evaluating their level based on the likelihood and severity for risks, and based on likelihood and interest in the case of opportunities.

With regard to this principle, we recommend that Iberdrola continue to make progress on both the process to assess impact materiality -evaluating both positive and negative impacts, direct and indirect, actual and potential-, and the process to assess financial materiality -evaluating the risks and opportunities an impact could have on the company in order to respond to the requirements of the ESRS reporting standards applicable to the company in 2024.

On the principle of Responsiveness

Once the main material topics have been identified, implementation of the Stakeholder Relations Model enables responses to local stakeholder expectations to be designed and subsequently monitored. Efforts were increased in 2023 to monitor the action plans defined at a local level in order ascertain that a plan had been drawn up for the topics of greatest risk.

With regard to this principle, we recommend that Iberdrola continue to take the topics identified into account, as well as the plans defined at a local level, when establishing the Group's ESG objectives.

On the principle of Impact

The Non-Financial Information Statement. Sustainability Report includes Iberdrola's main impacts on the different stakeholders. The Stakeholder Relations Model also covers the impact on the stakeholders from two different perspectives: the impact of the material topics on stakeholders; and the impact of the action plans on stakeholders. In this respect, the defined topics were revised in 2023 to ensure they are aligned with the ESRS reporting standards.

With regard to this principle, we recommend that work continue to align the model with the ESRS reporting standards, so that the tool serves as a source of information in the double materiality process, and as a source of information to meet the requirements of the ESRS reporting standards in terms of IROs (impacts, risks and opportunities), and the company's management thereof.

Use and Distribution

In accordance with the terms of our engagement letter, this Report has been prepared for Iberdrola, S.A. in relation to its Non-Financial Information Statement. Sustainability Report for 2023 for no other purpose or in any other context.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

In relation to the Consolidated NFIS, this report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

(*Signed on original in Spanish*)

Patricia Reverter Guillot

23 February 2024

AA1000
Licensed Report
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Statement of Non-Financial Information. Sustainability Report

Financial Year 2023

Content index

Letter from the chairman

GRI 2-22

Ignacio S. Galán
Chairman

"2023 was marked by a social and political consensus on the need to accelerate the energy transition. At a time of global economic uncertainty, electrification has become a key process for improving our strategic autonomy, competitiveness and respect for the environment, while at the same time being a source of industrial development and job creation. The significant investments that will be required in renewables, networks, storage and green products such as hydrogen and its derivatives represent a great opportunity for Iberdrola. Two decades of commitment to clean energy have made us the largest electricity company in Europe and one of the two largest in the world, enabling us to consolidate our position in the coming years as a benchmark for growth and profitability and as a key player in the energy, economic and social development of all the countries in which we operate".

On the road to a fully decarbonised economy, 2023 represents a real turning point. At a time of geopolitical and macroeconomic uncertainty, COP28 in Dubai delivered a major consensus on global climate action: Nearly 200 countries agreed to phase out fossil fuels and dramatically accelerate investment in electrification, with the goal of tripling renewable energy capacity by 2030. The change that began with the Kyoto Protocol at the end of the last century and that is now embodied in the Paris Agreement takes the form of an action plan that responds to the demands of civil society.

Energy policies and regulations adopted around the world over the past year reflect policymakers' belief in the benefits of energy transition in terms of decarbonisation, energy autonomy, economic development, industrialisation and employment. Regulations adopted in Europe (such as the Electricity Market Reform or the Net Zero Industry Act), the progress made in implementing the Inflation Reduction Act in the United States, and the new energy targets in the United Kingdom demonstrate governments' determination to promote a new energy and industrial model for the future.

In this context, Iberdrola continued its strategy of sustainable and profitable growth, setting a new investment record: EUR 11,382 million for the expansion of electrification with more renewable energy, more electricity grids and more energy storage infrastructure.

As a result, we now have 605 renewable energy installations in Spain, the United States, the United Kingdom, Brazil, Mexico and 11 other countries, with an installed capacity of 42,187 MW. In particular, for Iberdrola, 2023 marks the decisive take-off of offshore wind energy: we currently have approximately 1,800 MW in operation and another 2,916 MW under construction in the United Kingdom, Germany, France and the United States, representing a total investment of EUR 10,600 million. Last year, we completed the installation of 62 wind turbines with a capacity of 8 MW each at the Saint Brieuc wind farm in Brittany, France, and we have already started exporting electricity from Vineyard Wind One, which will be the first large-scale offshore wind farm in the United States.

The investments made in grids have also resulted in a new asset record: EUR 42,000 million spent on 1,300,000 km of lines and thousands of substations in the United States, the United Kingdom, Brazil and Spain. Thanks to the outstanding work of thousands of our own employees and those of our suppliers, we continue to build, commission and operate new infrastructure featuring the very latest digital and AI technologies to provide the best possible service to our customers 365 days a year, even in emergency situations like the ones experienced in Maine, Scotland and Spain in 2023.

In an increasingly renewable system, energy storage (both giga battery hydro and smaller-scale batteries) will need to be promoted to ensure reliable and competitive supply at all times and to harness every unit of clean energy. To meet this challenge, in 2023 we commissioned new batteries in the United States, Australia, Ireland and the United Kingdom, and finalised the Tâmega pumped hydro storage complex in Portugal, with a capacity of more than 20 million kilowatt-hours.

However, achieving climate neutrality will also require the decarbonisation of energy uses that are more challenging to electrify. That is why last year we continued to develop more than 50 industrial green hydrogen projects in Spain, Brazil, the United Kingdom and Australia, and led initiatives such as the Q-Zero Alliance for the decarbonisation of industrial processes, which now brings together nearly 80 companies in sectors such as chemicals, heavy transport and food.

All these activities are aimed at guaranteeing the supply of energy to the more than 100 million people who rely on Iberdrola every day to meet their energy needs in a safe, sustainable and competitive manner. With this in mind, we have continued to provide the best possible service and to develop new Smart products and services for uses like sustainable mobility and climate control.

The investments made in 2023, which increased our assets to more than EUR 150,000 million, led to a net profit of EUR 4,803 million, an increase of 11% over the previous year. And once again, this year we managed to combine this growth with an improvement in our financial soundness, as evidenced by the evolution of our ratios and the placement of more than EUR 13,300 million in green and sustainable financing, consolidating our leadership in this type of instrument.

Our balance sheet will be further strengthened in the coming months with the final closing of the sale of part of our Mexican business, already agreed in 2023. This will also allow us to begin 2024 –the 25th anniversary of Iberdrola's presence in the country– by reaffirming our commitment to Mexican society through new renewable energy investments.

With this transaction and the co-investment alliances we have signed with major funds such as Masdar, Norges Bank and GIC, we have been able to fully implement our asset rotation and alliance plan for the year 2025 in less than a year.

The financial markets, whose behaviour has been a reflection of the general context of uncertainty, have been very positive to our performance throughout the year: in 2023 Iberdrola's shareholders received a total return of 13.6% and 53% in just four years, almost 20 points above European electricity companies and 32 points above the Spanish stock market.

Driving the transition to a safer, greener energy model that will catalyse industrial and social progress.

None of this would have been possible without the commitment of the more than 42,000 men and women who make up Iberdrola's global workforce. A team that is growing every year in numbers – reaching 4,700 new recruits in 2023– and also in its commitment to generating prosperity wherever we operate.

Last year we procured more than EUR 18,000 million worth of goods and services from thousands of companies of all sizes, helping to employ 500,000 people.

Our business also contributed EUR 9,300 million to the public coffers of all the countries in which we operate, almost 25% more than in 2022, helping to maintain public services for all citizens in a fully responsible way. Spain accounted for EUR 3,482 million of this amount, representing an increase of 35%.

There was a further increase in our training activities last year, with over 73 hours of training per employee, which is well above the European average. And in partnership with our suppliers, we have launched the Global Green Employment platform, the industry's largest job board, recognising the opportunity that the green transition presents for employment throughout our value chain.

But unlocking the full potential of the electricity sector to create a future for our young people also means investing more in innovation. That is why we have committed EUR 384 million to this area in 2023, making us the world's largest private utility in R&D, according to the European Commission.

This will also allow us to continue to pursue an energy model that is in full harmony with people and nature. Our CO2 emissions are already down to 55 grams per kWh –approximately 80% below the European average– and we have a Climate Action Plan that aims to achieve zero emissions from our power plants by 2030. We also set ourselves the target of achieving a net positive impact on biodiversity by that year.

Lastly, the Group has remained steadfast in promoting equality and diversity –we now have professionals of more than 90 nationalities– and we have strengthened our social action through all our Foundations –allocating more than EUR 20 million to their projects in 2023– and the generous commitment of our more than 20,000 volunteers.

This Social Dividend is fully compatible with creating value for our hundreds of thousands of shareholders. Evidence of this is the proposal to increase their remuneration by 10.8% to EUR 0.55 per share.

We will close the year 2023 by once again meeting all our growth and social contribution targets and fully poised to continue driving the energy transition. In this effort, we have the support of companies and institutions like BP that see Iberdrola as the ideal partner to co-invest in the electrification of transport; like Amazon, Google, Apple, Mercedes, Heineken, Mercadona and Procter & Gamble to meet their energy needs and decarbonise their industrial processes; and like Unicef and Birdlife to continue promoting environmental and social protection.

On this basis, 2024 should usher in a phase of consolidating our model and accelerating investment. To this end, we will present an update of our Strategic Plan to further promote electrification with renewables, grids and storage, and to create value for all in terms of lower emissions, greater energy security, better prices, better service and more economic growth and jobs. By doing so, we will continue helping to build an ever more just, fraternal, sustainable and caring society.

Ignacio S. Galán
Chairman of Iberdrola

Recognitions/awards, presence on sustainability indices and ESG ratings

The only European utility included for the past 24 years, considered to be one of the most sustainable electric utilities in the world. DJSI World & DJSI Europe	Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Top 5% S&P Global ESG Score	S&P Global Sustainability Yearbook 2023
Selected in 2023	Global 100	Classified as Prime	Corporate ESG Performance Prime RATED BY ISS ESG
Selected for the index since 2009	FTSE4Good	Only Spanish utility selected in all years. Selected in recognition of its equal opportunity and gender policies.	Bloomberg Gender-Equality Index 2023
A LIST rating in the CDP Climate Change Index 2022	CDP A LIST 2022 CLIMATE	Included in the leading indices	ECPI Sense in sustainability
Chosen as CDP Supplier Engagement Leader	CDP SUPPLIER ENGAGEMENT LEADER 2021	In the top 3 of the EI Green Utilities Report 2023 ranking	Energy Intelligence EI NEW ENERGY GREEN UTILITIES REPORT
Selected AAA	MSCI ESG RATINGS AAA	Gold EcoVadis Medal, Iberdrola as one of the best performing companies	GOLD 2023 ecovadis Sustainability Rating
Selected in several Euronext Vigeo Eiris indices	EURONEXT	Among the 500 most valuable brands globally	Brand Finance®
Selected in Forbes 2023 GLOBAL 2000: WORLD'S LARGEST PUBLIC COMPANIES	*Forbes 2023 Global 2000 World Largest Public companies*	Among the highest-rated utilities	SUSTAINALYTICS a Morningstar company
Iberdrola as one of the best performing companies	InfluenceMap	Among the world's most influential utilities	*WBA Electric Utilities Benchmark*
Only Spanish company included. Consecutively selected since 2014 as one of the most ethical companies in the world.	ETHISPHERE WORLD'S MOST ETHICAL COMPANIES 2014 - 2022	Included in the index	standard ethics
Leading Spanish company in the ranking due to its investment in clean energies	Carbon Clean 200 You Sow & Corporate Knights	Iberdrola among the top 10% of companies with the highest scores	WDi Workforce Disclosure Initiative 2021 RESPONDER
Included in the STOXX Global ESG Leaders index and in the most important indices	STOXX Global ESG Leaders Indices	Ranked first in 2023	open corporation

I. Iberdrola, the utility of the future

I.1. About Iberdrola

- Purpose and values
- A successful and well-established business
- Presence and areas of activity
- Main products and services
- Key operating figures
- Corporate and governance structure, ownership and legal form

Purpose and values

GRI 2-23

Iberdrola's corporate purpose, which is in line with the Sustainable Development Goals of the 2030 Agenda of the United Nations, mirrors the main social trends and addresses major economic, social and environmental challenges, reflecting the expectations of Stakeholders and defining Iberdrola's role as an agent of social change and transformation in the energy sector. It is expressed as follows:

> **To continue building together each day a healthier, more accessible energy model, based on electricity.**

This purpose leads the Company towards the creation of shared value, the social dividend and Corporate Social Responsibility, and expresses:

- The Iberdrola group's commitment to the well-being of people and the preservation of the planet.
- The Iberdrola group's commitment to a real and comprehensive energy transition, based on the decarbonisation and electrification of the economy as a whole, which contributes to the Sustainable Development Goals (SDGs) — particularly the fight against climate change — and generates new opportunities for economic and social development.
- The conviction that the shift away from fossil fuels, the widespread use of electricity from renewable sources, efficient storage, smart grids and the digital transformation all contribute to the health of people, whose well-being depends on the environmental quality of their surroundings.
- The aspiration for universal access to electricity, inclusiveness, equality, equity and social development.
- The intent to promote this new model in collaboration with all agents involved and with society as a whole to ensure local availability of electricity, thus contributing to security of supply.

To attain this Purpose, the Iberdrola group has condensed its corporate values into the following three concepts:

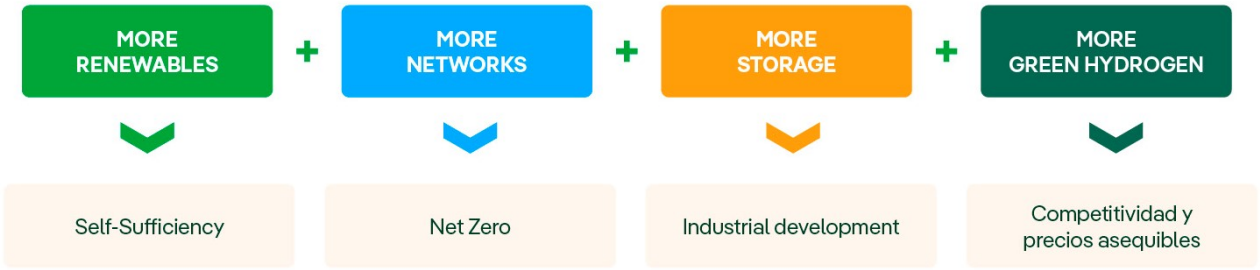
- **Sustainable energy:** the group seeks to always be a model of inspiration, creating economic, social and environmental value in all of its surroundings, and with the future in mind.
- **Integrating force**: the group works with strength and responsibility, combining talents, for a Purpose that is to be achieved by all and for all.
- **Driving force**: the Iberdrola group brings about small and large changes in order to make people's lives easier, always seeking to improve, and to do so efficiently and with high self-imposed standards.

A successful and well-established business model

Iberdrola firmly believes that the transition to a carbon neutral economy by 2050 is technologically possible, economically viable and socially necessary. The energy transition to a low-emissions economy is a great opportunity to create independence, wealth, generate employment and improve the state of the planet and people's health. The group is therefore committed to leading the way, a path it embarked on more than 20 years ago with a firm commitment to renewable energies and that has led it to invest more than EUR 150,000 million since then. This will continue in the coming years with an ambitious investment plan designed to increase installed renewable capacity, onshore and offshore wind, photovoltaic, batteries and hydroelectric, in addition to grid investments. This plan aspires to achieve carbon neutrality for Scopes 1 and 2 by 2030, offsetting any residual emissions after 2030. The ultimate aspiration of this commitment is to achieve Net Zero emissions by 2040. Iberdrola is therefore making a decisive contribution to the development of an autonomous, safe, clean and competitive energy model, supporting industry and employment in the communities where it operates.

This commitment will be fulfilled by promoting:

Need for additional investments in ELECTRIFICATION



A business model with characteristics that accelerate value creation for all:

1. **Aimed at satisfying the expectations of its stakeholders by incorporating ESG+F factors into the company's strategy and management.**
2. **Investment** is particularly focused on the networks business, which has predictable **regulatory frameworks** with investment incentives, and constitutes essential infrastructure to handle the transition of the energy model.
3. It is supplemented by **selective investments in renewables**, thus optimising the risk-return profile. This mainly includes offshore wind, photovoltaic, onshore wind, hydroelectric, battery and green hydrogen production projects, all of which are necessary to achieve a decarbonised energy and economic model.
4. **Geographical diversification**, with a focus on countries with high credit ratings.
5. Historical commitment to a **robust financial position** that preferentially relies on **green finance** instruments thanks to the fact that the investment plan is highly aligned with the EU **Taxonomy**.
6. Dividend policy establishes a **strong and growing dividend** in line with the increase in the company's profits.

Presence and areas of activity

After more than 170 years of history, the Iberdrola group today is a global energy leader, the world's leading wind energy producer, and one of the largest electricity companies by market capitalisation[1].

Iberdrola was two decades ahead of the energy transition to meet the challenges of climate change and offer a sustainable and competitive business model that creates value for society.

The group supplies energy to almost 100 million people in dozens of countries, with over 600,000 shareholders, a workforce of close to 42,276 and assets valued at more than EUR 150.000 million[1].

GRI 2-1

Iberdrola's leadership is underpinned by its smart grid and renewables businesses, and by a diversified portfolio of projects and markets, with a presence in countries with high credit ratings. The company and its subsidiaries and investees carry out their activities in almost thirty countries. A significant portion of the group's activities are concentrated in Spain, the United Kingdom, the United States, Brazil and Mexico; and also in Portugal, Australia, Germany, Greece, France, Ireland, Italy, Hungary and Poland. It has also entered into several agreements to begin the development of various offshore wind projects in new markets: Sweden, Poland, Japan, Taiwan, Vietnam, etc.

The following infographic shows the group's principal areas of activity. The countries in which it operates, the activities performed in each of them and the criteria used to define their significance are indicated in chapter chapter "VI.1. Scope of information" of this report.

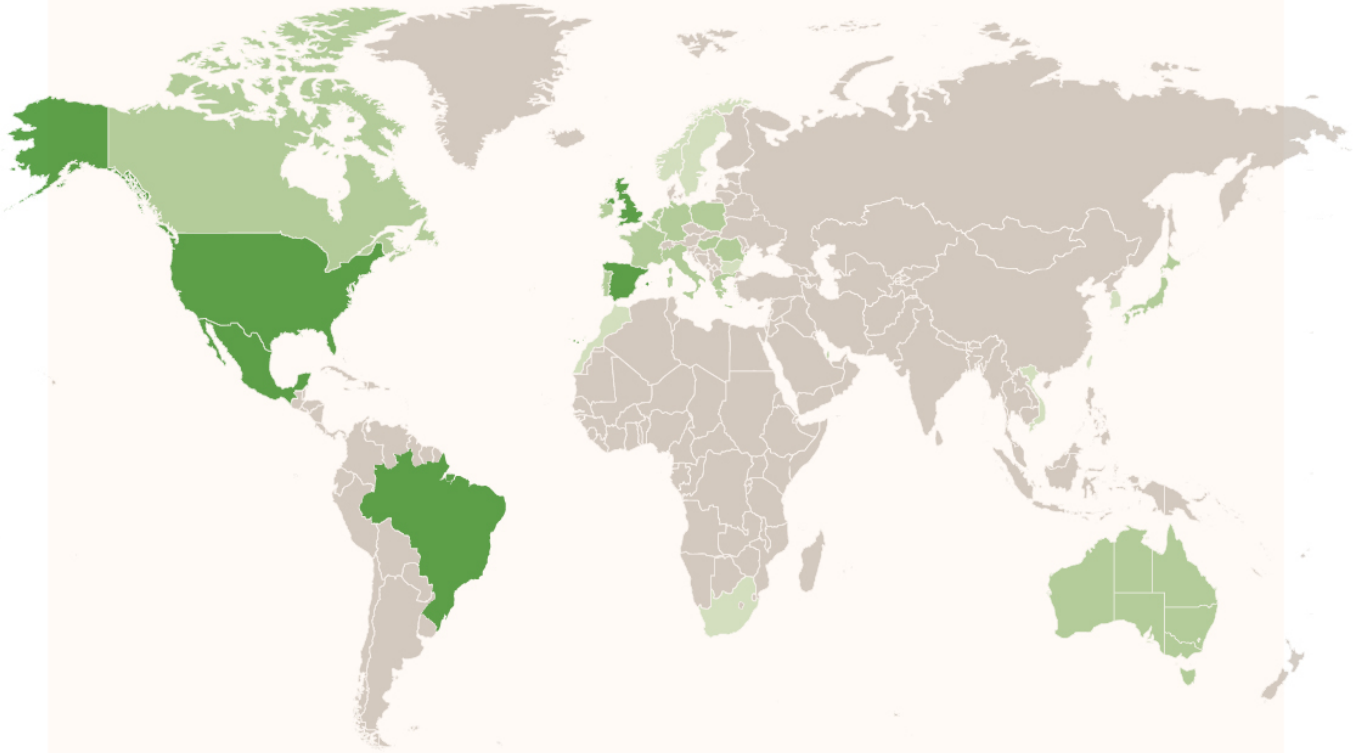
[1] At year-end 2023.

Iberdrola in the World

1,276,519 Km
of power lines

62,883 MW
of installed capacity

168,599 GWh
of net production



For more detailed information, see the About us section on the corporate website.

Main products and services

GRI 2-6 EU3

The main product that Iberdrola makes available to its customers is electricity through a broad array of technologies, services and solutions in the areas of:

- Electricity generation from renewable sources: wind (onshore and offshore), hydroelectric, photovoltaic, etc.
- Transmission and distribution of electricity and gas.
- Storage at large scale (GWh) through pumped hydroelectricity, at medium scale (MWh) in grids and generation assets through batteries, and at small scall (kWh) at the end-user level.
- New technologies, such as green hydrogen produced from renewable electricity.
- Electricity and gas supply.
- Energy services for our customers: with intelligent and innovative (Smart) solutions in the following areas:
    - Residential, with services such as self-consumption, solar, electric mobility, heat pumps, etc.
    - Industrial: offering comprehensive management of energy facilities and supplies, like Green H2, Industrial Heat, etc.
- Purchase/sale of electricity and gas on wholesale markets.
- Digitalisation: implemented within its assets to improve the quality, efficiency and safety of electricity supply.

At year-end 2023, the group companies, as a whole, supplied energy to a total of 35.9 million users. Of this total, 31.9 million are electricity users, and the rest are gas users. 86.1% of users are residential.

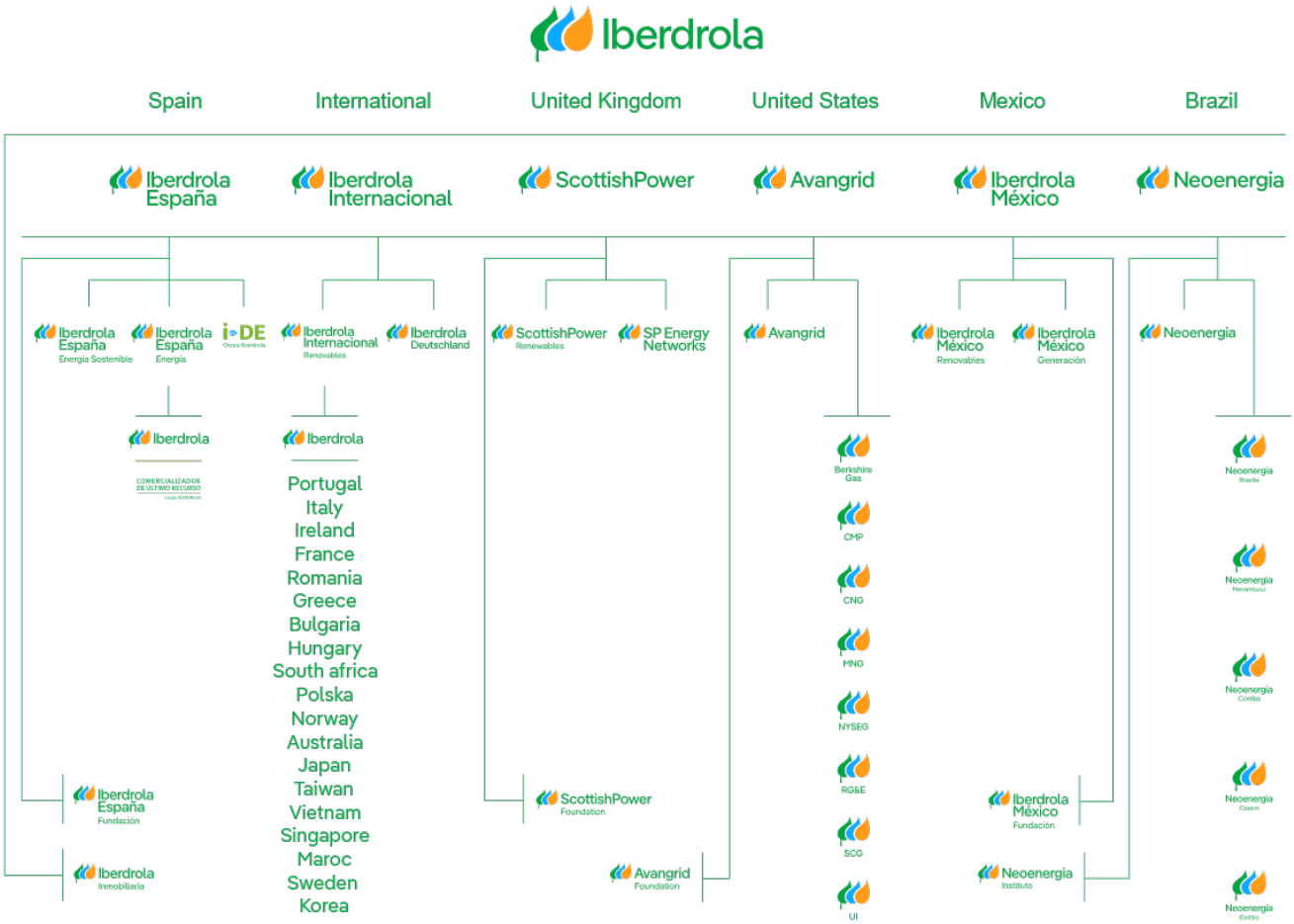
For more detailed information on the breakdown of services by country, see the information on significant countries and activities for the Iberdrola group in chapter "VI.1. Scope of information"

The "Iberdrola" brand

The "Iberdrola" brand is a reflection of its corporate Purpose and Values (see the "Purpose and values"section of this chapter "I.1. About Iberdrola") and is based on the company's strategy, which gives it credibility and strength. The brand attempts to convey the Company's commitment to the sustainable creation of value for all of its Stakeholders, contributing to the development of the communities in which we do business and to the well-being of people, providing high-quality service that is environmentally friendly, efficient and innovative.

In 2023 our brand is evolving to better reflect our commitment to the planet and our commitment to digitalisation. This is why our brand identity is more sustainable, with a logo designed to reduce energy consumption by 50%. An identity that maintains our essence by reinforcing the association with the values of sustainability.

The architecture in 2023 is as follows:



The table above shows the most important brands with the largest operational and market presence in each country. The company has other brands at the local and business level.

Key operating figures[2]

Installed capacity, output, networks and users

At year-end 2023, the Iberdrola group had 62,883 MW of total installed capacity, of which 42,187 MW is renewable.

- **GRI EU1**

Installed capacity by energy source (MW)

	Spain		United Kingdom		United States		Brazil		Mexico				IEI		Total	
									Own		Third Party					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Renewables	21,589	19,796	3,002	3,008	8,833	8,701	3,862	4,568	1,232	1,232	103	103	3,566	2,657	42,187	40,065
Onshore wind	6,550	6,209	1,971	1,986	8,045	8,061	1,554	1,394	590	590	103	103	2,072	1,885	20,883	20,228
Offshore wind	0	0	908	908	39	0	0	0	0	0	0	0	846	350	1,793	1,258
Hydroelectric	10,826	10,700	0	0	118	118	2,159	3,031	0	0	0	0	0	0	13,103	13,849
Mini-hydro	244	255	0	0	0	0	0	0	0	0	0	0	0	0	244	255
Solar and other	3,970	2,631	123	114	631	522	149	143	642	642	0	0	648	423	6,164	4,475
Nuclear	3,177	3,177	0	0	0	0	0	0	0	0	0	0	0	0	3,177	3,177
Combined cycle	5,695	5,695	0	0	204	204	533	533	2,617	2,617	7,043	7,043	243	243	16,334	16,334
Cogeneration	347	347	0	0	636	636	0	0	202	202	0	0	0	0	1,185	1,185
Coal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**30,807**	**29,013**	**3,002**	**3,008**	**9,673**	**9,541**	**4,395**	**5,101**	**4,051**	**4,051**	**7,146**	**7,146**	**3,809**	**2,900**	**62,883**	**60,760**

81% of total own installed capacity is associated with emission-free technologies.

- **GRI EU2**
- **SASB IF-EU-000.D**

Net electricity output by energy source (GWh)

	Spain		United Kingdom		United States		Brazil		Mexico				IEI		Total	
									Own		Third Party					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Renewables	29,462	23,826	7,459	7,823	20,176	20,188	13,568	14,737	2,633	2,899	210	222	6,041	5,053	79,549	74,747
Onshore wind	10,726	11,744	3,609	4,424	19,019	19,612	4,976	3,843	1,394	1,662	210	222	4,366	3,910	44,301	45,417
Offshore wind	0	0	3,844	3,392	0	0	0	0	0	0	0	0	1,229	1,105	5,073	4,497
Hydroelectric	15,460	9,511	0	0	245	188	8,350	10,803	0	0	0	0	0	0	24,055	20,502
Mini-hydro	402	420	0	0	0	0	0	0	0	0	0	0	0	0	402	420
Solar and other	2,873	2,150	5	7	912	388	243	91	1,239	1,237	0	0	446	38	5,718	3,910
Nuclear	23,784	23,886	0	0	0	0	0	0	0	0	0	0	0	0	23,784	23,886
Combined cycle	6,452	7,082	0	0	6	7	85	14	12,836	14,145	39,721	37,269	60	58	59,161	58,574
Cogeneration	1,565	1,904	0	0	3,144	2,516	0	0	1,397	1,403	0	0	0	0	6,105	5,823
Coal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**61,263**	**56,698**	**7,459**	**7,823**	**23,326**	**22,711**	**13,653**	**14,751**	**16,866**	**18,447**	**39,931**	**37,491**	**6,102**	**5,112**	**168,599**	**163,031**

Approximately 80% of own production is associated with emission-free technologies.

[2] Operating figures include figures corresponding to partially owned and non-controlled companies, applying the percentage interest

In 2023, 62.4% of production was achieved using local sources of energy, as shown in the following table:

2023 production with local energy sources (%)	
Spain	87.7%
United Kingdom	100%
United States	85.6%
Brazil	100%
Mexico	9.4%
IEI	100%
Average	**62.4%**

GRI EU4

The group operates about 1.3 million kilometres of electricity transmission and distribution lines.

The table below shows the details by type of line[3].

Power lines (Km) [4]			
	2023	**2022**	**2021**
Transmission			
Overhead	19,626	19,536	19,489
Underground	1,177	1,392	1,342
Undersea [5]	203	N/Av.	N/Av.
Total	**21,007**	**20,928**	**20,831**
Distribution			
Overhead	1,056,349	1,041,936	1,022,113
Underground	199,164	201,777	197,193
Total	**1,255,513**	**1,243,713**	**1,219,306**
Total	**1,276,519**	**1,264,641**	**1,240,137**

[3] Due to the nature of the electricity systems in each country, the voltage levels used to classify lines as transmission or distribution are different.
[4] Lengths of lines are calculated by circuit, regardless of the number of circuits for each power line. A double-circuit 5-km line is considered to be 10 km.
[5] Information on undersea lines reported by the United Kingdom, which was included in the underground lines segment in previous years, is disaggregated for 2023.

GRI 2-6 EU3

At year-end 2023 the companies of the group, as a whole, handled a total of 35.9 million users. Of this total 31.9 million are electricity users, and the rest are gas users. 86.1% of users are residential.

Electricity users (Millions)			
	2023	2022	2021
Residential	27.4	27.5	27.2
Industrial	0.3	0.4	0.3
Institutional	0.3	0.3	0.3
Commercial	3.3	3.4	3.3
Other	0.5	0.5	0.6
Total	**31.9**	**32.1**	**31.7**

Users who are producers (No.)			
	2023	2022	2021
Users that are also producers of electricity	1,008,838	653,502	249,286

The majority of the growth recorded in users who are producers comes from Brazil, increasing by approximately 300,000 throughout 2023.

Operations (locations of operation)

GRI 2-6

The Iberdrola group has identified more than a thousand sites at which the company operates. Streamlining criteria have been used in order to properly report on such a large number from the viewpoint of the disclosures required by the GRI Standards; accordingly, the number of Iberdrola's locations of operation at year-end 2023 is deemed to be 306 for the purposes of this report.

Corporate and governance structure, ownership and legal form

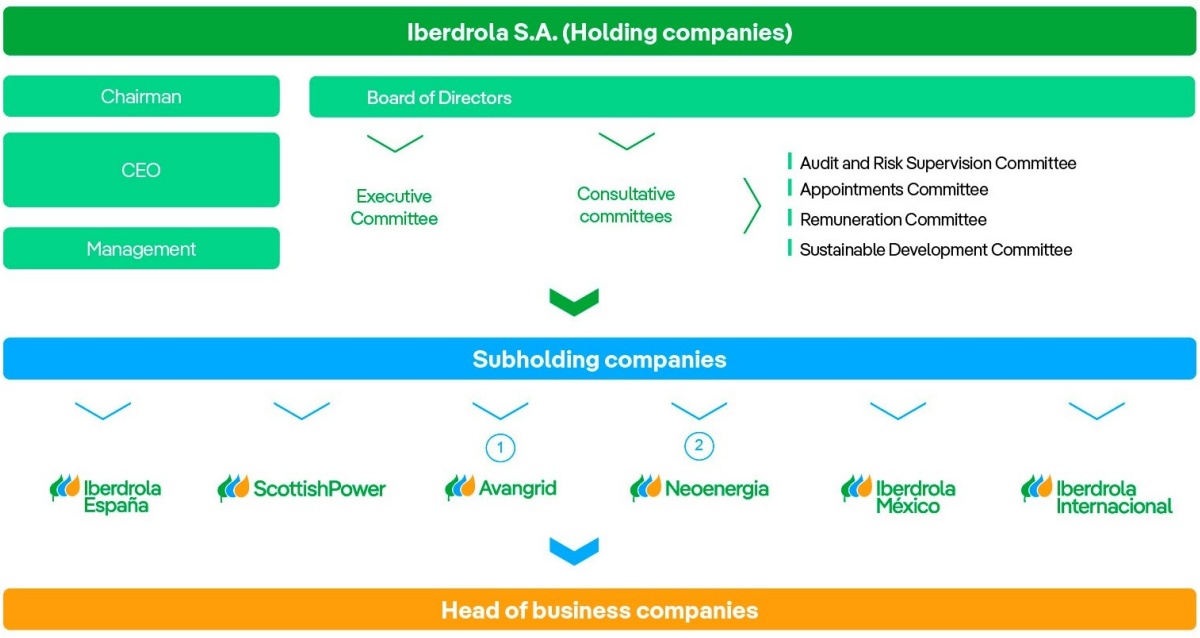
GRI 2-1 2-12 2-24

Iberdrola is an independent public company (*sociedad anónima*) with a registered office in Bilbao (Euskadi, 5), incorporated under Spanish law and listed on the stock market, and is set up as the **holding company** of an international group with a presence in Spain, Portugal, other EU member states, the United Kingdom, the United States, Australia, Brazil and Mexico, among other countries.

Through the **country subholding companies** and the **head of business companies**, the group combines a decentralised structure and management model with coordination mechanisms and an effective system for separation of functions, checks and balances, and controls. In addition, the corporate and governance structure provides for a number of measures that give listed country subholding companies a special framework of enhanced autonomy.

The corporate and governance structure of the Iberdrola group is reflected in the following chart:

Simplified outline of corporate and governance structure



(1) Company listed on the New York Stock Exchange.

(2) Company listed on the New Market segment of BOVESPA (Brazil).

The company's governance structure is based upon this corporate configuration, which duly differentiates between strategic definition and supervision, on the one hand, and day-to-day and effective management, on the other:

a. Iberdrola's Board of Directors: is vested with powers relating to strategic definition and the governance model, as well as strategic supervision, organisation and coordination.

b. The chairman of the Board of Directors and the chief executive officer of Iberdrola, with the technical support of the Operating Committee and the rest of the management team, are responsible for the supervision, organisation and strategic coordination of the group.

c. The **country subholding companies** strengthen strategic organisation and coordination through the dissemination, implementation and supervision of overall strategy and basic management guidelines at the country level, for which they have their own chief executive officers, non-executive directors and audit and compliance committees, in addition to their own internal audit and compliance units and divisions. These entities group together the shareholdings in the head of business companies and one of their main functions is to centralise the provision of common services to these companies and to represent them vis-à-vis national institutions.

d. The **listed country subholding companies** (AVANGRID, Inc. and Neoenergia, S.A.) have a special framework of enhanced autonomy in regulatory matters, related party transactions and management.

e. The **head of business companies** carry out the day-to-day administration and effective management of the businesses and are responsible for the day-to-day control thereof. They are organised through their respective boards of directors and specific management decision-making bodies; they may also have their own audit and compliance committees, internal audit areas and compliance units or divisions. Where such companies have subsidiaries domiciled in countries or territories other than that of the parent company, the subsidiaries may be entrusted with the effective management of their activities in their country or territory, respecting their corporate autonomy.

Governance structure

Composition of the Board of Directors

GRI 2-9

As at 31 December 2023, Iberdrola's Board of Directors is made up of the following 14 members:

Board members

Position	Director	Status	Nationality	Date of first appointment	Date of last appointment	Membership on Board Committees
Chairman	José Ignacio Sánchez Galán	Executive	Spain	21-05-2001	28-04-2023	Chair of the Executive Committee
Chief Executive Officer	Armando Martínez Martínez	Executive	Spain	25-10-2022	28-04-2023	Member of the Executive Committee
First Vice-Chair and Lead Independent Director	Juan Manuel González Serna	Independent	Spain	31-03-2017	18-06-2021	Member of the Executive Committee
Second Vice-Chair	Anthony L. Gardner	Independent	United States of America - Italy	13-04-2018	17-06-2022	Chair of the Remuneration Committee
Member	Íñigo Víctor de Oriol Ibarra	Other external	Spain	26-04-2006	02-04-2020	Member of the Executive Committee, Member of the Appointments Committee
Member	María Helena Antolín Raybaud	Other external	Spain - France	26-03-2010	28-04-2023	Member of the Remuneration Committee
Member	Manuel Moreu Munaiz	Independent	Spain	17-02-2015	28-04-2023	Member of the Appointments Committee
Member	Xabier Sagredo Ormaza	Independent	Spain	08-04-2016	28-04-2023	Member of the Executive Committee
Member	Sara de la Rica Goiricelaya	Independent	Spain	29-03-2019	28-04-2023	Member of the Remuneration Committee
Member	Nicola Mary Brewer	Independent	United Kingdom	02-04-2020	02-04-2020	Member of the Audit and Risk Supervision Committee
Member	Regina Helena Jorge Nunes	Independent	Brazil	02-04-2020	02-04-2020	Chair of the Sustainable Development Committee
Member	Ángel Jesús Acebes Paniagua	Independent	Spain	20-10-2020	18-06-2021	Member of the Executive Committee
Member	María Ángeles Alcalá Díaz	Independent	Spain	26-10-2021	17-06-2022	Chair of the Audit and Risk Supervision Committee
Member	Isabel García Tejerina	Independent	Spain	16-12-2021	17-06-2022	Member of the Sustainable Development Committee

Secretary (non-member): Santiago Martínez Garrido

Deputy Secretary (non-member): Ainara Elejoste Echebarría

Legal Counsel (non-member): Rafael Sebastián Quetglas

The Board of Directors is composed of two executive members (14%) and twelve non-executive members (86%).

Independent directors make up 71% of total members, including the two deputy chairmen, the lead independent director and the chairmen of all the consultative committees.

The Board of Directors is characterised by its independence (86% non-executive directors and 71% independent directors), gender balance (each gender representing 50% of non-executive directors and no gender with a representation of less than 40% of all directors), and the diversity of skills, experience and nationalities of its members.

The gender and age diversity of the members of the Board of Directors are shown below:

GRI 405-1 2-9

Diversity on the Board of Directors

		2023		2022		2021	
		N°	%	N°	%	N°	%
By gender	Men	8	57	8	57	8	57
	Women	6	43	6	43	6	43
By age group	Between 31 and 50 years old	0	0	1	7	1	7
	Over 51 years old	14	100	13	93	13	93
Total		**14**	**100**	**14**	**100**	**14**	**100**

The balanced presence of women and men is reflected in the fact that each gender represents 50% of non-executive directors since 2021, surpassing the percentages envisaged in Directive (EU)

Separation of functions, checks and balances, and controls

GRI 2-11 2-13

The chairman of the Board of Directors is considered the executive chairman and reports to the Board of Directors.

He exercises the power to represent the Company individually, its senior management, the leadership of the Board of Directors (moderating debates and ensuring that the Board and the Executive Committee, which he also chairs, are functioning properly), and the other powers granted by the Board of Directors, the Governance and sustainability system, and by law.

In his capacity as executive chairman, he also assumes all duties not expressly assigned by the Board of Directors to the chief executive officer. The areas, divisions and positions that do not report to the chief executive officer or other specific bodies report to him.

As a separate position from the executive chairman, the Company has a chief executive officer who coordinates the businesses of the group's companies as the person with overall responsibility for all of them.

The chief executive officer also strengthens and facilitates the exercise of the powers attributed to the chairman of the Board of Directors, to whom he is subordinate and reports for this purpose. He also reports to the Board of Directors and regularly reports to the Board on his management, making any necessary proposals for decisions on matters within the scope of its powers.

Subordinate to the chief executive officer are the directors of the global businesses of the Group's companies, along with the chief executive officers of the country subholding companies, among others, who are hierarchically subordinate to their boards of directors and, in the case of listed country subholding companies, with full respect for the special framework of enhanced autonomy given to them by the Governance and sustainability system.

In addition, the group's companies have a structure of authorised executives and professionals, with powers provided according to two operating principles: (i) the principle of joint action, which governs the exercise of powers of a decision-making or organisational nature; and (ii) the principle of joint and several action, which governs the exercise of powers of mere representation.

The management team regularly reports to the Board of Directors, the Executive Committee and the consultative committees as described in the Activities Report of the Board of Directors and of the Committees of the Board of Directors and the Committees thereof.

The structure of the Board of Directors —with a large majority of independent directors—, the configuration of its positions, and the existence of consultative committees, provide the structure for a system of checks and balances that ensures that neither the executive chairman, the chief executive officer nor the Executive Committee have decision-making powers that are not subject to the appropriate checks and balances, thus ensuring that they are under the effective supervision of the Board of Directors.

In particular, the first deputy chair and lead independent director and the second deputy chair, both of whom are independent Board members, serve as a counterbalance to the executive chairman, ensuring that his actions are subject to the appropriate controls.

Similarly, the group's corporate and governance structure is designed in such a way that management power is not centralised in a single governing body or in a single person, but rather is decentralised among the boards of directors of the head of business companies, with the Company's main function being supervision, organisation and strategic coordination at the group level.

Committees of the Board of Directors

Executive Committee

GRI 2-9 2-11 2-24

The Executive Committee has all the powers inherent in the Board of Directors other than those that cannot be delegated pursuant to law or the Governance and sustainability system

The main activities of this Committee consist of continuously monitoring the implementation of the strategy, meeting objectives, the governance model, and submitting proposals to the Board of Directors or making decisions regarding strategic issues in cases of urgency. In particular, this includes investments and divestments that are significant for the Company or its group, assessing whether they are in line with the Company's budget and strategy, analysing and monitoring business risks, and taking into consideration any environmental and social aspects.

Consultative committees

GRI 2-9

Consultative committees are permanent, internal, informational and consultative bodies within the Board of Directors, without executive powers, with informational, advisory, control and proposal-making powers within their respective scopes of activity, which include the following:

- **Audit and Risk Supervision Committee**: processes of preparing and presenting financial and non-financial information, internal control systems, supervisory and risk management systems, internal audits and statutory audits under the terms set out in its Regulations.
- **Appointments Committee**: selection, appointment and re-election of the members of the Board of Directors, of its committee and of the Company's Senior Management as provided for in its Regulations.
- **Remuneration Committe**e: remuneration of the members of the Board of Directors and of senior management as provided in its Regulations.
- **Sustainable Development Committe**e: review and update of the Governance and sustainability system the Company's performance in environmental, social and governance matters, information published by the Company on non-financial matters, operation of the Company's Compliance Unit and the compliance systems of the group's companies, corporate reputation, and the Purpose and Values of the Iberdrola Group under the terms set out in its Regulations.

For more detailed information regarding the composition, operation and activities of the company's governance bodies, see the *Activities Report of the Board of Directors and of the Committees.*

Beneficial ownership

GRI 2-1 2-6

A 31 December 2023 the company's share capital totalled EUR 4,762,708,500.00, represented by 6,350,278,000 shares of the same class and series, each with a nominal value of EUR 0.75. All shares give the holders thereof the same rights. The approximate distribution of equity interests is as follows:

International investors	70.07%
Domestic entities	7.73%
Domestic individual investors	22.20%

No shareholder holds or has held a controlling interest in the equity structure of the company. The following table lists shareholders who have held a significant interest in the equity of Iberdrola or in the voting rights in the last three financial years.

Significant shareholders and percentage of direct and indirect voting rights

	31/12/2023	31/12/2022	31/12/2021
Qatar Investment Authority	8.71	8.69	8.69
BlackRock, Inc.	5.30	5.29	5.16
Norges Bank	3.45	3.65	3.36

As at the date of preparation of this report, the share capital of Iberdrola, S.A. totals EUR 4,817,474,250.00 and is made up of 6,423,299,000 shares, each with a nominal value of EUR 0.75, which are fully subscribed and paid up.

I.2. Governance and Sustainability System

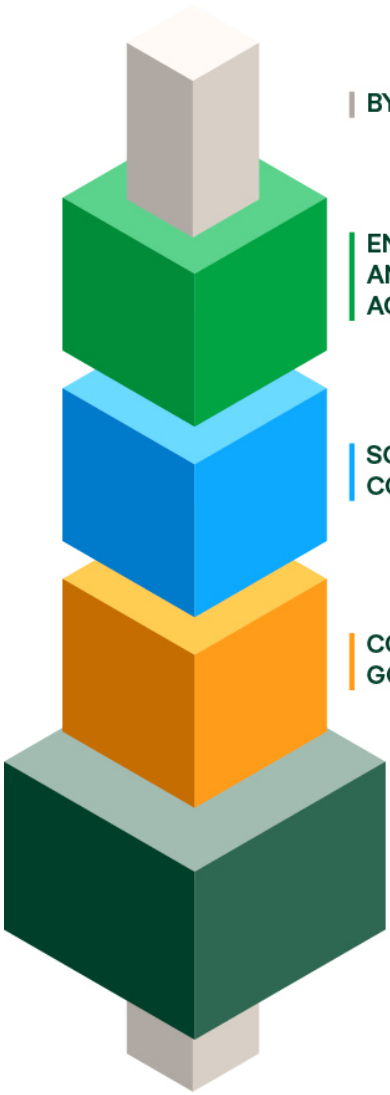
- Introduction to the Governance and Sustainability System
- By-Laws
- Code of Ethics
- Policies and commitments
- General Sustainable Development Policy
- Long-term risks and opportunities. Comprehensive Risk System

Introduction to the Governance and Sustainability System

The Company has a Governance and sustainability system that is structured around three pillars: environmental, social and corporate governance.

Structure of the governance and sustainability system

The Governance and Sustainability System is the Company's **internal system of rules**. It configures Iberdrola as an **integral company** that enriches its purely corporate dimension with plural (economic, social, environmental and governance) business activities. Always at the forefront of international best practices, it is structured in **five books**:



BY-LAWS

The core of the internal system of rules, they make up the **backbone** of the Governance and Sustainability System. Based on the ***Purpose and Values***, they lay out the guidelines that define the **identity** and unique aspects of the Company and its business enterprise.

ENVIRONMENT AND CLIMATE ACTION

The policies that make up this book are Iberdrola's response to sustainable management, the challenges of **climate action**, the preservation of the **environment** and the loss of biodiversity, while helping to identify and take advantage of the opportunities arising from the **energy and ecological transition**.

SOCIAL COMMITMENT

The policies that make up this book reflect the Company's commitment to addressing the challenges relating to **human rights**, to recognising and valuing the importance of **human and personal capital, and to promoting diversity, inclusion, equal opportunity and non-discrimination**.

CORPORATE GOVERNANCE

The policies and rules of this book include the best good governance practices, which are reflected in the **guidelines and standards for conduct of the corporate bodies**, establishing the operation thereof and complying with legal requirements and the highest standards in this field.

PURPOSE

This is the **basis** on which the Governance and Sustainability System is built and established. The rules and policies that make up this book embody the Company's **corporate philosophy** and the ideological and axiological bases on which its corporate enterprise is based.

Leadership in sustainable development, social commitment, good governance and transparency is one of the hallmarks of Iberdrola's identity. The Board of Directors therefore regularly reviews the Governance and sustainability system keeping it updated and ensuring that it includes the recommendations and best practices accepted in international markets.

By-Laws

The By-Laws are at the core of the internal regulations and make up the backbone of the Governance and sustainability system. Based on the Purpose and Values they constitute the guidelines that define the identity and uniqueness of the Company and its business enterprise.

Code of *Ethics*

GRI 2-12 2-23

Iberdrola, S.A. strives for its conduct and that of the people related thereto to comply with and conform not only to current law and its Governance and sustainability system, but also to generally accepted ethical and sustainable development principles.

The Board of Directors of Iberdrola, S.A. has approved the Purpose and Values of the Iberdrola Group which sets out the raison d'être and the ideological and axiological basis of the business enterprise of the companies that form part of the Iberdrola group and governs their day-to-day activities. The content of the Purpose and Values of the Iberdrola Group is further developed and specified in the Code of Ethics of Iberdrola, S.A.

The Code of Ethics has been prepared taking into account the good governance recommendations generally recognised in international markets and the sustainable development principles accepted by the Iberdrola, S.A., constituting a basic reference for observance of such initiatives and practices by the companies of the Iberdrola group. It also meets the company's prevention obligations with regard to the criminal liability of legal entities. It includes the commitment made by Iberdrola, S.A. to the principles of business ethics and transparency in all areas of activity, establishing a set of principles and guidelines for conduct intended to ensure ethical and responsible behaviour by all directors, professionals and suppliers of the Iberdrola group's companies.

The code therefore applies to all directors, professionals and suppliers of the Iberdrola group's companies, and to investees that are not part of Iberdrola, S.A. but over which the company has effective control, within the legally established limits, regardless of their rank, geographical location or functional reporting, and of the group company where they perform their services.

Excluded from the scope of application are listed country subholding companies and their subsidiaries, under their own special framework of strengthened autonomy, as they have their own code of ethics or conduct, inspired by a purpose and values that are ultimately in line with the Purpose and Values of the Iberdrola group and governed by the principles set forth in the Code of Ethics.

The *Code of Ethics* forms part of the Governance and sustainability system which was approved by the Board of Directors of Iberdrola, S.A. in 2002 and last amended on 20 June 2023.

For more detailed information on the group's Compliance System, see the "Ethics and integrity" section of chapter "IV.1. Good governance, transparency and Stakeholder engagement".

Policies and commitments

GRI 2-23

The Iberdrola group has a set of corporate policies that further develop the principles reflected in the Governance and sustainability system and that contain the guidelines governing the conduct of the company and the companies of its group, as well as those of the directors, officers and employees thereof, within the framework of the Purpose and Values of the Iberdrola Group.

These policies, the full versions of which can be found in the Corporate governance tag of the website, are grouped into five categories:

- By-Laws
- Purpose[6]
- Environment and Climate Change
- Social Commitment
- Corporate Governance

These policies and commitments serve to guide the company and its workforce for the management of their activities, and, more specifically, as a guide on the material topics dealt with in this document.

General Sustainable Development Policy

Iberdrola has a General Sustainable Development Policy approved by the Board of Directors in 2007 and last revised on 19 December 2023. It sets out the general principles and foundations that govern the group's sustainable development strategy. The goal is to ensure that all its corporate activities and businesses are carried out by fostering the sustainable creation of value for shareholders and taking into consideration other stakeholders related to its business activities and its institutional reality, equitably contributing along with all the groups that play a role in the success of its business enterprise.

The policy contains **5 overarching principles** of conduct in relation to:

- the creation of shared sustainable value
- transparency
- the development and protection of intellectual capital
- innovation
- responsible taxation

And **6 principles of conduct** in relation to the principal **Stakeholders**:

- Persons
- Shareholders and financial community
- Customers
- Supply chain
- Communities
- Environment

[6] (see "Purpose and Values" section), Code of Ethics (see the "Code of Ethics"section), General Sustainable Development Policy and Stakeholder Engagement Policy (see "III.2. Stakeholder Engagement"

Stakeholder Engagement Policy has recently been updated to include a new segmentation of Stakeholders, which has been revised and modified in order to improve the policy and bring it into line with the current context and the new needs of the Company. The chapter on Stakeholders engagement describes the main changes.

The principles of conduct included in these sustainable development policies are described throughout this report.

Environment and Climate Change Policies

Environmental policies are the response to environmental challenges such as climate change and the loss of biodiversity, while helping to identify and take advantage of the opportunities arising from the energy and ecological transition

- *Sustainable Management Policy.*
- *Environmental Policy.*
- *Climate Action Policy.*
- *Biodiversity Policy.*

The content of these Policies is described in section II.1 of this report

Social Commitment Policies

Within the framework of the Company's sustainable development strategy, the policies relating to social commitment reflect the group's connection with human rights, the development of professional relationships based on diversity, inclusion and a sense of belonging, which is essential in managing people to promote equal opportunity and to ensure non-discrimination. They are as follows:

- *Policy on Respect for Human Rights*
- *People Management Policy*
- *Equality, Diversity and Inclusion Policy*
- *Selection and Hiring Policy*
- *Knowledge Management Policy*
- *Innovation Policy*
- *Quality Policy*
- *Corporate Security Policy*
- *Policy on the Responsible Use of Artificial Intelligence Tools and Algorithms*

Corporate Governance Policies

The corporate governance policies and rules are intended to ensure the proper functioning of the main corporate bodies, the administration and management of the Company, and the development of the business generally, all in accordance with applicable law.

In particular, these policies and rules are structured into four parts:

- *Corporate governance and regulatory compliance policies.*
- *Risk policies*
- *Governance rules of the corporate decision-making bodies and of other functions and internal committees*
- *Market abuse prevention rules*

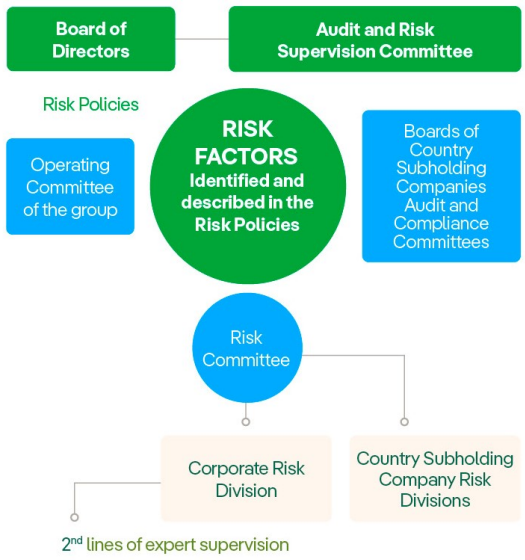
Long-term risks and opportunities. Comprehensive Risk System

Iberdrola's Board of Directors and senior management is firmly committed to and engaged in the management of the group's risks:

- **Ex-ante:** acceptable levels of tolerance to risk are reviewed and approved on an annual basis through risk policies that establish (through limits and indicators) the qualitative and quantitative risk appetite at the group level and at each of the main businesses and corporate functions, in accordance with the objectives established in the strategic plan and the annual budgets

- **Ex-post**: periodic monitoring of significant risks (key risk maps) and threats and the various exposures of the group, as well as of compliance with the approved limits and indicators

Risk management within the group is based on foresight, independence, commitment to the group's business objectives and the engagement of senior management and the Board.



Functions of the Risk Committee

Active management

Credit risk

- Analysis of counterparties and monitoring of compliance with limits, establishment of approval criteria, and monitoring of positions.

Market risk / energy and financial markets

- Analysis and monitoring of detailed limits and monitoring of positions in order to delimit the effects of volatility in the markets.

Coordination of second lines / Enterprise Risk Management (ERM)

By way of supplement, the group has a Compliance System, linked to the Board's Sustainable Development Committee, with elements that include the Code of Ethics and the Compliance Unit.

To ensure, under the internationally recognised three lines model, that there are mechanisms for all significant risks of the group to be controlled at all times and that they are regularly reported to the various committees and externally.

Comprehensive Risk Control and Management System

The group's *General Risk Control and Management Policy* approved by the Board of Directors establishes the mechanisms and basic principles for appropriate management of the risk/opportunity ratio, at a risk level that makes it possible to:

- Attain strategic goals with controlled volatility.
- Ensure the group's corporate stability, financial strength and reputation (Stakeholders).
- Contribute to achieving the SDGs, with a special focus on goals seven and thirteen.
- Disseminate a risk culture.

In accordance with the three lines model, the *General Risk Control and Management Policy* and related policies are implemented within a comprehensive risk control and management system, supported by a Risk Committee, which is based on properly defining and assigning duties and responsibilities at the operational and supervisory level to develop suitable procedures, methodologies and support tools.

Risk policies and limits of the Iberdrola group

The *General Risk Control and Management Policy* is further developed and supplemented with the specific policies established in relation to certain risks, corporate functions or businesses of the group, which are also annually approved by the Board of Directors of the group's parent company, and which include limits and indicators that are subsequently monitored.

The country subholding companies adopt the group's risk policies and specify the application thereof, approving the guidelines on specific risk limits, based on the nature and particularities of the businesses in each country. The listed country subholding companies, and companies with significant interests held by other shareholders, approve their own policies under their own special framework of strengthened autonomy.

Principal risk factors of the Iberdrola group

The risk factors to which the group is subject are generally grouped into the following categories:

Risk factors of the Iberdrola group	
Category	**Definition**
Corporate Governance	Non-compliance with applicable law, the Governance and Sustainability System, the recommendations set forth in the CNMV's Code of Good Governance, and international standards.
Market	Exposure to volatility in variables like electricity and other energy commodity prices, emission rights, exchange rate, interest rate, solvency, liquidity, inflation, raw materials, etc.
Credit	Contractual breach by a counterparty, causing economic or financial losses, including payment and replacement cost risks.
Business	Uncertainty as to the behaviour of variables intrinsic to the business, including characteristics of demand, hydroelectric resources, wind, solar, etc.
Regulatory and political	Regulatory changes made by the regulators that can affect remuneration of the regulated businesses, environmental or tax provisions, etc.
Other*	External events or inadequate internal procedures, including those stemming from 1) technical failures, human error and technological obsolescence, 2) operation and construction of facilities, 3) sabotage and/or terrorism, 4) those associated with transactions in the market, 5) security of facilities, physical assets and information systems, including cybersecurity, 6) reliability of financial and non-financial information, 7) climate change, extreme natural phenomena and pandemics, 8) nature-related risks: environmental management and biodiversity, 9) communities affected by the facilities, 10) sourcing and the supply chain, both from an industrial and social point of view, 11) health and safety of persons, 12) diversity and inclusion, 13) regulatory compliance, 14) fraud and corruption, and 15) litigation, arbitration and tax matters.
Reputational	Potential negative impacts on the company's reputation arising from situations or events that fail to meet the expectations of its Stakeholders.

**Operational, technological, environmental, social and legal*

Given the multidimensional nature of the risks, the taxonomy defined in the system contemplates additional classification variables for better monitoring, control and reporting of such risks. These additional categories notably include the classification of risks into Structural Risks, Hot Topics and Emerging Risks, the latter being understood as potential new threats, the impact of which is as yet uncertain and the probability of which is undefined, but which are growing and may be of relevance to the group.

The system contemplates the continuous monitoring and detection of other non-financial risks, including environmental, social and governance (ESG) risks with significant reputational consequences.

Evaluation of risk management processes

GRI 2-12

Generally, the group's Comprehensive Risk Control and Management system allows for proper ex ante identification of risks or sounds alarms that allow for the making of decisions intended to minimise the impact of the risks.

The group's Risk Committee meets at least on a monthly basis. This committee is supplemented with the Credit Risk and Market Risk Committees, which also meet on a monthly basis. On at least a quarterly basis, the Audit and Risk Supervision Committee of the Board of Directors monitors trends in the group's risks:

- It reviews quarterly group risk reports, which includes monitoring compliance with risk policies and thresholds, and with the updated key risk maps submitted by the group's Internal Audit and Risk Management Division.
- It coordinates and reviews the Risk Reports sent periodically (at least half-yearly) by the Audit and Compliance Committees of group companies that have such a body.
- On at least a half-yearly basis, it prepares a risk report for the Board of Directors.

I.3. Climate action and TCFD

- Introduction to climate action
- Climate governance
- Climate action Plan
- Management of climate opportunities and risks
- Indicators and metrics
- Others aspects associated with the energy transition

Introduction to climate action

GRI 201-2 **SASB IF-EU-110a.3**

Inspired by its commitment to the Paris Agreement and decarbonisation, Iberdrola's climate action measures reflect the Group's approach to the energy transition based on its experience in the renewable energy sector, maximising the opportunities arising from climate change and minimising and managing the potential risks posed by climate change in the areas in which the Group does business. This chapter describes the above in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For more details, see table *"VI.6. Force on Climate-Related Financial Disclosures content index"*.

Climate governance

Iberdrola was a **pioneer** in establishing the **fight against climate** change as a priority in its Governance and Sustainability System. Thus, in 2009, it approved the first policy addressing the measures adopted by the Company. This Climate Action Policy establishes the framework for Iberdrola's strategy and business model in the fight against climate change, **which is in line with the Paris Agreement and the 2030 Agenda**. Through this policy Iberdrola is committed to continue assuming a **leadership position** (directly and by establishing alliances), **promoting awareness** (impacts, challenges and benefits of its achievement) and **contributing to a carbon neutral and sustainable future**.

Iberdrola's principles of conduct include implementation of the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and of other leading organisations for identifying and reporting long-term risks relating to climate change. Along these lines, Iberdrola was one of the first companies to **publicly commit** to implementing the recommendations of the TCFD. For this purpose, the company created an internal multidisciplinary working group in 2017 to coordinate all the work performed in this area.

So as to be always focused on the best compliance with and implementation of the policies, the Company has **several corporate bodies and internal committees that ensure the monitoring of those policies**. **The amendment of the By-Laws approved by the shareholders in June 2021 formalises the obligation of the Board of Directors** to approve, supervise and regularly report on the Climate Action Plan. This Statement of Non-Financial Information is the means by which the company and its Board of Directors fulfil their annual reporting commitment in this area.

Climate change is a management concern for the entire company, and ultimate responsibility lies with the Board of Directors, which has the following consultative committees comprising entirely independent members with specific competencies in this area:

Sustainable Development Committee

This committee annually reviews that the content of this document is in line with the Company's sustainable development strategy and that it includes a statement of progress on the achievement of the climate action plan.

From 2021, the competencies envisaged in the Regulations of the Sustainable Development Committee include the following responsibilities in relation to the Climate Action Plan:

- Report on the climate action plan to the Board of Directors prior to its approval, and monitor and review its degree of achievement and its successive updates.
- Determine the guidelines, criteria and general principles to be applied in drawing up the statement of non-financial information.
- Verify that the content of the statement of non-financial information is in line with the Company's sustainable development strategy and that it mentions the degree of achievement of the climate action plan approved by the Board of Directors, following a report from the committee and, where appropriate, any updates thereto.

Audit and Risk Supervision Committee

The responsibilities concerning the internal control and risk management systems, as set out in the Regulations of the Audit and Risk Supervision Committee, include all matters pertaining to the risks stemming from climate change.

For some time now, the Iberdrola group has had a well-established, comprehensive risk system in place. The *General Risk Control and Management Policy* approved by the Board of Directors of the Group's parent company, aims to "establish the basic principles and general framework for the control and management of all kinds of risks facing the Company and the other companies of the Group", including, therefore, those associated with climate change. The system's ultimate objective is to i) identify risks and establish management measures, ii) monitor and measure these risks, and iii) comply with the new European regulation on non-financial reporting (Corporate Sustainability Reporting Directive, or "CSRD") and the standards approved for its implementation (European Sustainability Reporting Standards, or "ESRS").

Further general information on the system can be found in the General Risk Control and Management Policy, section E. "Risk management and control systems" of the 2023 Corporate Governance Report, the "Long-term risks and opportunities. Comprehensive Risk System section of this report, section 4 of the Management Report of the consolidated 2023 Annual Financial Report and the Risk section of the Integrated Report of April 2024.

In identifying (the taxonomy applied is the one proposed by the TCFD), measuring and monitoring climate change risks, which are essentially risks already existing in our taxonomy, the Board of Directors relies on:

- The coordination and holistic reporting work carried out by the Risk Division's expert function, under an ERM approach, to the Audit and Risk Supervision Committee of the Board of Directors.
- Regular briefings by corporate function and business divisions, in particular the ESG Division and the Innovation, Sustainability and Quality Division (which has a specialised Climate Change and Alliances unit).

The Risk Division prepares a quarterly monitoring report on the group's main risks, based on its own analysis and the contribution of the businesses and numerous corporate functions, which includes estimated impacts, likelihood and reputational implications. Climate change-related risks are among the risks identified. Although this report focuses on the short term, medium- and long-term analysis is carried out through specific studies and tasks, using a variety of techniques including:

- Scenario analysis and stress tests
- Sensitivities
- Prediction maps for natural phenomena
- Risk prioritisation based on variables beyond impact and likelihood, such as exposure and vulnerability

For illustrative purposes, ad hoc time horizons have been defined in the sections on Transition Risks and Physical Risks, better suited to the particular nature of climate change risk (until 2025, until 2030 and until 2050 for transition risks and until 2070 for physical risks).

As mentioned above, **the Board of Directors sets the different risk appetites annually through updated risk policies**. As detailed later on, the *Investment policy,* approved by the Board, establishes the need to analyse the climate change risks of new assets to be built as a specific requirement.

At management level, three key areas report directly to the chairman, the CEO and the Board of Directors on specific climate change-related issues such as emissions monitoring and reduction action plans, alignment with the SDGs, risks and opportunities, and mitigation and adaptation policies or actions.

- **Innovation, Sustainability and Quality Division:** aspects relating to global climate action at Iberdrola and other environmental issues such as biodiversity or the circular economy fall under the responsibility of the Innovation, Sustainability and Quality Division. This organisation has a dedicated Climate Change and Alliances Division, leading climate change policies and alliances. This Division falls within the Chairman's Area, and reports directly to the above-mentioned corporate bodies on a quarterly basis. They are responsible for leading the coordination and updating of certain plans, including the climate action plan and the biodiversity plan. They spearhead a specific multidisciplinary working group from the main corporate and business areas to assess and coordinate the status of climate change action on a bimonthly basis.

- **Risk Division**: oversees the group's comprehensive risk system, which aims to ensure that the main risks of all the Group's activities and businesses are properly identified, managed and reported. Climate change risks are integrated into risk management processes and included in this Division's regular reports to the Audit and Risk Supervision Committee.

- **ESG Division**: responsible for group-wide sustainable development and corporate non-financial reporting, it coordinates the TCFD working group on a multi-departmental basis, and advises investors and indices on ESG matters. It reports directly to the Sustainable Development Committee.

In addition to the members of the Sustainable Development Committee with climate action expertise, all directors receive a training and refresher programmes, which in 2023 covered topics related to decarbonisation and the fight against climate change, among other environmental aspects, as detailed in section "IV.1 Good governance, transparency and Stakeholder engagement".

In 2023, a total of 7 appearances were made on issues relating to climate governance and climate action topics at meetings of the corporate bodies of Iberdrola, S.A. In particular, there were recurring appearances before the Sustainable Development Committee and before the Audit and Risk Supervision Committee. Both environmental risks and the risks associated with climate change were discussed at these meetings, as were the corresponding alert mechanisms to properly monitor them.

In turn, the **remuneration structure for executive directors and the management team takes into account economic/financial, operational and sustainability aspects**. The General Shareholders' Meeting of 28 April 2023 approved the new long-term remuneration plan (2023-2025 Strategic Bonus), which sets out parameters relating to the Sustainable Development Goals, such as reducing the average intensity of CO2 emissions and increasing the number of suppliers subject to sustainable development standards, among others (see additional details in the "Remuneration policy" section under "Corporate Governance").

More detailed information can be found in Section "I.2. Governance and Sustainability System" as well as the following link: Governance and sustainability system.

Climate action Plan

Iberdrola's Climate Action Plan establishes an ambitious roadmap aimed at achieving zero net emissions of CO2 equivalent by 2040. This Plan outlines the levers and actions available, and establishes the associated metrics.

This Plan will also drive the creation of sustainable value, as it is based on the commitment to ensuring a positive contribution to nature and society, contributing to social and economic development through the generation of jobs and wealth.

Climate goals

Iberdrola updated its Strategic Prospects for 2025 and 2030 in November 2022. The new investment plan (focusing on renewables, smart grids and efficient storage), together with the investments already made in recent years, has enabled the company to increase the ambitiousness of its emissions-reduction targets.

The commitment to accelerate the decarbonisation of the economy begins by reducing each economic player's direct emissions as much and as quickly as possible. Based on scientific consensus, Iberdrola advocates immediate action in the main climate forums, and in this context, Iberdrola has declared its ambition to achieve CO_2eq neutrality by 2030 for Scopes 1 and 2.

Iberdrola's ultimate goal with this commitment is to achieve net zero emissions by 2040. Iberdrola would therefore reduce absolute emissions by 90% compared to 2020 and residual emissions would be neutralised in accordance with the highest standards of quality. Furthermore, Iberdrola would be bringing forward the emissions reductions required of the electricity sector (for Scopes 1 and 2) by ten years (from 2040 to 2030).

Iberdrola undertakes to use its best efforts to achieve this commitment, for which purpose it will align its strategy, investments, operations and public positioning therewith. In any case, Iberdrola is also committed to facing the energy transition by ensuring the creation of value for its shareholders, employees, customers, suppliers, and the communities in which it does business. The company therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as the company value, quality of supply, social/labour conditions, and a fair transition.

Levers of the Action Plan

The actions identified to date to reach this goal are classified into four main levers with an impact on the three emissions scopes:

a. **100% renewables:** investing in renewable generation, increasing storage capacity and promoting new technologies (e.g. hybridisation, long-term storage, etc.). According to the latest investment plan, 52 GW of installed renewable capacity would be attained. This lever mainly has an impact on Scope 1 emission reductions, while also contributing to Scope 3.

b. **100% smart grids**: operating a robust grid as an essential pillar of a decarbonised and electrified energy system. By 2025, over 83% are expected to be smart grids. These actions will have an impact on Scope 2 emission reductions, with an indirect impact on Scope 3.

c. **Green solutions for customer**s: contributing to the gradual electrification and decarbonisation of energy demand, with actions such as promoting green hydrogen and other derivatives, a sustainable mobility plan, key alliances in green technologies, etc. The main impact will be the reduction in Scope 3 emissions.

d. **Green purchases**: through the acquisition of renewable energy for own consumption, on the one hand, and the establishment of alliances and partnership agreements to jointly reduce emissions and to speed up and facilitate the development of green products, on the other. These actions will primarily have an impact on reducing Scopes 2 and 3 emissions.

The different actions are supported by an ambitious investment plan and a strong network of partnerships, which drive Iberdrola's strategy towards the decarbonisation of the company and of society, contributing to an economy based on renewable energy and electrification, thus generating opportunities in terms of economic growth, industrial activity and new jobs.

Investment Plan

To meet the commitment set out in the Climate Action Plan, Iberdrola will continue to promote and spearhead a business model and an investment plan fully integrated into a decarbonised future.

Iberdrola's current Strategic Plan 2023-2025, announced in November 2022, envisages further investment to drive the energy transition, with investments in networks and renewables, as well as in its storage capacity. It also plans to continue devoting resources to developing green products that add value for customers. For private customers, proposals focus on solar self-consumption, electric mobility, and green climate control. Industrial customers are offered plans for decarbonisation through climate control and green hydrogen.

As per the investment plan, the next few years will see investments in innovative initiatives, in line with the efforts made in R&D, which will make it possible to further strengthen our model and promote the development of innovative and sustainable technologies.

The company plans to announce an update of its Strategic Plan on 21 March 2024, in which it will provide further information. For more information, see the corporate website.

Partnerships, global climate agenda, and awareness-raising

Iberdrola's contribution to fulfilling the global climate targets of the Paris Agreement is embodied in an ambitious approach to moving towards an energy model based on renewable energies, underpinned by a solid network of alliances and partnerships. In keeping with its strategy, Iberdrola embraces ambitious approaches to establishing the targets, plans, and policy and regulatory frameworks required to carry out the necessary investments for such a transition. In this regard, raising public awareness is essential.

Iberdrola engages in intense and leadership-oriented actions through multi-agent collaborations and dynamic participation in the main milestones of the multilateral climate agenda, participating in a large number of technical seminars and high-level conferences. Iberdrola wants to actively and decisively contribute to a sustainable, low-carbon future – an effort that will also promote social and economic development through the creation of employment and wealth, and a positive impact on biodiversity and nature.

Several months before the Climate Ambition Summit called by the UN Secretary-General as part of the United Nations General Assembly and New York Climate Week, Iberdrola presented its Climate Action Plan to the United Nations. This Plan has earned the company special recognition at the Climate Summit, which was attended by Iberdrola's Chairman, Ignacio Galán, as one of the driving forces in this area.

Iberdrola also belongs to various international coalitions, backs different external initiatives and cooperates with numerous international organisations, business and/or multi-stakeholder coalitions, think tanks and research centres, supporting an acceleration of ambitious global climate action.

Iberdrola's contribution in the fight against climate change

Iberdrola has been a member of the UN Global Compact since 2002, and it has belonged to the *Red Española del Pacto Mundial* since 2004, as a founding member. In this context, Iberdrola has made commitments, among others, to implement its Ten Principles, and to promote the 2030 Agenda by contributing to achieving and raising awareness of the SDGs. The company has been identified as a LEAD company on numerous occasions, owing to its high levels of commitment to the principles of the Global Compact, and it has been at the forefront of the climate action platform since its inception in 2016, and which has focused this year on working on a fair transition thinklab as a forum for collaboration and to drive climate action from an inclusive point of view and create value for society as a whole.

Furthermore, in 2023, Iberdrola formally pledged its commitment to the Global Compact's Forward Faster initiative, aimed at increasing progress and transparency around a number of targets related to climate action, gender equality, living wage, finance and investment, and water resilience.

Iberdrola is among the most intensely involved companies in the Conferences of the Parties (COP) on Climate Change, organised annually by the UNFCCC. At the COP28 held in Dubai from 30 November to 12 December, Iberdrola was a summit sponsor as well as an official partner of the leading business alliance in the climate field, We Mean Business. Iberdrola ranked as the company with the greatest leadership at COP28 by Influence Map, the leading independent global think tank in the field of analysing the influence of organisations on climate policies and their alignment with the Paris Agreement. Another highlight is the award given to Iberdrola by the COP28 Presidency as Energy Transition Changemaker for Iberdrola's green hydrogen plant in Puertollano (Spain), Europe's first large-scale green hydrogen plant for industrial decarbonisation.

In 2023, within the framework of COP28 and the main international climate milestones, Iberdrola has joined in important declarations, alliances and campaigns, including the following:

- The **Fossil to Clean** campaign sponsored by We Mean Business seeks to encourage policy makers to adopt policies to gradually phase in clean solutions and phase out fossil fuels.
- **Utilities for Net-Zero Alliance** launched by IRENA and aimed at tripling renewable energy capacity and doubling energy efficiency, while accelerating the electrification of end-use sectors by 2030.
- **Open letter from the Alliance of CEO Climate Leader**s addressed to world leaders at COP28 calling on them to massively scale up investment in renewable energy and power networks and streamline permitting and regulatory processes.
- **COP28 Declaration of Support** advocated by the International Financial Reporting Standards (IFRS) and focused on adopting the International Sustainability Standards Board's standards on climate risks.

Iberdrola is very actively involved in the We Mean Business initiative through its support for specific campaigns, including the implementation of initiatives in Spain to promote climate action among small- and medium-sized enterprises (SME Climate Hub). As part of the New York Climate Week, We Mean Business mentioned Iberdrola as a leading company in climate action thanks to its contribution to a more sustainable energy model, placing it at the head of the '4A's' (Ambition, Action, Advocacy y Accountability) campaign. In June, We Mean Business, together with The B TEAM and BSR, launched a Just Transition Platform to provide businesses with valuable resources for undertaking just transitions and featured Iberdrola as an example of leadership in this area and the only case study to be included.

As part of the coexistence between renewable energy and the preservation of biodiversity, as well as its contribution to social and economic development, Iberdrola forms part of CLEANAction (Coalition Linking Energy and Nature for Action), founded by BirdLife International, WWF, IRENA and The Nature Conservancy, among others.

Iberdrola is also part of Race to Zero, a global alliance promoted by the High Level Climate Champions and the United Nations, bringing together companies, governments and various players in civil society committed to reaching a zero net emissions future no later than by mid-century.

Iberdrola has also been a member, since its inception, of the Powering Past Coal Alliance (PPCA), a coalition of governments, regions and companies focused on promoting the shutdown of coal within the framework of a fair transition to a clean energy model. Here, with a broader focus on just transition, Iberdrola contributed to creating the collaborative platform promoted by BSR and The B TEAM called Energy for a Just Transition in 2022 and actively participated in the work undertaken in 2023, including the report The Just Transition Planning Process for Business published by BSR in September, featuring tools to guide companies in planning a just transition.

In the area of strengthening multilateral dialogue for climate action, Iberdrola has provided support to the Club de Madrid's "Leadership for Net Zero" project, forming part of the working group on just transition in global supply chains.

IBERDROLA UNICEF Alliance: Opportunities for vulnerable youth in the energy transition and the fight against climate change

The Iberdrola-UNICEF alliance has been in place for more than a year in Spain and internationally, fostering training and employability opportunities in sectors related to the green economy aimed at young people in situations of vulnerability. Therefore, in conjunction with public authorities, suppliers, NGOs and academia, training courses are being designed and implemented, offering professional internships and job opportunities, as well as driving the creation of green economy start-ups.

Climate action values

Due to its cross-dimensional nature, the Climate Action Plan is based on the aspiration of making climate action compatible with the general social interest and contributing to sustainable development, so as to contribute to building an energy model in harmony with nature and human beings.

Positive for society

In supporting the energy transition and the green economy, **Iberdrola is committed to an orderly, just and inclusive transition, promoting economic and industrial development, as well as universal access to cost-effective and competitive energy**.

The principles of conduct for promoting a just transition are described in the Governance and Sustainability System. Article 7.2 of the By-Laws states "The Company recognises and seeks to obtain a social dividend consisting of the direct, indirect or induced contribution of value of its activities for all Stakeholders, particularly through its contributions to the achievement of the Sustainable Development Goals (SDGs)". This principle is elaborated upon by the General Sustainable Development Policy, the Stakeholder Engagement Policy and the Policy on Respect for Human Rights.

Iberdrola thus becomes an economic and industrial driver, encouraging the creation of new business lines and industries of the future, contributing to the strength of the industrial fabric and to the creation of new jobs related to the green economy.

Iberdrola is also aware that the transition toward a decarbonised model will entail structural changes with a considerable impact on certain regions, areas and groups.

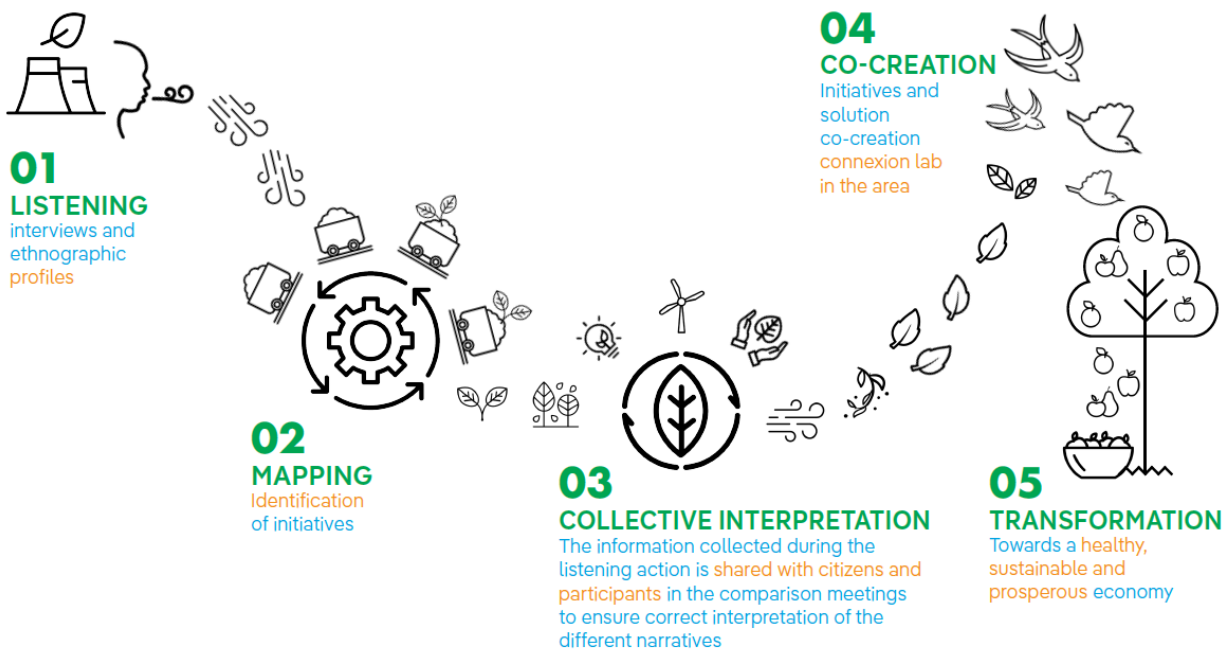
So that no one is left behind, Iberdrola applies the social dividend principle, and its commitment to its stakeholders and human rights, to ensure that this transition is orderly, just and inclusive. Iberdrola therefore deploys resources, tools and projects aimed at maximising the social and economic opportunities of climate action while managing potential impacts on communities. An active dialogue and stakeholder engagement are vital for ensuring respect for human rights, including labour rights.

In Spain, Iberdrola is part of the *Agreement for a fair energy transition for thermal power plants in closure: employment, industry and territories*, along with the Ministry for Ecological Transition, Ministry of Labour and Social Economy, other companies that own coal-fired thermal power plants in Spain, and trade union organisations. This agreement seeks to ensure that workers and territories make the most of the transition opportunities and minimise its negative impacts through support and recovery measures.

Citizen Innovation Platform of Lada and Velilla

To avoid the potential job losses stemming from the closure of the Lada and Velilla plants, Iberdrola España launched several green transformation plans in these regions. These initiatives notably include the *citizen Innovation Platform* launched in 2020 to channel entrepreneurship initiatives that serve to accelerate the processes for collaboration between citizens, public entities and companies. Scheduled to finish in July 2023, the project proved to be an innovative tool that promoted the generation of knowledge among the parties involved, actively seeking interests and synergies so as to tackle the specific demographic and economic challenges of each area. This initiative follows the principles, methodologies and goals established by the European Commission for a new European "Green Deal".

The Citizen Innovation Platform is based on listening and co-creation methods, which are the basis for developing a portfolio of social and economic development initiatives at 5 different levels of action: (1) community initiatives, (2) social entrepreneurship projects, (3) large-scale public-private actions, (4) new public services, and (5) experimentation in new regulations.



The Platform's objectives are described below:

- To accompany the closure of Iberdrola's plants in Lada and Velilla with a process to identify new social and economic opportunities for these areas.
- Promoting new initiatives associated with the SDGs in the area.
- Offering a space for advanced experimentation for the European Commission's Green Deal strategy in Spain.
- Designing, implementing, and assessing an open innovation platform as an instrument of intervention for the closure of first-generation thermal plants.
- Promoting a portfolio of innovation projects directly associated with the aspirations of local citizens.
- Creating a network of public and private players associated with the platform to work as an open innovation platform.
- Identifying a set of principles, criteria and methodologies for the transformation of territories facing the closure of polluting energy plants (fair transition processes).
- Attracting potential financing partners for this type of process.

To detail the methodology used in the programme, as described above, as well as the main monitoring indicators and their results, a *report* has been prepared which includes various aspects of the projects dealt with and evaluated during the listening and co-creation processes of the activities.

As an example of initiatives pursued in both areas, some of the Platform's achievements include:

- Joint development of a solar panel factory in Langreo between Iberdrola and the Asturian business group Exiom.
- Training courses for more than 20 men and women as installers of photovoltaic systems in Velilla del Río Carrión, with the Green Employment Platform.
- Partnership with regional suppliers to explore opportunities in industrial projects (with the participation of Gonvarri, Idesa, Windar, Asturmadi, etc.).
- Partnership between Iberdrola and the Association of Beekeepers of Northern Palencia (APINORPA) to disseminate and provide training on beekeeping.
- Collaboration agreement with the Plataforma de Empresarios Palentinos (Palencia Entrepreneurs' Platform).
- Research chair on raw materials and circular economy at the University of Oviedo.

Convive Programme

In the renewable energy field, Iberdrola's decarbonisation strategy has fully integrated socio-economic development and biodiversity conservation, demonstrating that the supply of clean and sustainable energy can be made to coexist effectively. The environmental balance is therefore maintained while also contributing to social and economic development. This is why the CONVIVE Programme was launched in Spain, an on-going improvement project that integrates all the initiatives and alliances we have been engaged in.

The initiatives fall into three areas of action, combining global initiatives and initiatives at local and facility level:

- Contributing to socio-economic development: with the aim of having an economic and social impact at both a local and national level. This encompasses actions related to training and local employment generation, clear commitments towards local suppliers, integrating economic activities in facilities such as livestock grazing or beekeeping, and the driving effect of developing a new green industry.
- Protecting and enhancing biodiversity. These actions are aimed at improving environmental and biodiversity impacts. To this end, Iberdrola relies on an ambitious Biodiversity Plan.
- Alliances and partnerships with key agents: in this area, the alliance formed with BirdLife International to work together on deploying renewables to enhance the contribution to biodiversity is worth highlighting. Moreover, with the aim of combating depopulation in rural areas throughout 2023, the company collaborated with the *Arraigo* Project through pilot projects in three Spanish communities hosting renewable energy projects.

To complement the actions carried out in the different areas of activity, the first edition of the *Convive* Awards was launched in 2023 to acknowledge the best coexistence initiatives between renewable energies, nature and people.

Furthermore, Iberdrola is also accelerating universal access to competitive energy as a lever for human and economic development. As part of the Electricity for All Programme, the goal is to provide electricity to 16 million persons who currently lack it by 2030. It also attends to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating in providing ongoing access to energy supply in accordance with the policies established by the competent government authorities in each case.

Positive for nature

Climate action is supported by a strong commitment to the protection of nature, jointly tackling the threefold environmental crisis (climate, biodiversity and overexploitation of resources) that we are facing.

Iberdrola interacts with different ecosystems and species in various geographic areas. Aware of the urgent need to stop and reverse the unprecedented loss of biodiversity denounced by the scientific community, Iberdrola has strengthened its commitment to the protection of and action for biodiversity and nature with the 2030 Biodiversity Plan, which applies to the entire Iberdrola group and sets out its commitment to have a net positive impact on biodiversity by 2030. Along these lines, the Iberdrola 2020-2030 Trees Programme has the goal of planting 20 million trees by 2030, and it is estimated that it will contribute to the capture of up to 6 MtCO2eq in 30 years, a clear example of a project that makes it possible to achieve this twofold goal of leading change and generating a positive impact. More information can be found in the "Goals and 2030 Biodiversity Plan" section

Iberdrola also supports a Circular Economy model encompassing the entire value chain within Iberdrola's boundary and including both internal actions (optimisation and improvement) and driving actions, in relation to both suppliers and customers. The greatest lever to promote the circular economy is currently the reduction in the use of fossil fuel thanks to the goals of deploying renewable technology.

For example, in 2022, Iberdrola, through its PERSEO programme and FCC Ámbito, a subsidiary of FCC Servicios Medio Ambiente, launched EnergyLOOP to lead the recycling of components of renewable facilities, one of the greatest medium- and long-term challenges in the sector. This initiative will also contribute to the energy transition and to boost the circular economy in Spain. More information can be found in the "Innovation and digital transformation projects".

Management of climate opportunities and risks

Climate change is a systemic, global risk, and one of the global crises faced by Humanity. Companies should contribute to the fight against this risk through actions to mitigate climate change, reducing their emissions and decarbonising their business model; as well as acting against the impacts of climate change, improving their adaptation and resilience. Climate change poses various risks, with increasing long-term impacts that, to a greater or lesser degree, may not be considered new risks for the sector.

Climate change accelerates the existing risks set out in the Iberdrola group's risk catalogue (see *General Risk Control and Management Policy* which are therefore monitored. They may be classified as:

- Physical, stemming from possible material impacts on the facilities and the supply chain as a result of effects of the future evolution of climate variables (higher temperatures, rising sea levels, changes in precipitation patterns, increased extreme weather events in terms of both frequency and intensity, etc.). Based on TCFD nomenclature, a distinction is made between acute risks and chronic risks.

- Transition, associated with all the risks that can appear in the gradual global decarbonisation process, such as regulatory changes, market, technological and reputational risks, grievances (such as for deficient reporting), changes in demand, etc.
- Other risks may arise as a result of these risks, including those relating to deterioration in the credit of counterparties (suppliers, banks, others), social phenomena (humanitarian crises, impacts on crops and fishing, refugee crises, epidemics) and greater competition for financial resources.

The identification, analysis and management of the risks arising from climate change are addressed through a multi-departmental focus, with cooperation between corporate and business functions.

Iberdrola faces climate change risks from a favourable position, as it has:

- Extensive experience in the management of risks accelerated by climate change, both physical (at the operational level) and transitional (such as regulatory and market risks).
- Financial strength.
- A diversified business (from the business, geographic and technological standpoint), with low exposure to gas assets and no coal plants.

For more information on Iberdrola's risks, as well as its governance, identification and monitoring systems, see the "Long-term risks and opportunities. Comprehensive Risk System" of this report, the "Climate Change Risks" section of the Management Report of the consolidated 2023 Annual Financial Report, section E of the Annual Corporate Governance Report 2023 and the "Risks" section of the Integrated Report April 2024.

Identification and evaluation of the opportunities and risks of transition

The group believes that, for Iberdrola, the opportunities stemming from the decarbonisation of the global economy (growth in renewables, investments in integrated smart grids, electrification of transport, green energy, etc.) outweigh the risks.

The main risks of transition, such as regulatory and market risks, require a management approach that is generally national in nature. This is because of the crucial influence of governments and regulators on the structure and operation of markets and public utility sectors. The physical risks to facilities and their operation require global management, applying best practices and selecting the appropriate technologies: Iberdrola's growth, through strong development of renewable energy and flexible and smart grids, is an example of this.

Iberdrola has been a pioneer in promoting renewable energy and fighting climate change and has achieved a leadership position allowing it to benefit from opportunities and anticipate the potential risks of transition, such as those included in the following table, thus actively contributing to global decarbonisation.

	Description	Management/mitigation	Opportunities
Market and Credit	Unfavourable developments in electricity prices, fuel costs and emission allowances, as well as commodity prices Changes in demand Rising cost of insurance Impact of climate change on counterparties (banks, suppliers, etc.)	Promotion of PPAs Green finance Integration of wholesale and retail activities Internal projections of electricity prices by Group's expert area, taking into account national decarbonisation plans Analysis of climate change risks for new investments Electrification of the economy Third party credit analysis Negotiating capacity of the Group	Increased penetration of renewables and storage resulting from the decarbonisation of the economy Increasing significance of networks (increased digitalisation, smart grids and system flexibility) for the electrification process resulting from decarbonisation Increased electrification of end uses, particularly for heating (storage, heat) and transport (use of electric vehicles). Also, development of solutions based on electrification for the industrial sector, as well as green hydrogen in combination with renewable energy for certain energy uses Improved energy efficiency and associated consumer benefits and the relationship with consumers Advantages in raising funds in the face of increasing pressure from the financial sector and capital markets
Political and Legal	Regulatory and tax changes Increasing reporting needs Third-party claims	Strong internal governance, in line with best practices Diversification Active participation in partnerships and forums Accumulated experience in the monitoring of key risks	
Technological	Development of new and more efficient technologies Risks associated with non-mature technologies Accelerating distributed generation Exposure to stranded assets	Investment concentrated in grids and mature renewable technologies (hydro, wind, solar) Development of new projects based on emerging technologies Electrification of the economy Human and technical skills Reduced Group presence in gas assets New alliances with technology companies	
Reputational	Stigmatisation of the industry Changes in consumer habits Increased concern with negative stakeholder feedback	The electricity sector is necessary and key to electrification Iberdrola: pioneer in the fight against climate change Internal launch of initiatives focused on social and biodiversity aspects such as the convive program	

Analysis of transition scenarios

The Iberdrola Group's new strategic plan for the 2022-2025 period, internally updating forecasts to 2030, was published in 2022. The risks and opportunities of various climate transition scenarios in the short, medium, and long term were analysed within this framework.

Iberdrola has analysed risks and opportunities in different scenarios since 2018. Working groups were expanded in 2022 to increase the involvement of the countries in which the Iberdrola Group has a presence. This has strengthened and homogenised the internal tools that support compliance with national regulations on TCFD reporting.

This analysis of potential impacts according to transition climate scenarios will be addressed again with the publication of the Group's new strategic plan.

Benchmark scenarios

Specific transition scenarios were defined, adjusted on the basis of benchmark scenarios, considering the specific characteristics of each geographical area in which the Iberdrola group has a presence. Elements from international and regional public scenarios as well as other internal regional considerations were included. The goal was to formulate them at a scale suitable to the businesses of the Group.

Three transition scenarios were considered for the analysis of risks and opportunities. A baseline scenario, consistent with the group's strategic forecasts, and also two alternative scenarios, for which the potential risks and opportunities by comparison with the baseline scenario were assessed:

- **Focus on Energy Transition (FET)**: This is the baseline scenario used, which is based mainly on the forecasts made in the Sustainable Development Scenario (SDS) published by the International Energy Agency in the Word Energy Outlook (WEO '21), and is in line with the objectives of the Paris Agreement. Iberdrola's strategy has been consistent with this scenario in recent years, and it continued to be in force during the work to prepare for Capital Markets Day (held on 9 November 2022). Two more recently published scenarios were also taken into account to establish this baseline scenario: the Announced Pledges Scenario (APS) (WEO '22) and the Consumer Transformation Scenario (CT) published by the National Grid in the Future Energy Scenarios set (FES '22). The APS scenario assumes that all the aspirational goals announced by governments, including energy access and long-term net zero goals, will be met on time and in full. If implemented on time and in full, a temperature increase of about 1.7° C in the APS by 2100 would be maintained. The UK CT scenario is based on a high level of electrification, arising from customers' willingness to change behaviour, high efficiency and improved demand flexibility.

- **Slower Transition Scenario**: this scenario considers a slowdown in fulfilling more ambitious commitments or potential breaches of commitments made. As a result, global warming would be limited to less than 2°. This scenario is based on the forecast published by WEO22 for the Stated Policies Scenario (STEPS), which shows the trajectory of the policies currently approved. Regional scenarios like the Falling short Scenario (FS) published by National Grid (FES 2022), which involves not reaching Net Zero in the United Kingdom by 2050, have also been combined.

- **Faster Transition Scenario:** this third scenario considers more optimistic and ambitious hypotheses, based on the estimates in the Net Zero Scenario (NZ) (WEO2022), which describes a way to globally achieve stabilisation of a 1.5° C increase in global average temperatures, together with universal access to modern energy by 2030. It is also based on the regional projections made by National Grid for its accelerating decarbonisation scenario, combining increased consumer commitment with significant great technological and investment advances, called the Leading the Way Scenario (LW) (FES 2022).

2023-2025 period

The **short term** is described by the period covered by the Strategic Plan published by Iberdrola at Capital Markets Day 2022, which updates the group's strategy describing the opportunities for growth identified for the next 3 years. In this Plan, Iberdrola reaffirms its strategy for growth based on smart grids and renewable energy, optimising the implementation of its project portfolio in a complex macroeconomic context. The key risk-inducing variables are inflation, interest rates, economic growth, commodity prices, exchange rates and regulation.

To minimise risks, Iberdrola opts for sustained investment in grids, in predictable frameworks with incentives for investment. It provides for selective investment in renewables, ensuring the projects with the best risk profile are chosen, seeking to build a portfolio with future growth and viable alternatives. Priority is given to investment in financially appealing markets, with a high rating, ambitious electrification goals, and regulatory stability. Iberdrola is committed to maintaining its financial strength, always taking the social, environmental and governance pillars into account.

All of this allows for the affirmation that **no significant risks arising from climate transition scenarios other than the basic case in the short term have been observed, thanks to the resilience of the business model and the strategy of the Iberdrola Group.**

2025- 2030 period

It is in the medium term that climate transition scenarios are a key tool for evaluating the impact of climate change on the company and its current strategy. The analysis of the three scenarios described for the 2025-2030 period is intended to identify the impacts and opportunities offered by variations in key parameters in the energy sector and macroeconomic domain for the businesses and geographic areas in which the Iberdrola Group has a presence. The key parameters in the scenarios are linked to operational business indicators, such that changes therein have both positive and negative impacts on the businesses. The levels of correspondence (medium or high) between the main parameters examined in the climate scenarios and the key parameters of the group's businesses are specified below.

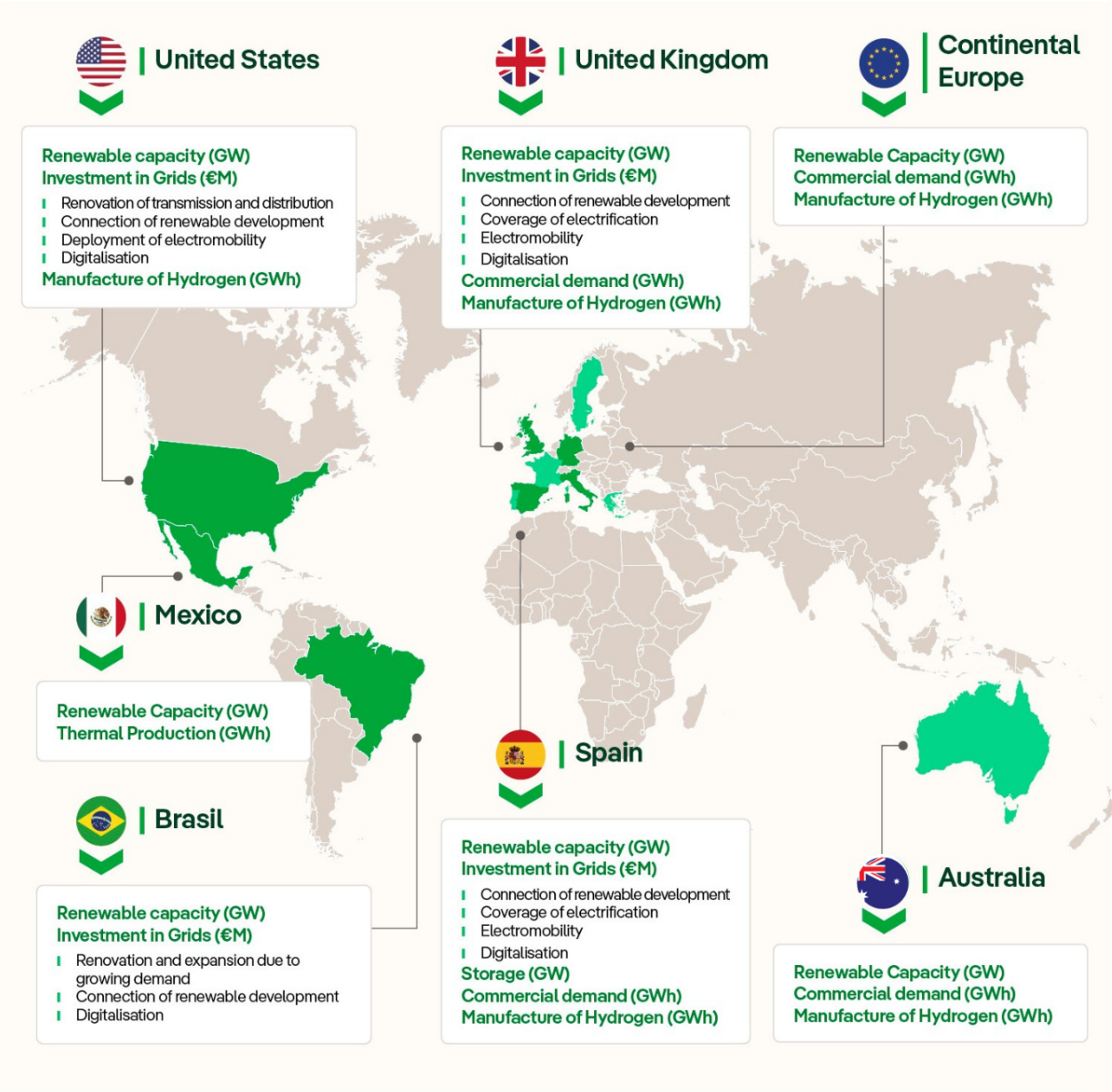
Key parameters of the scenarios	Key parameters of the businesses: Total Production (GWh)	Customer Electricity Consumption (GWh)	Consumo Clientes Electricidad (GWh)	Customer Gas Consumption (GWh)	Investment in Networks (€ million)
Final electricity demand (TWh)	●●	●●	●●	●	●●
Installed renewable capacity (GW)	●●	●●			
Photovoltaic solar		●			
Wind Energy		●			
Hydroelectric		●			
Bioenergy		●			
Share of renewables in the generation mix (%)	●	●			●
Total domestic electricity usage (TWh)			●●		
Natural gas demand in buildings (TWh)				●●	
Average annual investment in electric grids ($ million)					●●
Final natural gas demand (TWh)			●	●	

● Average degree of intensity in the correlation between these two parameters

●● High degree of intensity in the correlation between these two parameters

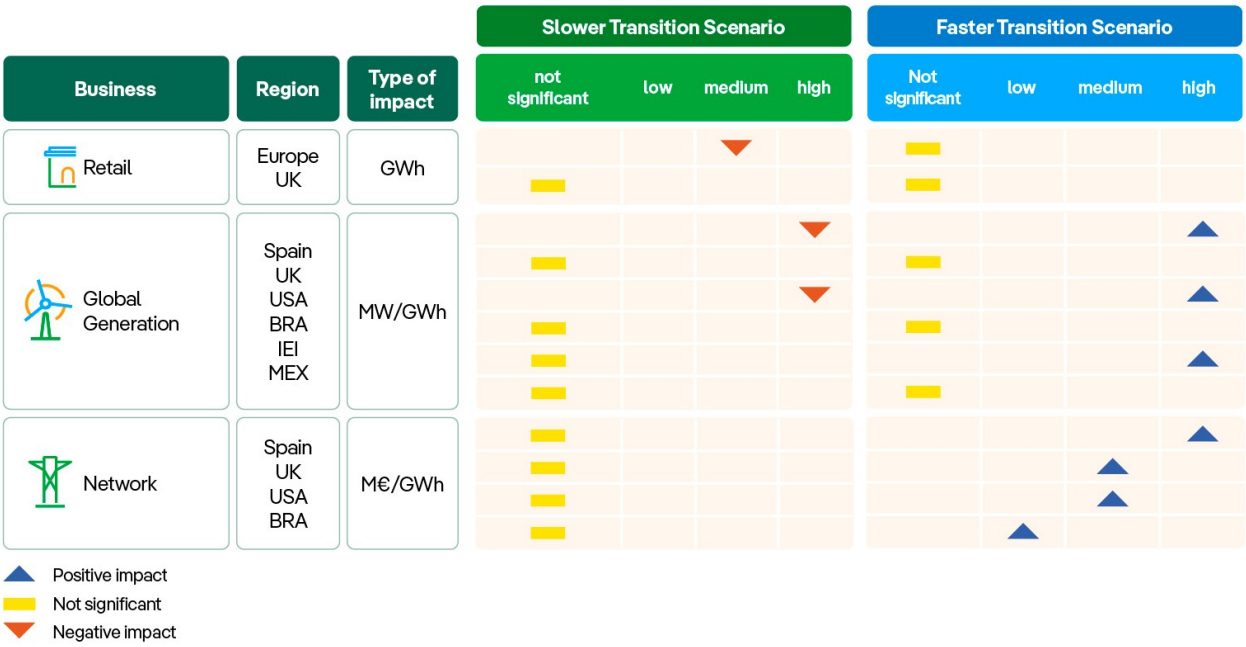
As discussed, the potential scenarios analysed by Iberdrola consider plausible projections made by highly credible organisations, as well as internal assumptions based on the particularities of the specific geographic areas in which Iberdrola has a presence within the countries. The regional values of the parameters selected from each climate scenario have thus been specified. For example, electricity demand could potentially be reduced by 18% in the Slower scenario, or increase by 9% in the Faster scenario compared to the baseline scenario; as for renewable installed capacity, potential reductions of up to 44% are projected in the Slower scenario, and increases of up to 33% in the Faster scenario, in certain geographic areas to be analysed where the Group has a presence.

To conduct the analysis, the behaviour of the parameters most sensitive to potential changes in the climate scenarios for each country was analysed, both in the main geographic areas in which the group has a presence and in other high-activity countries as shown in the map below:



This analysis of scenarios has allowed for the identification of the main risks and opportunities by business and geographic area, as well as the absence of significant impacts in some cases. The table below provides a qualitative description of the trend of the most relevant operating indicators for each business and geographic area under the two alternative scenarios.

Impact 2030



The Slower scenario shows, in the mid-term, a slower speed in the increase in demand for electricity and for the installation of new renewable generation, and a lower penetration of generation in the mix with respect to the baseline scenario. There is also a smaller change in consumers' mindset, with the home gas consumption percentages remaining high and electricity percentages remaining low. All of the foregoing is compared to the baseline scenario forecast by Iberdrola for 2030. The main impacts on the group's businesses and geographic areas are:

- Europe retail: due to the slower speed of electrification reached in this scenario, the projections in the strategic plan for Europe might be negatively affected by a medium magnitude.
- Spain and USA renewables: some of the developments currently forecast for 2030 would slow down, and their implementation would be postponed due to the reduction in installed renewable capacity compared to the projection in the base case for 2030.
- The impact on the USA and UK grids would be less significant: due to lower investment in grids than forecast in the plan, as well as lower electrification for homes and vehicles.
- The rest of the businesses would maintain the expected growth rates.

In the Faster scenario, focusing on achieving net zero by 2050, the key indicators for the decarbonisation scenarios, which are drivers for growth for Iberdrola's businesses, would already be strongly boosted by 2030. It must be supported by more ambitious commitments from countries and the establishment of the regulatory frameworks and accelerated procedures required to meet this goal. It will also require strengthening and ensuring the financial instruments for technological and infrastructure deployment across all geographic areas. The following opportunities for Iberdrola stand out:

- Spain, USA and IEI renewables: where the impacts could be very high if these more ambitious increases in renewable energy are achieved, driven by European and American commitments and policies. They would also generate significant opportunities in Australia and new Asian countries.
- Spain, USA and UK networks: This is the scenario with the highest investment in renewables and in transmission and distribution networks to accelerate the network reinforcement and infrastructure improvement projects needed to ensure integration of the system and quality of supply.
- No significant impacts on the rest of businesses are found, as the investments and developments in the current plan are guaranteed.

The variations in the operating parameters described above have an impact on financial indicators for the various businesses and geographic areas. The positive and negative impact on EBITDA with respect to the expected data for 2030 in both transition scenario alternatives to the base case is described below. By 2030 there could be more opportunities than risks overall, mainly driven by the Group's renewable businesses.

EBITDA 2030 impact €(M)

Under the Slower scenario, variations in the previously identified operational parameters could impact the Iberdrola group's businesses, resulting in a reduction in EBITDA of between EUR 100 million and EUR 300 million in 2030, except for the Networks business, which would experience an impact of less than EUR 100 million. Meanwhile, under the Faster scenario, opportunities for growth are identified for the Networks businesses of between EUR 100 million and EUR 300 million and for the Global Generation businesses of more than EUR 300 million, driven by the results of the renewables business in Spain, the United States and Iberdrola Energía Internacional. Finally, smaller opportunities could arise in the commercial business, with slight improvements in EBITDA, estimated to be well below EUR 100 million.

The Net-Zero scenario has been evaluated assuming organic growth and a stable balance sheet structure.

2030-2050 period

The projections of the key transition parameters become more uncertain in the long term. However, the strengths of Iberdrola's management of its strategy are always based on stable and sustained growth in the geographic areas, with lower financial risks, greater regulatory stability, and assurance of the Group's profit. Thus, with the currently available projections, no significant risks to the decarbonisation path being led by the Iberdrola Group in key geographic areas are expected. Any opportunities that may emerge are expected to be significant, so Iberdrola continues to lead investment, but also innovation and the promotion of new technologies, thus fostering global progress in the industry as well as capitalising on new opportunities as they arise.

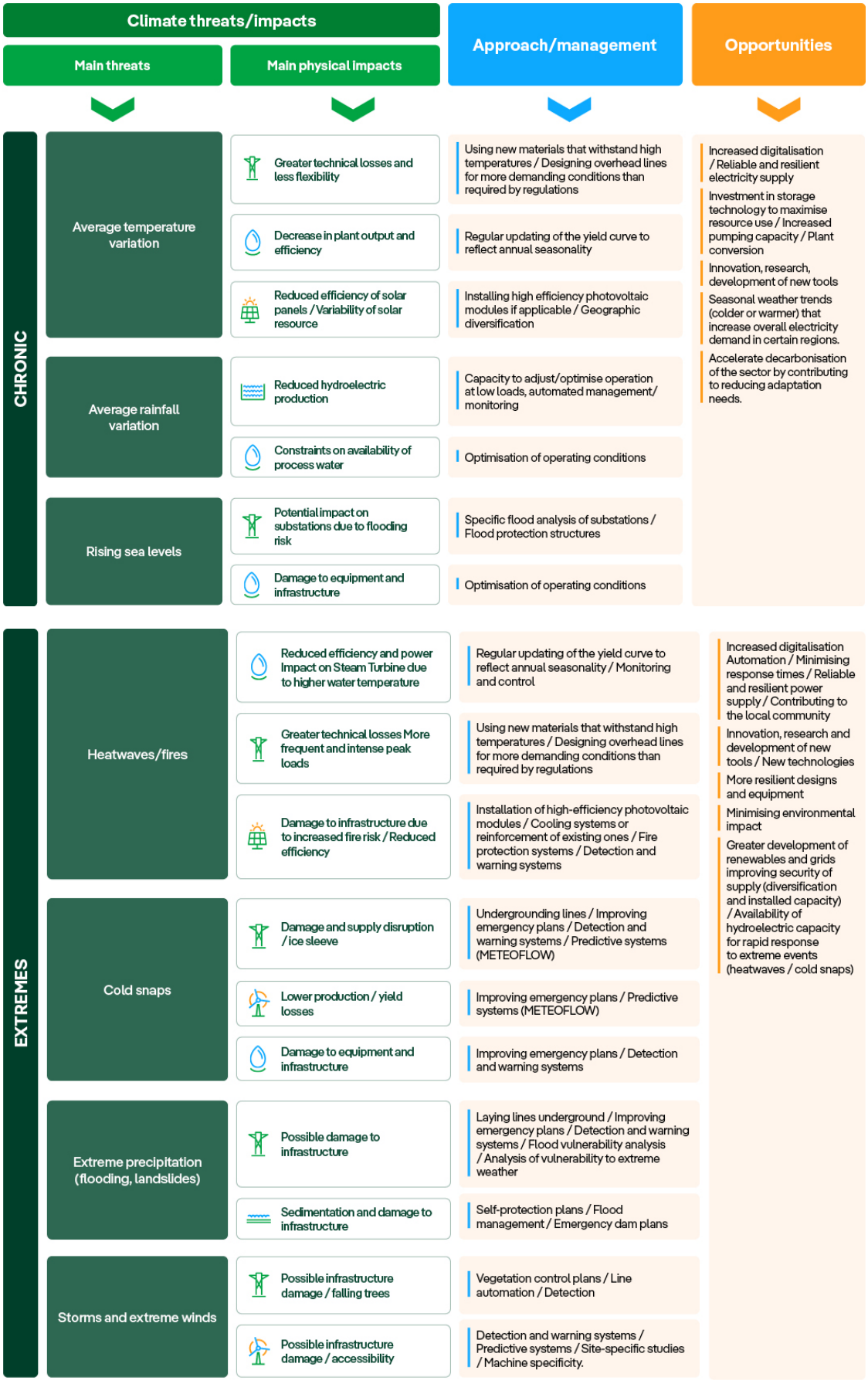
To conclude, the group's current positioning, based on the levers of its action plan (see Climate action Plan section), places it in a favourable position to maximise opportunities and efficiently face transition risks in the various climate scenarios analysed.

The group believes that the opportunities stemming from the decarbonisation of the global economy (growth in renewables, investments in integrated smart grids, storage, electrification of industrial sectors and transport, green energy, etc.) outweigh the risks.

Identification and evaluation of physical opportunities and risks

Physical risks arising from climate change are specific to each site, gradual, associated with each technology, **and occur over relatively long periods**, although, as in the specific case of extreme weather events, an increase in the frequency and intensity thereof can already be seen in the short term.

Iberdrola monitors and manages physical risks arising from climate change through a permanent climate science analysis process and applies it in the Company's usual procedures.


Climate threats/impacts
Main threats
Main physical impacts
Approach/management
Opportunities
CHRONIC
Average temperature variation
Greater technical losses and less flexibility
Using new materials that withstand high temperatures / Designing overhead lines for more demanding conditions than required by regulations
Decrease in plant output and efficiency
Regular updating of the yield curve to reflect annual seasonality
Reduced efficiency of solar panels / Variability of solar resource
Installing high efficiency photovoltaic modules if applicable / Geographic diversification
Average rainfall variation
Reduced hydroelectric production
Capacity to adjust/optimise operation at low loads, automated management/ monitoring
Constraints on availability of process water
Optimisation of operating conditions
Rising sea levels
Potential impact on substations due to flooding risk
Specific flood analysis of substations / Flood protection structures
Damage to equipment and infrastructure
Optimisation of operating conditions
Increased digitalisation / Reliable and resilient electricity supply
Investment in storage technology to maximise resource use / Increased pumping capacity / Plant conversion
Innovation, research, development of new tools
Seasonal weather trends (colder or warmer) that increase overall electricity demand in certain regions.
Accelerate decarbonisation of the sector by contributing to reducing adaptation needs.
EXTREMES
Heatwaves/fires
Reduced efficiency and power Impact on Steam Turbine due to higher water temperature
Regular updating of the yield curve to reflect annual seasonality / Monitoring and control
Greater technical losses More frequent and intense peak loads
Using new materials that withstand high temperatures / Designing overhead lines for more demanding conditions than required by regulations
Damage to infrastructure due to increased fire risk / Reduced efficiency
Installation of high-efficiency photovoltaic modules / Cooling systems or reinforcement of existing ones / Fire protection systems / Detection and warning systems
Cold snaps
Damage and supply disruption / ice sleeve
Undergrounding lines / Improving emergency plans / Detection and warning systems / Predictive systems (METEOFLOW)
Lower production / yield losses
Improving emergency plans / Predictive systems (METEOFLOW)
Damage to equipment and infrastructure
Improving emergency plans / Detection and warning systems
Extreme precipitation (flooding, landslides)
Possible damage to infrastructure
Laying lines underground / Improving emergency plans / Detection and warning systems / Flood vulnerability analysis / Analysis of vulnerability to extreme weather
Sedimentation and damage to infrastructure
Self-protection plans / Flood management / Emergency dam plans
Storms and extreme winds
Possible infrastructure damage / falling trees
Vegetation control plans / Line automation / Detection
Possible infrastructure damage / accessibility
Detection and warning systems / Predictive systems / Site-specific studies / Machine specificity.
Increased digitalisation Automation / Minimising response times / Reliable and resilient power supply / Contributing to the local community
Innovation, research and development of new tools / New technologies
More resilient designs and equipment
Minimising environmental impact
Greater development of renewables and grids improving security of supply (diversification and installed capacity) / Availability of hydroelectric capacity for rapid response to extreme events (heatwaves / cold snaps)

As part of the ongoing learning and knowledge improvement process, Iberdrola is part of the International Energy Agency (IEA) working group on resilience for energy security, among other initiatives. The Iberdrola Group has contributed with its review of and contributions to the "Climate Resilience for Energy Security" report, published in November 2022.

Analysis of physical scenarios

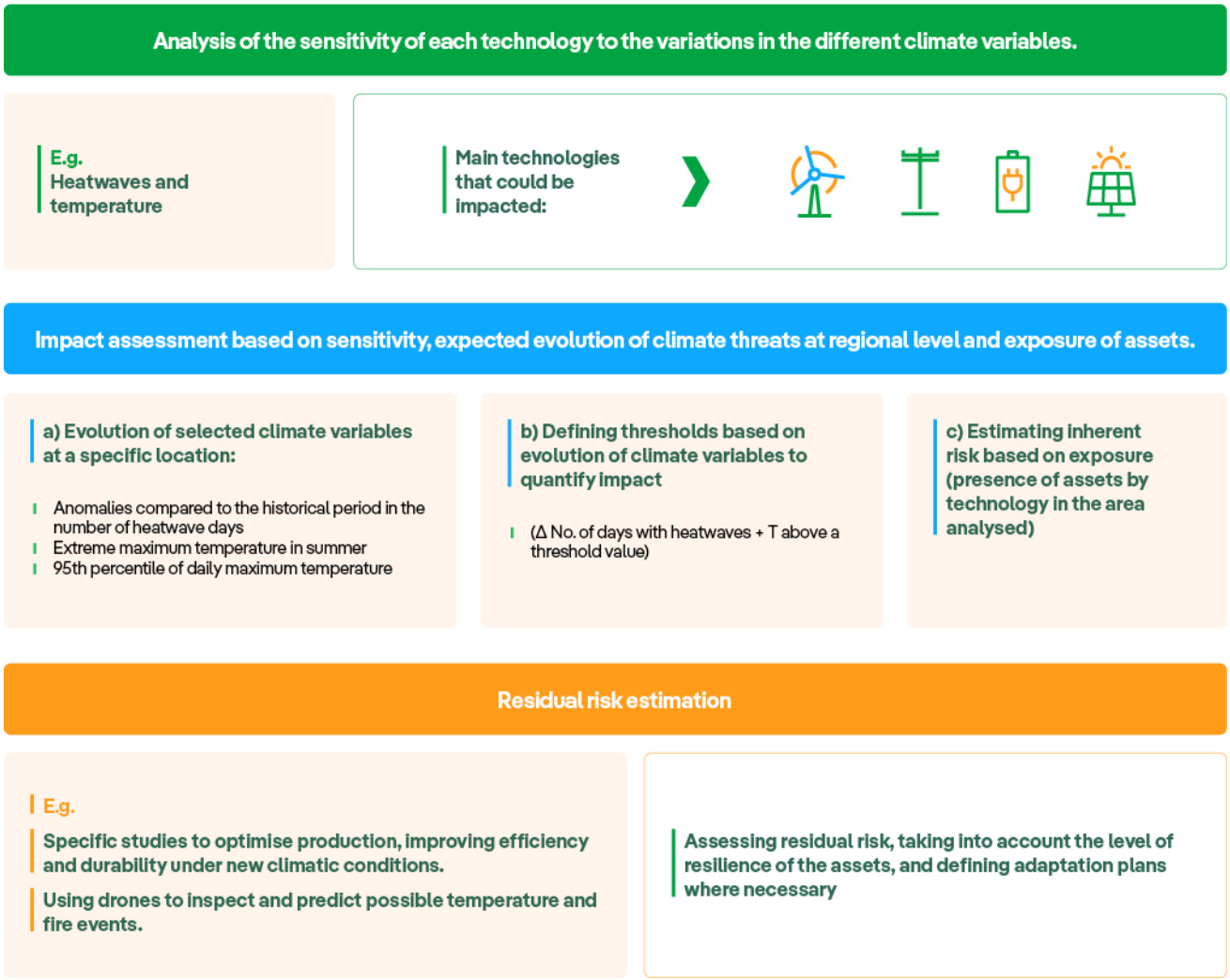
Throughout 2022 and 2023, Iberdrola applied its methodology to identify and assess physical impacts arising from climate change in line with the requirements set out in the EU sustainable activities taxonomy. Iberdrola has analysed the evolution of the main climate threats based on regionalised projections obtained from leading climate tools in the various regions in which it operates, including Copernicus (Europe), AdapteCCa (Spain), UK Climate Projections, the INPE platform (Brazil), etc. **The analysis considered two scenarios: RCP 8.5, which is a conservative scenario that projects a higher concentration of emissions, and RCP 4.5, which is a stabilisation scenario.** Considering the evolution of climate variables over the 2030-2070 time horizon, the findings of the analysis on the main climate risks for the company's various assets shown below correspond to the RCP 8.5 scenario, given that the findings of both scenarios converge up to mid-century.

The new scenarios of the latest IPCC report were evaluated during 2023 and will be considered in the exercises to be carried out from 2024 onwards, when they should have been incorporated into the regionalised projection tools.

Taking the methodology defined by IPCC as a reference, the steps taken to identify the main impacts, risks and associated opportunities were the following:

- Analysis of the sensitivity of each technology to the variations in the different climate variables.
- Impact assessment based on sensitivity, expected evolution of climate threats at regional level and exposure of assets.
- Residual risk estimation

The following table provides an example of how this methodology is applied:



The assessment shows that many of the physical risks arising from climate change, both chronic and extreme, affect usual business variables, and thus variables that are managed to a greater or lesser extent in its usual operational processes. However, climate change will affect the probability of occurrence of these risks and potentially the intensity thereof. As part of the analysis of the Group's various assets within the DNSH framework of adaptation to the EU taxonomy, **extreme weather events are identified as one of the main threats for the various technologies and jurisdictions.**

The table below summarises, individually for the various technologies included in the taxonomy and before considering their adaptive capacity/resilience, the estimated impact of the evolution of the main climate variables and the presence (e.g., installed MW) in the various geographies. The impact reflected is global by type of asset, resulting from the combination of the results obtained for the different regions in which Iberdrola operates.

Tecnology	Main impacts				
	Extreme temperature	Scarcity of precipitation	Storms and extreme wind	Forest fires	Extreme precipitation and floods
Onshore and offshore wind energy	●	N/A	●●	●	●
Solar PV	●●	●	●	●●	●
Battery	●●	N/A	●	●●	●
Hydroelectric	●	●●●	●	●	●●
Transmission & Distribution	●●	N/A	●●	●●	●●
Hydrogen	●●	●●	●	●●	●

● Low potential impact
●● Medium potential impact
●●● Medium/high potential impact

As can be seen in the table above, in terms of impact, extreme temperature and the associated fires, strong winds and extreme precipitation, together with water scarcity, are some of the variables that most affect the various assets of Iberdrola. It should be borne in mind, as mentioned above, that this table shows global results that are the outcome of the analysis conducted within the EU Taxonomy framework in each of the regions where Iberdrola operates.

The conclusions of this analysis and of the assessment of the adaptive capacity of the various assets lay the basis for in-depth analysis of future physical risks, focusing in particular on those geographies where significant potential impacts and a wide asset base are identified.

Based on the potential impact, the degree of resilience of the various assets of Iberdrola should be considered to determine the risk level to which they are exposed. The resilience of the various business areas can be assessed based on three key concepts for framing it: robustness (derived from design and construction procedures), recovery (derived from early-detection tools and action protocols) and adaptive capacity. Some specific examples are given in the table below:

Resiliency

La Muela II: Europe's largest pumped-storage hydroelectric power station

Pumped hydroelectric technology is currently the most efficient system for large-scale energy storage. La Muela, located on the Cortes de Pallás reservoir, has an installed capacity of 880 MW, enough to meet the electricity needs of approximately 200,000 homes. One of the pillars of the hydroelectric generation strategy is to promote hydropower storage as well as optimise low-load plant operation.

Recovery

Smart grids

To make electricity grids more resilient to the increasing frequency and severity of these events, the company has invested heavily in recent years to upgrade to smart grids, with increased digitalisation and automation, making them more reliable and streamlining the company's ability to respond to incidents, both in terms of customers affected and downtime caused by incidents. As a result, in 2021 alone Iberdrola reduced the duration of these outages in Spain by 16%, achieving the best year-end results in its history.

Adaptation

Innovation Strategy

Iberdrola's vision in terms of R&D is to promote the development of innovative and sustainable technologies in line with the main vectors for transformation of the energy sector: the decarbonisation of generation through the large-scale integration of renewable energy, the promotion of smart grids, and the electrification of demand. Many of the innovation initiatives underway in digitalisation and automation, start-up innovation, etc. contribute in varying degrees to making assets and infrastructure more resilient to climate change. The Global Smart Grids Innovation Hub in Bilbao has the primary objective of promoting and expediting the development of smart grid innovation.

Meteoflow Project

An advanced computer system that was developed to predict how much electricity renewable plants produce in different countries. Its most notable feature is the ability to anticipate weather events, such as rising temperatures, which allows for the activation of emergency plans well in advance and with better management of equipment.

Estimation of electricity production from any renewable energy plant and localised weather forecasting

Comprehensive system developed in-house

Forecasts for wind, photovoltaic and hydroelectric plants

Forecasts for wind, Serving more than 24GW in 14 countries

Resilience of Iberdrola's business model

In terms of physical risks, based on the impacts described in the previous sections (which consider the current uncertainty associated with climate projections) and the mitigating factors considered, it is estimated that the physical risks associated with climate change might not have a significant and permanent impact on the group's consolidated figures, which is believed to be globally resilient.

In addition to the operational management measures described above, the Group has the following **cross-cutting physical risk mitigation tools and mechanisms in place:**

- Many risks deriving from climate change affect the normal variables of the business, and, consequently, variables already managed (to a greater or lesser degree) in the usual operations of the businesses (e.g. redundancy of equipment, emergency plans, crisis plans, digitalisation, line burying and meshing, etc.), which have management processes that already contribute to climate resilience.
- Insurance coverage.
- The fact that many impacts are primarily medium/long-term means that, to a large extent, it is the group's future assets, rather than its current assets, that will bear the most severe impacts, given that its assets are gradually renewed when they reach the end of their useful life.
- Regulatory coverage in the Networks business.
- Diversification (geographic, by technology, age, etc.) of assets.
- The consideration of climate change in decision-making on new investments.

In terms of transition risks, the group's current positioning as a result of its investment focus on grids and renewable energy puts it in a favourable position for facing such risks, with a strategy aligned with the energy transition where 90% of the investments are consistent with the taxonomy.

Climate change and new investments
In keeping with the philosophy of continuous improvement, and in line with the Board of Directors' commitment to climate change risks, the Group's Investment Policy establishes the need to carry out a specific analysis of these risks in the investment dossiers, the documents on which Final Investment Decisions (FIDs) on new assets are based. Given that the networks businesses are built around multi-annual reviews and that future investments in thermal power plants will be quite small, it has been considered appropriate to focus the analysis on new onshore wind and photovoltaic facilities. Based on the experience gained, the model will be expanded in the future to include offshore wind farms. The model, promoted by several corporate divisions with the help of Renewables, has been constructed on the basis of a survey. This document must be completed by the Business (from a technical perspective), taking into account the particularities of each site, as well as climate projections from various sources, with different levels of granularity and time frames, which are made available to the Business specifically for each project. Based on the survey, appropriate conclusions are drawn and included in the Investment Dossier. The analyses conducted within the EU Taxonomy framework will serve to improve the survey.

As part of Iberdrola's philosophy of constant improvement and taking into account the evolution of the science (new projections, more powerful tools, etc.), the markets and applicable law, and demands from society, the company must continue advancing and analysing the potential risks, both physical (associated with specific facilities) as well as transitional, and continue to strengthen the inclusion of the climate change variable within the Company's various processes and project phases.

Indicators and metrics

Iberdrola publishes major indicators in this document to report on aspects relating to climate and to the strategy to fight climate change. These indicators are also key for monitoring the resilience of the group's business model in view of the scenarios analysed. Highlights include *the Greenhouse emissions inventory*, the intensity of emissions, *the emissions reduction targets*, the use of energy, energy intensity, the energy mix, renewable installed capacity, water use and sources, *R&D and Capex in the development of low-emission products, services and/or technology.*

For details of the company's actions to mitigate and adapt to the consequences of climate change, see the section "Management of climate opportunities and risks" in this chapter, as well as the specific section of the website Leading the fight against climate change.

Other aspects associated with the energy transition

Demand-side management

As part of its demand-side management programmes, Iberdrola's main objective is to improve energy efficiency and the smart use of electricity to thus contribute to more efficient consumer usage and thereby reduce CO2 emissions and contribute to the fight against climate change. Iberdrola engages in demand-side management in all of its geographic areas and for its various types of customers.

The range of actions includes providing information, training and offering solutions and technologies to help customers improve their energy efficiency and reduce the environmental impact of their energy habits and consumption. They also have the option of offering different interruptibility or consumption reduction options to network operators, in accordance with the applicable regulations.

Iberdrola offers home energy management services through internet-connected devices that allow customers to better manage their electricity consumption and thus obtain energy savings (range of Smart Home products). The industrial and commercial sectors also have initiatives to diagnose and propose measures for energy savings and to improve energy efficiency, such as photovoltaic solar energy installation, electromobility, efficient lighting, efficient air conditioning, optimisation of heating and cooling processes, storage and microgrids, etc.

SASB IF-EU-420a.2

The percentage of the electricity [7] served through the group's smart grids is close to 100% in Spain, above 46.36% in the United States and 54.77% in the United Kingdom.

[7] In the case of Spain and the United States, the data has been reported by the Networks Business; in the case of the United Kingdom, the data has been reported by the Wholesale and Retail Business

Availability and reliability

The companies of the Iberdrola group have no direct responsibility for long-term production capacity planning processes, or on the respective electricity systems connecting that capacity, in the countries in which they operate.

Government authorities conduct studies to anticipate the long-term needs of the respective electricity system, and Iberdrola's companies act as market agents, making investment decisions consistent with their business plans.

Fuel

A key element in managing the availability of electricity service is the supply of the necessary fuel. Iberdrola is supplied through short- and medium-term gas contracts and purchases on wholesale markets, adjusting to the needs of each territory. It also ensures that it has a stable, long-term and low-risk supply of nuclear fuel.

Nuclear plant decommissioning

Iberdrola owns on nuclear power plant in Spain (Cofrentes) and also has interests in Almaraz I and II (52.69%), Trillo (49%), Vandellós II (28%) and Ascó II (15%), as indicated in the "VI.1. Scope of information".

According to Law 25/1964 on nuclear energy, **the management of radioactive waste, including spent nuclear fuel, and the decommissioning and closing of nuclear plants, is an essential public service reserved to the State**, pursuant to Article 128.2 of the Spanish Constitution. **This law entrusts Empresa Nacional de Residuos Radiactivos S.A. (Enresa) with the management of this public service.** Therefore, in accordance with the sixth General Radioactive Waste Plan (Plan General de Residuos Radiactivos) (PGRR) currently in effect, the State assumes ownership of the radioactive waste and is responsible for the monitoring that may be required after the closure of a nuclear plant, once the period established in the relevant closure declaration has passed.

Enresa prepares the PGRR, which is the basic reference document setting forth the strategies to be followed and activities to be carried out in Spain in the fields of radioactive waste management and plant decommissioning. The costs and financing are updated each year in the corresponding economic-financial study. Enresa must submit an update of the PGRR to the Ministry of Ecological Transition and Demographic Challenge every four years, or whenever so required by the Ministry, for approval by the Council of Ministers after a report of the Nuclear Safety Council, after hearing from the Autonomous Communities with respect to territorial and environmental ordinances. The Seventh General Radioactive Waste Plan was approved on 27 December 2023.

The financing system in Spain for PGRR activities is based on contributions from waste-generating entities and is known as the "Fund for the Financing of the General Radioactive Waste Plan Activities". The fund is managed by Enresa and includes provisions for decommissioning, spent fuel management and final storage of nuclear power plant waste.

Iberdrola makes contributions to the fund through a fee calculated by Enresa and approved by the government, which covers all expenses relating to managing the spent fuel and the radioactive waste generated at its plants, as well as those corresponding to the decommissioning and closure thereof, as provided in the PGRR.

Iberdrola also records a reserve on its balance sheet to cover the pre-decommissioning stage of its nuclear power plants. Pre-decommissioning refers to the period from the final cessation of operations of the plant until the decommissioning approval, at which time ownership of the plant is transferred to Enresa.

In March 2019, Iberdrola signed a protocol agreement for the closure of the nuclear plants between 2025 and 2035.

I.4. Our ESG+F proposal

- ESG+F goals: The sustainability roadmap
- Iberdrola´s contribution to the SDGs
- Our main focus: SDG 7 and 13

ESG + F goals: the sustainability roadmap

The group's 2023-2025 Strategic Plan integrates ESG aspects within strategy and operations, thus constituting a key reference point for long-term planning.

The integration of ESG is rooted in three key factors: the corporate purpose that structures the company's positioning, stakeholders' expectations, and finally the demands of the capital markets, represented by the ESG indices and ratings, voting policies, and institutional investor alliances. These factors are included in the materiality analysis reflected in Chapter VI.2. Defining report content Materiality analysis.

Iberdrola's commitment to sustainable development, the social dividend, and the generation of value shared with all stakeholders is reflected in multiple indicators that make it possible to measure the positive impact generated by the group; such as, for example, a contribution to GDP of more than EUR 45.700 million per year and the creation of more than 500,000[8] jobs globally.

In addition, Iberdrola's capacity to create value is reflected in the way in which the group conducts its operations, seeking the maximisation of positive impacts and the avoidance and mitigation of negative ones.

Iberdrola's commitment to the creation of value materialised in 2020 with the launch of its Sustainable Development Plan 2020-2022, "Energy to Advance", a roadmap with goals defined around the group's environmental, social and governance priorities. In the current market context, our Stakeholders are asking for more ESG information from the company, which, coupled with increasingly demanding regulations, requires us to review these targets, align them with best market practices and ensure that they are sufficiently ambitious to anticipate their demands and ensure that Iberdrola maintains its current leadership position.

The company updated this roadmap in November 2022, publishing an ambitious set of goals that have a positive impact on all its Stakeholders. Iberdrola thus reasserts its determination to be an active player in the creation of a more sustainable and inclusive energy model for future generations, maintaining its recognition as the leading utility in ESG.

In environmental terms, the goal is to continue to contribute to the creation of an energy system that is positive for nature, facing the threefold environmental challenge of the fight against climate change, the preservation of biodiversity, and the circularity of resources.

In social terms, the company continues to focus on maximising its positive impact through the generation of quality jobs, focusing on diversity, safety, health and education; on improving the products and services offered to our customers; on creating a responsible value chain; and on developing the communities in which we do business.

In terms of governance, the goal is to maintain robust corporate governance and compliance standards, continually revised and assessed to ensure that best practices, adapted to the context of operations and regulation, are applied at all times.

ESG issues are thus integrated throughout the company's operations, as well as within the company's financial strategy and objectives. Iberdrola has provided the market with a recurring flow of green and sustainable financial instruments for years, and it intends to continue to issue the majority of its financing under green or sustainable standards.

This has translated into 39 global objectives, which are included in the following table, which also shows the performance against these objectives at the end of 2023, with the progress made towards the achievement of these objectives generally considered to be very satisfactory.

[8] PwC study "Economic, social and environmental impact of Iberdrola in the world" (based on 2022 data).

	TARGETS	METRIC	2023	2025	2030	Related SDGs
ENVIRONMENTAL	Net Zero in scopes 1, 2 and 3 before 2040	Achieve before 2040 (progress towards 2030 target)	45%	In progress	Carbon Neutral Scopes 1 and 2 [1]	7 13
	Carbon Neutral in electricity generation in 2030	Specific emissions global mix (g CO_2/kWh)	77	<70	Carbon Neutral [2]	13 17
	NOx Emissions	kg/MWh	0.34	-	<0.10	7 13
	Specific water consumption	% reduction vs 2021	-10.9 %	-18 %	-63 %	6 14
	Smart solutions portfolio	Million solutions	14	18	21	9 12 13
	Green hydrogen	Yearly production (kt H2)	0.42	35	350	9 13 17
	Conservation, restoration and plantation of trees	Number of trees (Million) & No Net Deforestation in 2025	3.4	8	20	13 15
	Net positive impact in 2030	% assets with biodiversity assessment and neutrality plan	0%	20 %	100 % (Net positive)	13 14 15
	Blade Recycling	% of blades recycled	87%	50 %	100 %	11 12 13
	Investment in R&D	Million euros (annual)	384.4	420	550	7 9 13
	Storage capacity	Cumulated installed storage capacity (GWh)	101.9	102	>120	7 13
	Sustainable light vehicle fleet	% over total light vehicle fleet	31%	-	100 %	7 9 13
	Renewable electricity consumption in corporate buildings (Europe and USA)	% over total electricity consumption	66%	-	100 %	11 13 17
SOCIAL	Presence of women in relevant positions	% women	27.8%	30 %	35 %	5
	Presence of women in positions of responsibility	% women	34.4%	35 %	36 %	5
	Equal pay external certification	Equal pay certification	In progress	√ [3]		5
	Accidentality rate (own employees)	TRIR (reduction vs 2021)	-17 %	- 10 %	- 21 %	3 8
	Employee training	Hours per employee (annual)	73.5 h	≥ 55 h	≥ 55 h	4 5 8
	Quality of supply	Reduce the Global SAIDI (vs 2019-21 period avg)	-8.6 %	-10 %	-	9
	Smart Grids	% HV & MV grid	78 %	83 %	-	9
	Installed charging points [4]	Thousands	50.8	110	400	7 9 13
	Digital customers (with a registered user in digital channels)	% of total commercial customers	73	73	80	3 9 13
	Beneficiaries of the "Electricity for all" program	Millions of beneficiaries (cumulative)	12.4	14	16	7 8 9
	Beneficiaries of the foundations programs	Millions of annual beneficiaries	7.2	8	10	1 7 8
	Corporate volunteering	No of annual volunteers (thousands of employees and companions)	20	15	18	2 10 13
	Purchases from local suppliers	% of total purchases	88.5%	≥80 %	≥80 %	16
	Purchases from sustainable suppliers	% of total purchases	90%	≥85 %	≥85 %	16
	Inclusion and diversity solutions	Number of solutions	30	30	-	10
	Human Rights Due Diligence procedure	Continuous review	√	√	√	7 11 13
	Formal Stakeholder Engagement Process	Keep increasing the deployment of the scope of the Stakeholder Engagement Process	√	√	√	17
	Cybersecurity assessments	Number of annual assessments or external verifications	2,497	2,000	2,000	8 9 17
	Cybersecurity education and training	Number of annual hours	94,915	63,000	68,000	4 8 9
GOVERNANCE	Corporate governance practices (best)	Maintain	√	√	√	5 16 17
	Independent Members in the Board of Directors	Over 50%	√	√	√	16
	Women in the Board of Directors	At least 40%	√	√	√	5 16
	Diversity in the Board of Directors	Promote	√	√	√	5 16
	Independent external certification or validation of the compliance system	Obtain/maintain (yearly)	√	√	√	16
SUSTAINABLE FINANCE	Green financing frameworks	Annual review and update (if applicable)	√	√	√	5 6 7 13 16
	ESG financing	% of ESG financing	90%	Minimum 80%	-	5 6 7 13 16

1 Carbon-neutral in Scope 1 and 2. The group aims to reduce its emissions on the terms described in the "Climate Action Plan" chapter of this report.

2 <10gCO_2/ kWh. The group aims to reduce its emissions on the terms described in the "Climate Action Plan" chapter of this report.

3 31/12/2024

4 Calculated as logical terminals..

Iberdrola's contribution to the SDGs

As a result of the ongoing dialogue with its Stakeholders, and aware of the unquestionable economic, social and environmental impact of all its activities, **Iberdrola has a sustainable development strategy** aligned with the group's implementation of a business plan focused on the sustainable creation of value, primarily based on its Purpose and Values and respect for human rights. Thus, it promotes initiatives that contribute to bringing about a more just, equal and healthy society, and, in particular, to achieving the SGDs, notably those relating to Affordable and clean energy (SDG 7) and Climate action (SDG 13), through specific lines of action focused on universal access (SDG 7.1), increasing renewable energy (SDG 7.2) and developing measures to improve energy efficiency (SDG 7.3) using tools such as fostering innovation (SDG 9), education (SDG 4), protection of biodiversity (SDG 15), gender equality (ODS 5) in particular, and reduced inequalities (SDG 10) in general, which essentially entails protecting disadvantaged groups. Iberdrola defends the role played by the SDGs and Agenda 2030 as a global social compact, because global problems such as climate change and the pandemic call for global solutions and agreements.

Iberdrola has linked its business and sustainability strategy to the Sustainable Development Goals (SDGs) since they were set in 2015, and in 2018 it approved an update of its Corporate Governance System, which was mainly intended to formalise the Iberdrola group's commitment to the SDGs, underscoring the group's contribution to achieving them with the social dividend generated through its business activity.

In December 2020 Iberdrola reformulated its SDGs Governance and sustainability system structuring it around ESG standards aligned with its sustainable development strategy and its social dividend, which cemented the company's position at the forefront of best international corporate governance practices.

The SDGs thus inspired or are included as a fundamental element in the following areas:

- By-Laws
- Purpose and Values of the Iberdrola group and Code of Ethics.
- Environmental policies.
- Social commitment policies.
- Policies and rules relating to Corporate Governance.

Ultimately, this is an attempt to see that all Stakeholders participate in the social dividend generated by the company's activities, or shared value, which is the sum of all the economic, social and environmental impacts that a company generates through its activity, within the environment in which it does business.

The General Sustainable Development Policy introduces the principles governing the various corporate policies relating to sustainable development. Section I.3 "Policies and commitments" describes the content and focus of these policies. The company's commitment to contribute to the SDGs is supervised by its governance bodies. Thus, the Sustainable Development Committee of the Board (the composition and duties of which are described in the Corporate governance section of chapter IV.2), is vested with the power to, among other things, "Monitor the group's contribution to the achievement of the SDGs".

Our main focus: SDGs 7 and 13

Iberdrola contributes to the progress of the SDGs where its activities are most significant: the supply of affordable and clean energy (Goal 7) and decisive climate action (Goal 13). This contribution is based on the Governance and Sustainability System and its Purpose and Values. The group's climate action is embodied in a long-term vision that aims for Net Zero emissions; and in medium-term objectives (2025) incorporated in the remuneration of the management team. The 2023 General Shareholders' Meeting approved a new long-term remuneration plan (2023-2025 Strategic Bonus) tied to financial and business parameters and the contribution to the United Nations 2030 Agenda and the SDGs. In relation to the latter point, these objectives refer to the fight against climate change, the drive for sustainability in the supply chain and the commitment to increasing the number of women in top positions, which contribute to SDGs 3, 5, 6, 7, 10, 13, 14 and 15.

The table below summarises how the company contributes to achieving these SDGs and their associated targets.

Our main focus: SDGs 7 and 13

Electricity for All programme: 12.4 million beneficiaries were reached at the end of 2023. A global leader in renewables: At year-end 2023, the company had more than 42,000 MW of installed renewable capacity.	Emissions intensity reached 77 gCO_2/kWh. Ambitious climate commitments by 2030 and 2039

Contribution to the other SDGs

Social programmes offered by the various foundations.	High volunteer participation in the Company's Corporate Volunteering Programme in 2023.
Delivery of more than 812,000 free meals in Spain, Brazil and Mexico, and more than 51 metric tons of food in Spain, Brazil, the United Kingdom and Mexico.	Iberdrola has developed a Sustainable Mobility Plan with the ultimate goal of contributing to a rational use of the means of transportation. Public support for the Cities Programme, 100 carbon neutral cities in Europe.
Iberdrola contributes to reducing the harmful health effects of polluting gases with its commitment to reduce these gases.	Circular Economy Action Plan with specific recycling goals.
Training for our employees: 73.5 hours of training per employee in 2023. The master's scholarship programme continues, aiming to promote excellence and assist research.	Innovative measures in the construction and operation of offshore wind farms.
Iberdrola supports the Women's Universe (Universo Mujer) programme of the Higher Council for Sports (Consejo Superior de Deportes) (CSD), supporting Spanish women's federations.	Biodiversity Action Plan. Overhead Lines Improvement Project, in which a large number of supports have already been adapted for birdlife protection.
Pollution prevention programmes for facilities including discharges.	UNE-ISO 37001 and UNE 19601 certifications for anti-bribery and compliance.
Creation of direct, indirect and induced job positions throughout the world. Impact on the GDP of the countries in which it does business.	Promotion of innovative alliances, including "The Day After" initiative and SDGs in the supply chain. Recognised as a LEAD participating company in the United Nations Global Compact.
Volume of investment in R&D.	

II. Environmental

II.1. Fight against climate change and protection of biodiversity

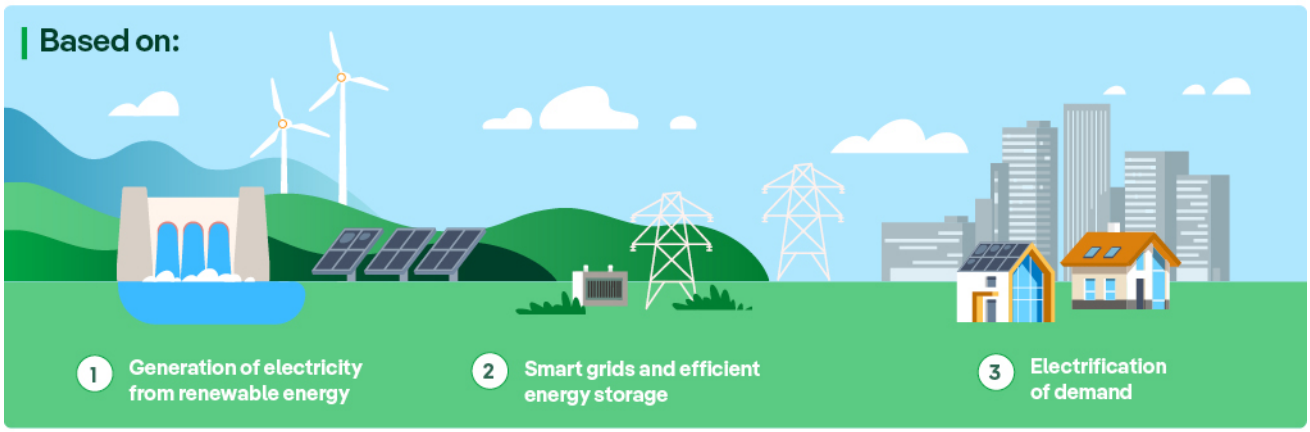
- Iberdrola with nature
- Reduction of the emissions
- Protection of and action for biodiversity
- Sustainable use of resources and the circular economy

Iberdrola with nature

An energy model in harmony with nature and human beings

Protecting the planet and the well-being of people are priorities that Iberdrola integrates into its business strategy and its business model. Nature is the foundation of our economy, and our well-being and progress would be compromised without a robust, healthy and functional environment. This is why decades ago Iberdrola made a firm commitment to the environment, focusing its activities on building an energy model in harmony with nature and with human beings and that would be competitive, resilient, based on local sources, and a source of sustainable development. In short, a model that allows value to be created without putting the future of new generations at risk.

An energy model in harmony with nature and human beings



Climate Action
Iberdrola

Iberdrola Biodiversity

Iberdrola Circular Economy

Action:

Climate Action Plan
- Carbon neutral by 2030 (generation and distribution)
- Zero emissions by 2040 (all activities)

Biodiversity Plan
- Net positive impact on biodiversity by 2030
- No deforestation by 2025

Circular Economy Plan
- 50% reduction in raw materials
- Blade recycling

The group is committed to developing a sustainable energy model where the reduction of emissions, the conservation, protection and promotion of biodiversity, and the sustainable and efficient use of resources are integrated into all its activities and processes. This is a model in which Iberdrola is a leader and is based on using renewable energies, smart grids, efficient energy storage and driving the electrification of demand as an energetic vector for competitive and efficient decarbonisation.

To ensure that the group's activities are carried out in harmony with nature, Iberdrola works on three fronts that make up the "Iberdrola Nature Positive" vision:

- **Climate action Plan:** establishes an ambitious roadmap aimed at achieving zero net emissions of CO2 equivalent by 2040. This Plan describes the levers, actions and associated metrics that contribute to the decarbonisation of Iberdrola's businesses and promote the electrification of the economy.
- **Biodiversity Plan:** sets a goal for a net positive impact on biodiversity by 2030 and envisages mechanisms to measure, act and support transformation to curtail and reverse biodiversity loss.
- **Circular Economy Plan:** defines the work guidelines and targets that will steer the company towards reducing the use of raw materials, advocating a greater use of renewable and recycled materials, improving the efficiency of our processes, products and services, and committing to maximising the value of waste so as to head into a future without unused waste.

The companies of the group regularly review and update the action plans associated with each line of work.

Nature-related governance

Iberdrola's commitment to the environment and sustainable development is set forth in its Governance and sustainability system which is based on ESG criteria and is intended to ensure, in regulatory terms, the achievement of the Purpose and Values of the Iberdrola Group and the achievement of its corporate goals and objectives.

The three "Iberdrola Nature Positive" plans elaborate on the principles established by the Governance and Sustainability System. The content of these plans and their follow-up is reported to the governance bodies with responsibility in this area, as described in the section "An energy model in harmony with nature and human beings"of this report.

In addition to reporting to the various governance bodies such as the Sustainable Development Committee or the Risk Committee, the **Board of Directors** provides a **training and refresher programme for its members**, which encompassed topics related to the protection of biodiversity and other environmental aspects in 2023, as detailed in the section IV.1 Good governance, transparency and stakeholder engagement.

Environmental policies

The environmental policies formally define and establish the Company's decisive response to the challenges, objectives and goals posed by climate change, preservation of the environment and the loss of biodiversity, while helping to identify and take advantage of the opportunities arising from the energy transition. They are therefore the expression of Iberdrola's commitment, shared by all its stakeholders, to create an integral business value that takes into account and respects the natural and environmental capital on which its activities are based. These policies form part of the Environment and Climate Action book of the Governance System. See section I.2 Governance and Sustainability System.

These environmental policies, which are in line with the objectives of the Paris Agreement, the United Nations 2030 Agenda for Sustainable Development and the Global Biodiversity Framework, are as follows:

Sustainable Management Policy

Iberdrola implements and promotes a sustainable energy model, with its actions aimed at contributing to the Sustainable Development Goals (SDGs). Its activities are therefore designed so that they are environmentally sustainable, competitive, with high quality of service, that generate shared value, that respect human rights, and that promote the use of energy. The instruments used to reduce the environmental impact associated with its operations include an ambitious climate action, focusing on the conservation and protection of biodiversity, improving the circularity of its activities and its suppliers, promoting the rational and sustainable use of water, and avoiding or mitigating polluting emissions and their effects on human health.

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Environmental Policy

Iberdrola's *Environmental Policy* sets out the principles for developing a sustainable model that respects nature, biodiversity and historical heritage and that promotes the conservation, protection and promotion of the development and growth of natural heritage through innovation and Stakeholder engagement. It therefore implements a common environmental management model for the group, which applies the precautionary principle and the principle of continuous improvement, places the environment at the centre of the decision-making process, and is in line with the Sustainable Development Goals (SDGs).

The policy also defines three high-priority lines of action, namely: reduction of emissions, circular economy, and protection of biodiversity and natural capital. All of these pillars are essential to achieving fully sustainable activity in harmony with nature.

Biodiversity Policy

The *Biodiversity Policy* establishes the principles of conduct for implementing a business model in harmony with nature and aligned with the Global Biodiversity Framework so that its activities protect and promote the development and growth of natural assets. In this policy, Iberdrola makes a formal commitment to ending and reversing the loss of biodiversity, and to generating a net positive impact on biodiversity in the context of its operations and activities.

This *Biodiversity Policy* establishes four lines of action for these purposes: protect biodiversity and ensure the sustainable use of natural capital; identify, quantify and continuously assess the impacts and dependencies of the group's activities; work with Stakeholders; and enhance, raise awareness and communicate internally and externally with transparency.

Climate Action Policy

This policy establishes the framework for Iberdrola's strategy and business model, **which is in line with the Paris Agreement and the 2030 Agenda**, in the fight against climate change. Through this policy Iberdrola is committed to continue assuming a **leadership position** (directly and by establishing alliances), promoting **awareness** (impacts, challenges and benefits of its achievement) and contributing to a **carbon neutral and sustainable future.**

For more detailed information, see section "I.3. Climate action and TCFD".

Managing nature-related risks and opportunities

Our "**Iberdrola Nature Positive**" roadmap, with its Climate Action, Biodiversity and Circular Economy plans, is a key tool for avoiding and minimising risks and realising opportunities related to nature.

For years, and as part of its Comprehensive Risk Management and Control System, Iberdrola has been analysing and identifying the environmental risks of its activities and these processes. This system is supervised and governed by a Risk Committee and by the independent and specialised Internal Audit and Risk Division, reporting functionally to the Audit and Risk Supervision Committee, which in turn analyses and quantifies the risks present in the Group's main businesses and corporate functions. See section I.2 Long-term risks and opportunities. Comprehensive Risk System.

Following the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), Iberdrola has updated its risk and opportunity analysis. To do so, Iberdrola conducted a materiality analysis of the impacts and dependencies of each of its technologies and life cycle phases. The results of this assessment made it possible to identify, for each technology, the main nature-related risks and opportunities to be expected in the face of critical physical events (both short/medium-term acute and long-term chronic) and transitional events (arising from possible changes in the regulatory, technological, reputational or market framework).

The impacts, dependencies, risks and opportunities identified and the actions taken by Iberdrola are described below.

Identification of impacts and dependencies

Iberdrola identifies the potential impact drivers that influence the degradation of nature in order to avoid, minimise, mitigate or offset them by applying the mitigation hierarchy principles set out in its biodiversity policy. It also identifies natural capital dependencies so that actions can be taken to reduce them and manage possible risks arising from them.

In line with the TNFD recommendations, Iberdrola has used the ENCORE and STBN materiality tools to conduct an initial high-level materiality analysis to assess the potential impacts and dependencies of its main technologies. These were cross-checked with the results of the assessment of the *Natural Capital Working Group of the Spanish Energy Sector* and reviewed by internal experts to adjust it to the Group's specific circumstances. The analysis presented here is applied by technology area, and Iberdrola is working to implement the TNFD recommendations at the facility level.

The results of this analysis, classified according to ENCORE, are shown in the following tables.

Significance of potential impacts on drivers

Drivers	Sub-driver	Technologies						
		Solar	Onshore wind	Offshore wind	Hydroelectric	Combined cycle and cogeneration*	Nuclear	Networks
Changes in land/ sea use	Use of land ecosystems	▲	▲		▲			▲
	Use of aquatic ecosystems				▲			
	Use of marine ecosystems			▲				
Exploitation of resources	Water				●	■	■	
	Other: supply services	▲	▲	▲	▲			▲
Climate change	GHG emissions					■		■
	Other: regulation services				■			
Pollution	Non-GHG emissions					■	■	
	Water/Soil	▲	■		■	■	■	
Invasive species and others	Other biological alterations		■	■	■			■
	Disturbances		▲	▲	▲	■	■	▲

▲ New developments ■ Operations and maintenance ● Both

Very low | Low | Medium | High | Very high

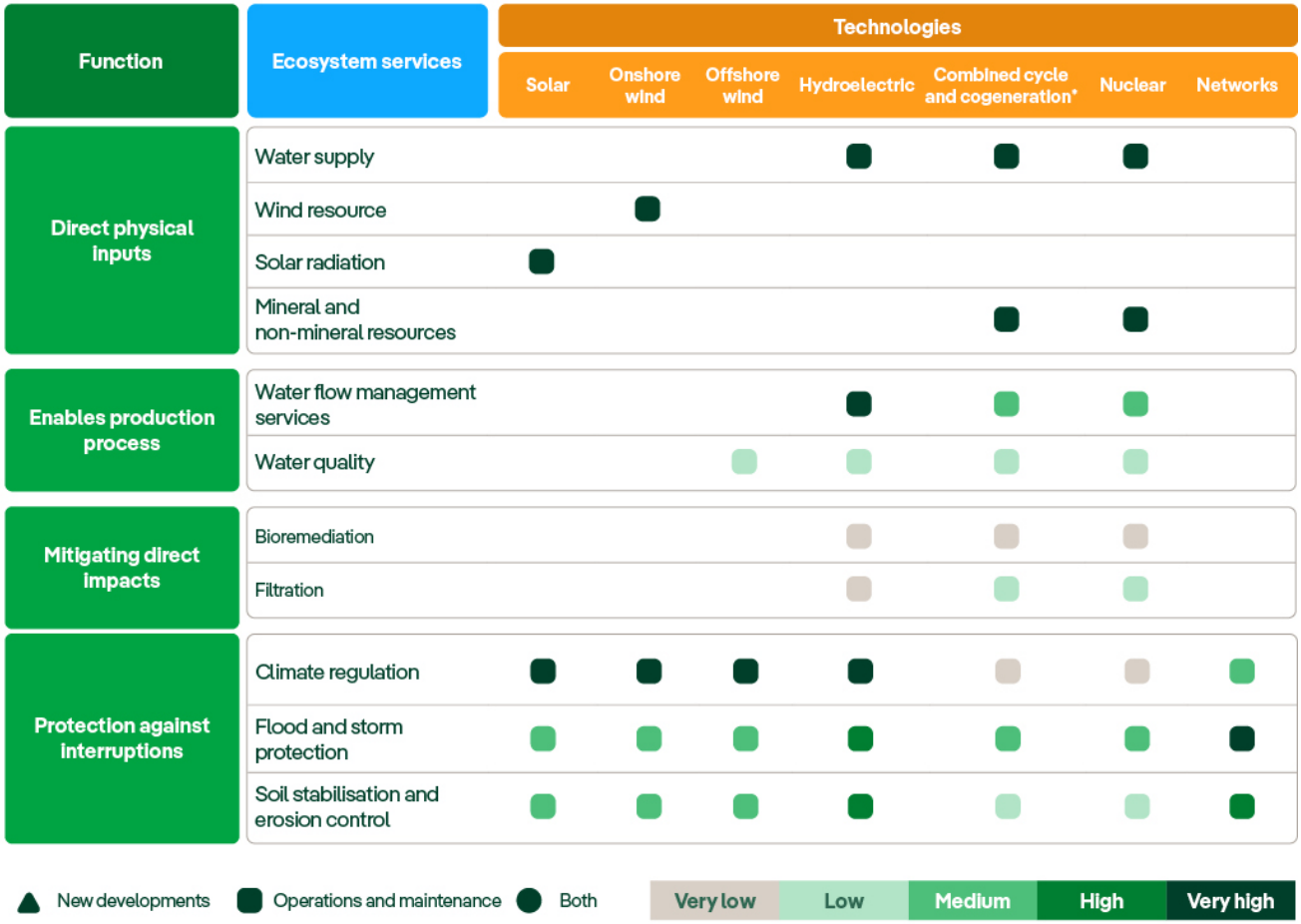
* No new thermal or nuclear developments are evaluated

The analysis shows that, excluding emissions of Greenhouse Gases (GHGs), the group's main potential material impacts in terms of the degradation of nature are:

- Changes in the state and extent of ecosystems brought about by the development of new renewable and grid infrastructures.
- The use and degradation of natural resources and supply services.
- Interaction with species during the development, operation and maintenance of renewable facilities and network infrastructure.

At each of the facilities, these potential impacts and dependencies are analysed and quantified using various metrics. Particularly noteworthy are the metrics defined in the Biodiversity Plan to assess the impacts of new developments on ecosystems (due to changes in land use) and the impacts on species of facilities in operation. In addition, Iberdrola calculates its Corporate Environmental Footprint to measure the impact of its activities considering their life cycle. By applying these metrics at its facilities, Iberdrola can make decisions and prioritise actions towards achieving the established objectives.

Material dependencies



* No new thermal or nuclear developments are evaluated

The analysis shows that Iberdrola's main nature-related material dependencies are:

- The use of renewable resources (water, wind and sun) and mineral and non-mineral resources (gas and uranium) that act as direct physical inputs.
- Regulating ecosystem services such as erosion, flood and storm protection, water climate control, etc. that can disrupt operations and increase running costs.
- The service for regulating the hydrological cycle, necessary for energy production in hydroelectric power plants and cooling processes in thermal power plants.

Risks and opportunities

Based on TNFD recommendations, risks and opportunities are identified according to potential impacts and material dependencies in three categories: physical risk, transition risk and systemic risk.

- **Nature-related physical risks** are risks to an organisation stemming from the degradation of nature and the consequent loss of ecosystem services supporting economic activity. These risks can be chronic (e.g. increasing erosion rates leading to increased dam maintenance costs) or acute (e.g. caused by extreme events such as fire or spills).

- **Nature-related transition risks** are those resulting from a misalignment between economic agents and their actions aimed at protecting, restoring and/or reducing negative impacts on nature. These risks can be prompted, for example, by changes in regulations and policies, legal precedent, technology, or shifts in investor perceptions and consumer preferences.

- **Nature-related systemic risks** are risks to an organisation that arise from the failure of the whole system, as opposed to the failure of individual parts. These risks typically involve tipping points which combine indirectly to cause major failures, where one loss triggers a chain of other losses and prevents the system from functioning.

The following table shows the risks, key management measures and opportunities identified as a result of this analysis.

	Description	Management/mitigation	Opportunities
Physical risks	The impact on ecosystems protected or high value can increase the cost in measures corrective measures or the rejection/delay of the approval of the project. Changes in availability of resources can reduce or interrupt production. Changes in conditions weather and extreme events that cause the interruption or reduction in production. Increased erosion, flooding and fire impacts due to the degradation of the ecosystem can lead to higher maintenance/repair costs. Pollution that exceeds environmental and regulatory thresholds can cause a disruption or a reduction in production and lead to increased costs associated with remediation and fines. Impacts on protected species can cause a disruption or a reduction in production and lead to increased costs associated with remediation and fines.	Goal of Net Positive Impact on biodiversity by 2030 Biodiversity Policy. Avoid facilities in protected areas. Implementing hierarchy mitigation and conservation. Biodiversity Plan 2030. Circular Economy Plan 2030. Diversification of generation technologies and geographies. *"Meteoflow"* forecasting system Pumping projects at existing hydroelectric plants. Group Environmental Management System Actions to prevent pollution, improve energy efficiency and reduce water consumption. Adapting pylons and installing anti-collision and anti-electrocution systems / Undergrounding of overhead lines. Installing deterrent systems and detection cameras at wind farms. Vegetation management plans Detection and warning systems and emergency plans. Compliance with applicable legislation. Insurance	Leading the energy transition in harmony with nature and human beings. Improved competitiveness in both new developments and operations. Improved stakeholder relations. New pumping projects at existing facilities. Innovation, research and development of new, more resilient technologies. New business opportunities such as those based on Nature-Based Solutions
Transition risks (regulatory/claims)	More stringent wildlife protection policies that increase the CAPEX/ OPEX of the project and/or reduce new development opportunities.	Sound internal governance, in line with best practice. Iberdrola's roadmap positive with nature. Internal launching of initiatives focusing on social and biodiversity aspects such as the Convive Project Identification and analysis of nature-related risks in new investments and operations. Goal of Net Positive Impact on biodiversity by 2030 Stakeholder Management Model. Participation in alliances and working groups. Technological diversification	Long-term development of more resilient and competitive projects. Energy transition in harmony with nature and human beings. New designs in projects that address land use compatibility and contribute to the local economy. Improved brand image and consumer preference. Advantages in raising funds in the face of increasing pressure from the financial sector and capital markets. Positioning on indices and improvement in stakeholder relations. Innovation, research and new business opportunities with investment in new technologies.
Transition risks (reputational)	Potential conflicts with interested parties when establishing new developments in areas where services are provided (agriculture, livestock or forestry) may limit the opportunities for new developments. Failure to meet the demands of stakeholders with impact on brand reputation.		
Transition risks (market)	Stricter financial requirements for nature-related impacts and dependencies may have a bearing on access to finance or investment. Increase in demands of stakeholders with negative effects on competitiveness.		
Transition risks (technological)	Adjustment to new technologies with less impact or dependence / Implementation of new, immature technologies to reduce the impact or dependence		

Iberdrola is a TNFD Early Adopter and has therefore committed to publish a report following TNFD's recommendations by 2024 or sooner.

Reserves and insurance coverage for environmental risks

Iberdrola also has insurance policies that cover environmental risks. The main types of corporate insurance policies that the company has obtained with environmental coverage are:

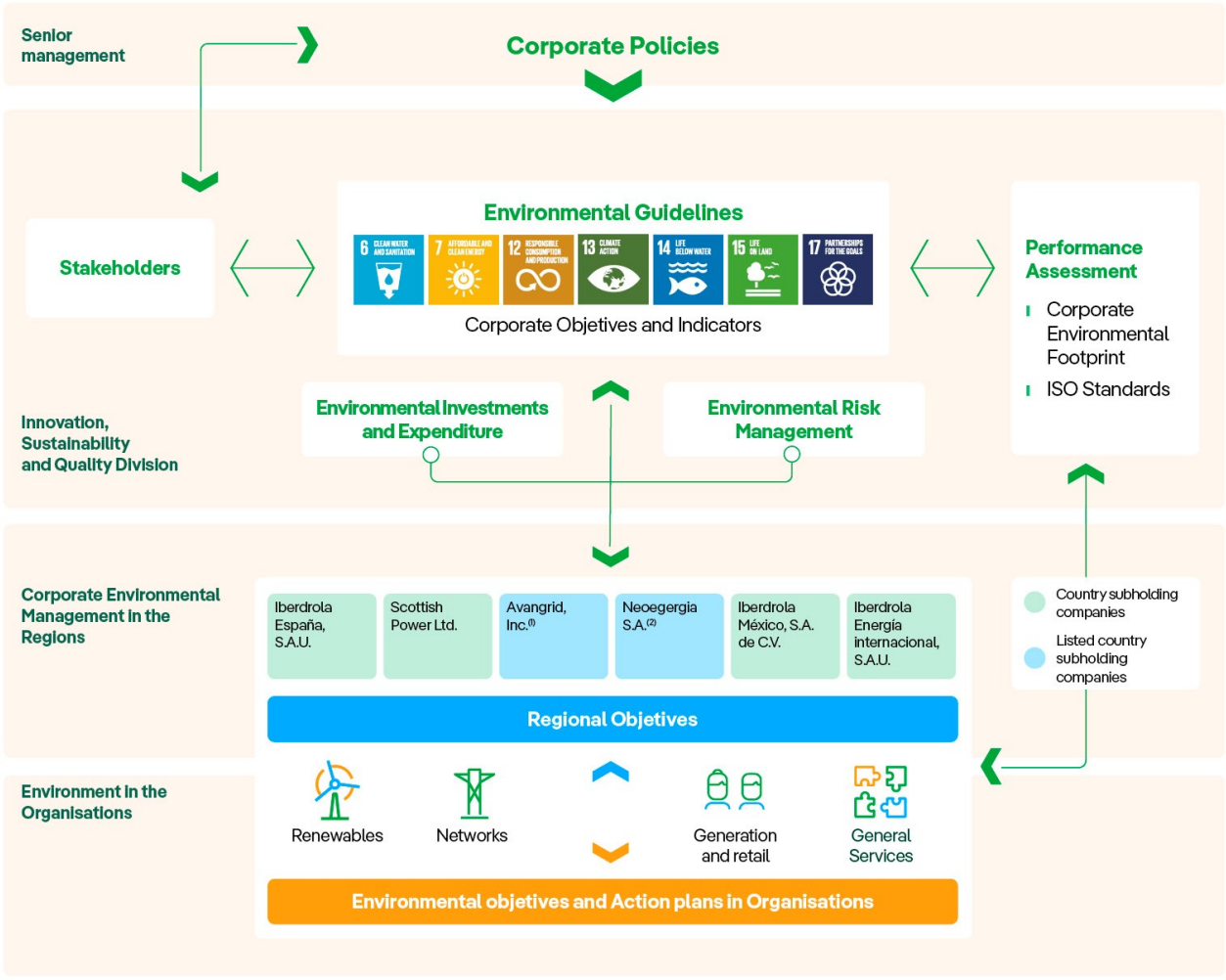
- Environmental Liability Insurance
- Civil Liability Coverage for Sudden Accidental Pollution in the general civil liability policy

Environmental management

Environmental management system

Iberdrola has demonstrated its firm commitment to the environment, focusing its activities on the construction of an energy model in harmony with nature and with human beings, in which the reduction of emissions, the conservation, protection and promotion of biodiversity, and the sustainable and efficient use of resources are integrated into all its activities and processes.

The Group's environmental management model is the cornerstone for identifying and adapting to the needs of each of the countries and regions in which it does business, taking advantage of the experiences of each market to strengthen brand values and, beyond the location of the business, to create an environmental management model that ensures the continuous improvement of processes, risk management and impact mitigation, all from the life cycle analysis perspective.



(1) Avangrid, Inc. is 81.5% owned by Iberdrola, S.A.

(2) Neoenergía, S.A. is owned indirectly by Iberdrola, S.A. with 50% +1 share.

As described above, Iberdrola's environmental policies lay down the action framework for the Company to develop a sustainable model that respects nature, biodiversity and historical heritage and that promotes Stakeholder engagement in the business model.

In line with such policies, environmental guidelines are established that reflect the strategic environmental lines of action, which are in turn deployed through environmental goals and action plans across Iberdrola's various organisations.

This management model makes it possible to:

a. Define the environmental guidelines as strategic lines of the Iberdrola Group in environmental matters.

b. Obtain an overall assessment of environmental performance at Group level, through a single reporting system that facilitates the integration and management of environmental information.

c. Support sustainable economic development through investment that promotes environmental sustainability.

d. Reduce environmental risks, thereby improving the company's environmental management in line with its environmental protection commitments.

Certifications

Iberdrola's environmental management system is rooted in international procedures and standards that are audited by prestigious independent agencies. The company currently holds the following environmental certifications:

- **ISO 14001-2015.** This standard covers activities consisting of the product generation, transmission, distribution and marketing, office management and general services. In particular, more than 80% of its energy was generated at certified facilities in 2023.
- **Eco-Management and Audit Scheme (EMAS).** The group's thermal power generation plants hold certificates under this standard.
- **ISO 14064-2018.** Iberdrola verifies its greenhouse gas emissions under this standard.
- **ISO TS 14072-2014** under which Iberdrola verifies its Corporate Environmental Footprint. It is the only company in the industry to have obtained this certificate.
- **ISO 20121. Sustainable Event Management.** Under this standard, Iberdrola certifies the most important events for shareholders and investors, i.e. the General Shareholders' Meeting, presentations of results and Investor Day.

More information is available online, in the Certifications and verifications .

Corporate environmental footprint

To gauge the group's environmental performance, Iberdrola calculates its Corporate Environmental Footprint (CEF), which is a multi-criteria measure of environmental performance from a life cycle perspective (ISO/TS 14072:2014 standard).

The Corporate Environmental Footprint is part of the company's environmental management model, the ultimate goal of which is to bring the environmental aspect into line with the company's sustainability model, integrating the universality of service, safety, competitiveness, energy efficiency and the reduction of the company's environmental impact, all from a life cycle perspective.

The calculation of the Corporate Environmental Footprint at Iberdrola has meant that the group has been able to:

- Demonstrate transparency and consistency in environmental management.
- Improve the identification of opportunities to reduce its environmental impact.
- Drive innovation and business capabilities that seek continuous improvement in environmental management.
- Obtain recognition by third parties of Iberdrola's position and achievements, including the fight against climate change, the destruction of the ozone layer, and the depletion of natural resources.

Iberdrola calculates its environmental footprint using the rules defined in the REEF (Rules Electricity Environmental Footprint) project, which it participated in developing.

For more information, see Corporate Environmental Footprint.

Emissions

Iberdrola is a global leader in the energy transition and the fight against climate change within the energy sector. Its ambitious decarbonisation targets place it among the most advanced companies in this regard.

For more information on the company's management of climate change, see chapter "I.3. Climate action and TCFD".

Intensity of greenhouse gas (GHG) emissions

■ GRI 305 ■ SASB IF-EU-110a.1 IF-EU-110a.3

The intensity of CO_2 emissions is calculated based on direct emissions from the production facilities[9] divided by the group's net output, including steam.

The following table shows the intensity of emissions.

■ GRI 305-4

Intensity of CO_2 emissions

	2023	2022[10]	2021
Specific emissions from global mix (Kg CO_2/MWh)	77	83	96
Specific emissions from global mix (Kg CO_2/EUR)[11]	0.204	0.198	0.316

In 2023, CO_2 emissions per MWh generated remained among the lowest among domestic and international energy companies, and continue to follow the downward path set out in our climate action plan and are aligned with the decarbonisation target for 2030.

Inventory of Greenhouse Gas (GHG) Emissions

The 2023 GHG inventory is shown below.

CO_2 Equivalent emissions 2023 (t)

	Spain	United Kingdom	United States	Brazil	México[12]	IEI	Total
Scope 1: Direct emissions	3,745,409	39,374	1,636,499	104,025	5,009,574	52,708	10,587,589
Scope 2: Indirect emissions	832,776	499,418	185,746	208,392	13,106	7,389	1,746,827
Scope 3: Other indirect emissions	2,330,075	6,989,095	8,890,579	1,678,035	17,656,344	1,760,022	39,304,151

[9] See the "Direct greenhouse gas emissions. Scope 1 (per GHG Protocol)" section below.
[10] In the course of the year, it was found that the emissions reported by a combined cycle power plant in Mexico were incorrectly allocated. This affected emissions indicators 305-1, 305-3 and 305-4, although the total emissions value of the Group's three Scopes was properly reported. The relevant figures for 2022 have been updated in this report.
[11] Direct emissions from energy generation facilities (305-1) compared to revenues in EUR (201-1).
[12] As noted in the EU2 indicator of the "Key Operating Figures" section of chapter I.1, Iberdrola uses the reporting criteria regarding its generation activities in this report, distinguishing between its "own" output and installed capacity and output and installed capacity "for third parties". The latter parameter reflects the particular operating conditions of some of our plants in Mexico, which Iberdrola operates as an Independent Power Producer (IPP) under the auspices of the Mexican Federal Electricity Commission *(Comisión Federal de la Electricidad)* (CFE).
Under these conditions, Iberdrola believes that the IPP plants do not comply with the requirement set out in the GHG Protocol regarding "full authority to introduce and implement operating policies at the operation" in order to be included in Scope 1.

Iberdrola's inventory of emissions has been verified by AENOR in accordance with UNE ISO 14064-1:2018 for the direct and indirect emissions from all of its activities.

The verified information is available in the Greenhouse gas (GHG) report section of the corporate website.

Direct greenhouse gas emissions. Scope 1 (per GHG Protocol)

Direct emissions are emissions from GHG sources owned or controlled by the company. They include:

- Emissions that result from the consumption of fuel and that are produced by owned facilities that generate electrical power.
- Emissions of methane (CH4) and nitrous oxide (N2O) associated with fuel consumption.
- Emissions from non-generation (gas storage) facilities.
- Fugitive emissions of methane (CH4) (storage and transport of natural gas).
- Fugitive emissions of sulphur hexafluoride (SF6) (distribution networks, substations, generation plants, etc.).
- Fugitive emissions of coolant gases.
- Emissions from facilities that provide services to buildings (fuel consumption).
- Emissions from the fleet of combustion engine vehicles for employee transport.

The emission factors used to calculate each of these emissions are obtained from official sources.

The following two tables show the changes in Scope 1 emissions from production facilities and other facilities (offices, vehicle fleets, etc.).

■ GRI 305-1 ■ SASB IF-EU-110a.1 ■ SASB IF-EU-110a.2

CO_2 emissions at Scope 1 production facilities (t CO2 eq)			
	2023	2022	2021
Thermal generating plants	7,123,465	7,756,075 [13]	9,175,358
Cogeneration	2,826,713	2,839,174	3,515,703
Other emissions	100,732	85,876	63,101
Total	**10,050,910**	**10,681,125**	**12,754,162**

Stationary combustion emissions, from generation, account for more than 95% of total Scope 1 emissions.

[13] In the course of the year, it was found that the emissions reported by a combined cycle power plant in Mexico were incorrectly allocated. This affected emissions indicators 305-1, 305-3 and 305-4, although the total emissions value of the Group's three Scopes was properly reported. The relevant figures for 2022 have been updated in this report.

SASB IF-EU-110a.1

Gross global Scope 1 emissions are: 10,587,589 tCO_2 eq.

- Percentage covered under emissions-limiting regulations: 95%. (Only Europe is subject to emissions-limiting regulations).
- Percentage of gross global Scope 1 GHG emissions covered under emissions-reporting regulations: 100%.
- Iberdrola reports 100% of its emissions as it is regulated in all countries where it operates.

Other Scope 1 emissions (t CO_2 eq)

	2023	Source of emission factors
CH4 and N2O emissions from combustion (Non-renewable generating plants)[14]	43,531	IPPC[15]
CH4 Fugitive Emissions (Gas storage and transport)	222,913	IPCC
SF6 Fugitive Emissions (Electricity distribution)	55,756	IPCC
Emissions in buildings (Fuel consumption)	96,515	MITECO: España. DEFRA: Reino Unido, México y Brasil. EPA: Estados Unidos, México y Brasil.[16]
Emissions from mobile combustion (Fleet)	91,600	DEFRA: España y Reino Unido. EPA: Estados Unidos, México y Brasil.
Other emissions (Gas storage, coolant gases)	26,362	DEFRA: Reino Unido.
Total	**536,677**	

For more information, see the climate action section of the corporate website.

Indirect greenhouse gas emissions. Scope 2 (per GHG Protocol)

Indirect emissions are those emissions deriving from the company's activity but generated by other entities, including emissions from the generation of electricity acquired for the company's consumption. These emissions are:

- Emissions associated with the consumption of electrical power during shutdowns of fossil fuel plants, nuclear plants, wind and photovoltaic farms and during pumping at hydroelectric plants.
- Emissions associated with electricity consumption in the group's buildings (Base location).
- Emissions associated with network losses during the distribution and transmission of electricity to third parties.

[14] Only emissions associated with owned generation are included.
[15] IPCC: Intergovernmental Panel on Climate Change.
[16] MITECO: Ministry of Ecological Transition / EPA: Environmental Protection Agency (United States).

CO_2 is calculated by applying the emission factor of the generation mix of the respective country:

- Spain: *Red Eléctrica de España*
- United Kingdom: DEFRA
- United States: *U.S. Energy Information Administration*
- México: SEMARNAT [17]
- Brazil: Ministry of Science, Technology and Innovation for Brazil

Iberdrola continues to reduce its indirect emissions, in particular energy emissions in buildings, due to its increased use of green energy in its offices and facilities. 100% of the electrical power consumed by offices in the United Kingdom and Spain was renewable in 2023.

GRI 305-2

Scope 2 emissions (t CO_2 eq)			
	2023	**2022**	**2021**
Emissions associated with network losses	1,000,465 [18]	1,142,181	1,830,631
Emissions associated with consumption of electric energy during shutdowns and pumping	690,214	713,674	310,100
Emissions associated with the electricity consumption in buildings	56,148	23,526	21,253
Total	**1,746,827**	**1,879,381**	**2,161,984**

Other indirect greenhouse gas emissions. Scope 3 (GHG Protocol)

Iberdrola has incorporated the life cycle perspective into its management model, which includes knowing the long-term impacts of the value chain. New elements are thus included each year in the calculation of its Scope 3, indirect emissions that result from the company's activities at sources not owned or controlled by it. They include the following:

- Emissions (due to fuel consumption) from electrical power generation facilities used in production for third parties. (GHG Protocol Category 3).
- Emissions associated with the transport of employees for work purposes (hired and private vehicles, aircraft and trains). (GHG Protocol Category 7).
- Emissions associated with the supply chain. (GHG Protocol Category 1 and 2).
- Emissions associated with the transport of employees commuting from their residence to their workplace. (GHG Protocol Category 6).
- Emissions associated with electrical energy purchased from third parties for sale to end customers (GHG Protocol Category 3, Activity D).
- Emissions associated with gas purchased from third parties for sale to end customers (GHG Protocol Category 11).
- Emissions arising from activities upstream of the fuels purchased and consumed[19] (GHG Protocol Category 3, Activity A).

[17] SEMARNAT: Secretary for the Environment and Natural Resources in Mexico.
[18] The annual review and update of emission factors has led to a decrease in the figures for the United States and Brazil.
[19] This category includes fuel transport as part of the lifecycle.

The emission factors used in calculating each of these emissions are obtained from official sources.

In 2023, Scope 3 emissions were as follows:

■ GRI 305-3 ■ SASB IF-EU-110a.2

Scope 3 emissions (t CO_2 eq)			
	2023	2022	2021
Emissions associated with the generation of energy for third parties	13,784,510	13,088,855 [20]	12,171,586
Emissions from employee business travel	22,124	12,458	7,435
Emissions associated with the use of gas products	11,960,416	13,641,153	14,452,313
Emissions associated with the supply chain	3,730,983	2,944,448	3,422,571
Emissions associated with employee commutes to/from the workplace	33,256	51,800	28,870
Emissions associated with the energy purchased from third parties for sale to end customers	5,208,446	8,328,229	9,681,117
Upstream (WTT) emissions from fuel acquired and consumed	4,564,415	4,612,263	4,850,721
Total	**39,304,150**	**42,679,206**	**44,614,613**

For more information on Scope 1, 2 and 3 emissions, see the Greenhouse Gas Report (GGR) Report, which is audited annually under ISO 14064-2018.

Iberdrola Mexico and Mexico Infrastructure Partners (MIP) have signed a binding agreement whereby MIP acquires a total of 8,539 MW, 99% of which correspond to combined cycle gas plants, the vast majority (87%) of which relates to plants operating under the Independent Power Producer regime, contracted with the CFE.

The agreement included a provision whereby Iberdrola Mexico would continue to operate the plants throughout 2023 until the sale process was finalised. For this reason, the emissions associated with the plants involved in the sale continue to form part of Iberdrola's emissions inventory in this report.

Excluding emissions from the divested facilities, the group's Scope 3 emissions would be reduced by 35% to 25.5 Mt CO_2 eq in 2023.

[20] In the course of the year, it was found that the emissions reported by a combined cycle power plant in Mexico were incorrectly allocated. This affected emissions indicators 305-1, 305-3 and 305-4, although the total emissions value of the Group's three Scopes was properly reported. The relevant figures for 2022 have been updated in this report.

Reduction of greenhouse gas emissions

Initiatives to reduce emissions are undertaken through a broad range of products and services promoting energy efficiency and savings.

GRI 305-5

Initiatives for reducing emissions		
Areas	**Actions and initiatives**	**CO2 avoided en 2023 (t)**
Renewables	Primary energy savings through the production of renewable energy	17,507,041
Cogeneration	Savings through the supply of heat energy (steam) within the group	367,640
Network efficiency	Savings from distribution network efficiency (Spain, United Kingdom and Brazil)	44,507
Commercial	Energy savings and efficiency through green products and services (Spain, United Kingdom, United States and Brazil)	8,754,122
Total		**26,673,310**

Other atmospheric emissions[21]

GRI 305-7 SASB IF-EU-120a.1

Emissions of sulphur dioxide (SO_2), nitrogen oxides (NO_x) and particulate matter are also created by burning fossil fuels. Because of the changes in the generation profile discussed in the emissions section, emissions tend to decrease with the incorporation of renewable energy and the support of modern combined cycle monitoring technologies.

NO_x emissions

NO_x emissions (t)			
	2023	**2022**	**2021**
Generating plants	53,725	52,761	51,630
Cogeneration plants	3,203	5,425	7,042
Total	**56,928**	**58,186**	**58,672**

Intensity of NO_x emissions (kg/MWh)			
	2023	**2022**	**2021**
Specific emission from the global mix	0.337	0.354	0.365

Percentage of atmospheric emissions of NO_x near densely populated areas: 62%.

[21] Iberdrola does not operate coal-fired plants, and therefore the mercury (Hg) emissions value and the fly ash value.

SO_2 emissions

Sulphur dioxide (SO_2) (t) emissions			
	2023	2022	2021
Generating plants	629	570	582
Cogeneration plants	140	441	598
Total	**769**	**1,011**	**1,180**

Intensity of SO_2 emissions (kg/MWh)			
	2023	2022	2021
Specific emission from the global mix	**0.005**	**0.006**	**0.007**

Percentage of atmospheric emissions of SO_2 near densely populated areas: 28 %.

Emissions of particulates

Emissions of particulates (t)			
	2023	2022	2021
Generating plants	1,095	1,072	1,055
Cogeneration plants	69	93	119
Total	**1,164**	**1,165**	**1,174**

Intensity of particulate emissions (kg/MWh)			
	2023	2022	2021
Specific emission from the global mix	**0.007**	**0.007**	**0.007**

Percentage of atmospheric emissions of PM10 particulate matter near densely populated areas: 62%

Emissions of other compounds

A total of 0 t tonnes of Non-methane Volatile Organic Compounds (NMVOCs) were emitted.

Protection of and action for biodiversity

Governance and biodiversity management

GRI 304

The degradation of ecosystems and the unprecedented decline in biological diversity, which the scientific community universally considers to be a direct result of the impact of human activities, entail grave environmental, economic and social risks. This requires urgent action to revert the loss of biodiversity.

Given the location of our infrastructure and their interaction with the territory, **Iberdrola** has believed for more than fifteen years that biodiversity is a material issue for its business model, and for this reason **places respect for biodiversity and ecosystems at the forefront of its business strategy.**

Since 2007, Iberdrola has had a *Biodiversity Policy* which forms part of its I.2. Governance and Sustainability System. In this policy, which was strengthened in 2021, Iberdrola commits to assuming a position of leadership in the fight against the loss of biodiversity and in generating a positive net impact on biodiversity from its activities.

These commitments involve integrating biodiversity into strategic planning, managing risk through continuous assessment of impacts and dependencies throughout the life cycle, applying the mitigation hierarchy (avoid, mitigate, restore and offset) in all our activities, avoiding the placement of new infrastructure in protected areas, implementing biodiversity action plans, working together with Stakeholders, and encouraging awareness and communication. It also entails promoting, along with its Stakeholders, a social culture in which biodiversity is valued, preserved, restored and sustainably used, maintaining ecosystem services, favouring a healthy planet, and providing essential benefits for all.

The *2030 biodiversity plan*, approved in October 2022 after being presented to the company's corporate bodies, is aligned with the goals approved in the *Kunming-Montreal Global Biodiversity Framework 2022*. Target 15 related to reporting impacts and dependencies on biodiversity is of particular relevance for the businesses and Iberdrola addresses this target in this report and in its *Biodiversity report*. Iberdrola has also continued to participate in the pilot programmes of the Task Force of Nature-related Financial Disclosure (TNFD) and in the Nature Positive Road Map of the WBCSD, contributing to several of its publications.

The **Board of Directors** provides a **training and refresher programme for its members**, which in 2023 covered topics related to the protection of biodiversity and other environmental aspects, as detailed in section "IV.1. Good governance, transparency and stakeholder engagement".

In addition to the *Biodiversity Policy*, Iberdrola has the following mechanisms to integrate the protection and conservation of biodiversity within management, and for it to be taken into account in decision-making processes:

- *Biodiversity Policy*
- Comprehensive Risk Control and Management System
- Environmental Management System of the group
- Tools for evaluating impacts and dependencies
- Biodiversity Plan 2030
- Environment and biodiversity committees

Objectives and Biodiversity Plan 2030

At Iberdrola, we have strengthened our commitment to nature and set ourselves the goal of having **a positive net impact on biodiversity** by 2030, i.e., that by that year our activities have contributed to the preservation and improvement of biodiversity.

2030 GOAL

Net positive impact on biodiversity

This goal considers the impacts on species and ecosystems derived from the Iberdrola group activities throughout its entire facilities life cycle and is based on the application of the conservation hierarchy, as well as the implementation of mechanisms for its identification, quantification of impacts and monitoring of compliance.

2025 Goal: No net deforestation

As part of its actions to achieve this goal by 2030, Iberdrola also commits to ensuring that its activity does not generate net deforestation by 2025. This commitment applies both to direct actions and to actions in the group's supply chain.

Biodiversity Plan 2030

To achieve this ambitious goal, Iberdrola has launched the *Biodiversity Plan 2030* (the "Plan"), which applies to all of the Iberdrola group's facilities and activities, and which has three areas of action: measure, act and transform.

Measure

- Biodiversity accounting framework for ecosystems and species
- Evaluation of all priority facilities by 2025 and all facilities by 2030

Act

- Ensure the application of conservation hierarchy
- All new projects and priority facilities in operation will have a biodiversity neutral/positive impact plan by 2035
- Deployment of nature-based solutions: Trees programme, biodiversity projects

Transform and lead

- Support actions for biodiversity on the international agenda: COP15 on biodiversity
- Create shared value: promotion of ecosystem services, R&D, supply chain, social awareness, etc.

This approach is aligned with the Science-Based Targets for Nature (SBTNs) and its vision of the Framework for Action "AR3TI" and with the landmark pillars provided by the Taskforce on Nature-related Financial Disclosures (TNFD).

The Biodiversity Plan 2030 is a continuation of years of work on the protection and preservation of biodiversity, and its integration into the strategic planning and decision-making of the group. The commitments and procedures derived from this Plan are:

- conservation hierarchy;
- equal compensation for impacts (i.e. with the same type of habitat and species affected);
- application of solutions based on the preservation of nature; and
- supply chain involvement.

All of them, together with other measures, constitute adequate tools to guarantee the achievement of the objectives of the Plan in 2030.

Interaction with biodiversity

Main impacts

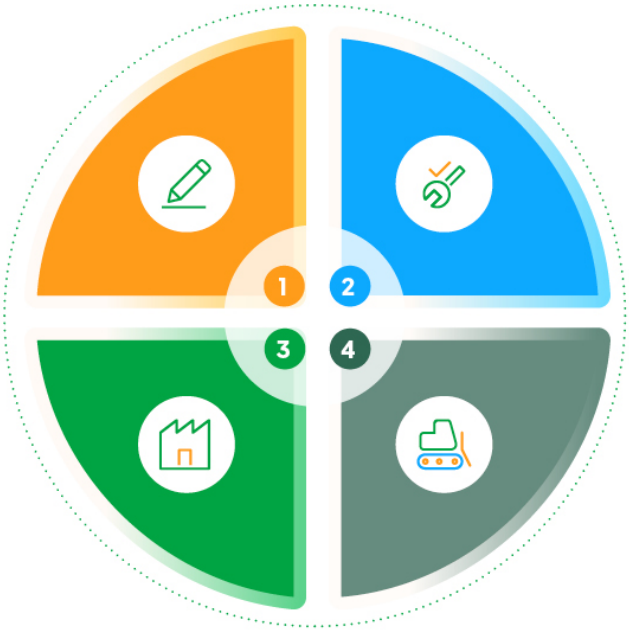
GRI 304-2

As described in the *"Identification of impacts"* section, Iberdrola identifies impacts stemming from the interaction of its activities on biodiversity and natural capital in order to avoid, minimise, remedy and/or offset these impacts. The identification of these impacts is an ongoing process throughout the life of the facility. Below are some of the information sources and tools used:

- Environmental impact assessments for new projects.
- Supervision and monitoring programmes during construction and operation.
- Continuous assessment of environmental aspects in the framework of environmental management systems.
- Compilation of impact metrics and calculation of the group's Corporate Environmental Footprint.
- Application of the ecosystem and species metrics of the Biodiversity Accounting Framework of the Group's Biodiversity Plan. In this regard, in 2023 Iberdrola continued work on implementing ways to quantify the net effect of our activities on biodiversity at several of our facilities in Spain, Brazil, the United Kingdom and Mexico, using international benchmark methodologies.

Identification of impacts

Activities and operations that may have impacts during the different phases of the life of facilities are identified in order to avoid, minimise and appropriately correct such potential impacts, as shown in the figure below:



1 Design Stage

- Site Selecction.
- Construction and technology solutions.
- Selections of materials.

2 Construction Stage

- Introduction of vehicles and machinery.
- Opening of roads and disturbance of vegetation cover.
- Extended human presence (wich temporarily affects the behaviour of wildlife species and is generally reversible).
- Changes to the landscape.

3 Operation Stage

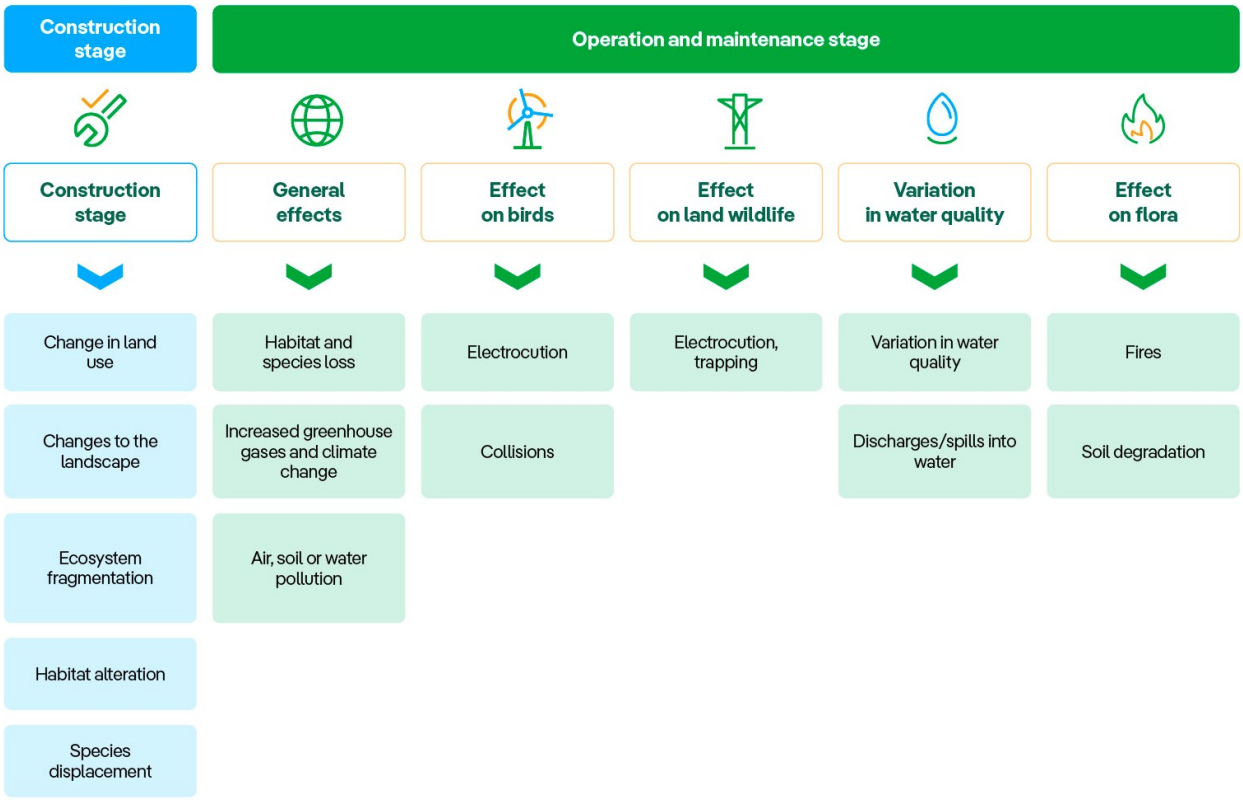
- Emissions of gases to the atmosphere.
- Changes to the natural regimen of rivers and barrier effect in cases of hydroelectric plants (wich affect the ecosystems and habitats of certain species).
- Animal mortality from collisions and electrocution.
- Disturbance to vegetation for maintenance of power line roads.
- Generation of spills and discharges.

4 Decommissioning Stage

- Use of machinery and vehicles for removing and demolition of existing facillities.
- Extended human presence (wich temporarily affects the behaviour of wildlife species and is generally reversible).

Based on these actions, the potential significant impacts on biodiversity arising from the group's activities, products and services are in turn identified:

Potential impacts



GRI 304-1

Facilities in protected spaces or high biodiversity-value areas

The areas where Iberdrola operates provide habitats for a variety of wildlife, in some cases with some type of protection. This is primarily due to the fact that construction took place before such protection was granted by public authorities, as in the case of some hydroelectric power plants in Spain. There are also facilities for which – after an analysis of the alternatives, giving priority to avoiding protected areas, and after an environmental assessment process in which the mitigation hierarchy was applied – the competent authorities authorised the project. Such authorisation is based on the consideration that while the protected areas or high biodiversity-value areas could not be avoided, the preventive and palliative measures prevented the activities from having significant impacts on the protected habitats and species.

Therefore, following the impact assessment process, it was determined that the **presence of such facilities in protected spaces or in high biodiversity-value areas** was compatible with the protected elements, with the consequent implementation of **measures to prevent, mitigate and offset possible adverse effects.**

The following table shows the Iberdrola facilities within or adjacent to protected spaces or in high biodiversity-value areas:

Facilities within or adjacent to protected spaces (PS) or in high biodiversity-value (HBV) areas

Facility	Surface area inside PS or HBV	Surface area inside PS	Adjacent facilities (units)	Type of protection
Spain				
Hydroelectric plants - Reservoirs (ha)	50,871	36,263	5	Biosphere reserves, Ramsar Wetlands, Nature 2000 Network, National Parks, Natural Parks, Key Biodiversity Areas (KBAs), Nature Reserves, Micro-reserves, Areas of Regional Interest, Protected Landscapes and Natural Monuments.
Power lines (Km)	25,205	10,825	N/A	Nature 2000 Network, Ramsar Wetlands, National Parks, Natural Parks, Biosphere Reserves and Key Biodiversity Areas (KBAs).
Substations (units)	269	116	N/A	Nature 2000 Network, Ramsar Wetlands, National Parks, Natural Parks and Biosphere Reserves, Areas of Regional Interest, Natural Monuments, Natural Reserve, Ecological Corridor, Protected Landscape, Regional Park and Key Biodiversity Areas (KBAs).
Transformer centres (units)	15,840	5,431	N/A	Nature 2000 Network, Ramsar Wetlands, National Parks, Natural Parks and Biosphere Reserves, Areas of Regional Interest, Ecological Corridor, Micro-reserve, Natural Reserve, Protected Landscape, Regional Park, Site of National Importance, Protected Areas of Mediterranean Importance, and Key Biodiversity Areas (KBAs).
Onshore wind farms (ha)	790	245	1	Natura 2000 Network, Key Biodiversity Areas (KBAs), Natural Park, Micro-reserve.
Photovoltaic plants (ha)	3,543	390	0	Natura 2000 Network, Key Biodiversity Areas (KBAs), Natural Park.
Nuclear plants (ha)	142	82	3	Natura 2000 Network and Key Biodiversity Areas (KBAs).
Combined cycle and cogeneration (ha)	15.77	0	8	Natura 2000 Network, Key Biodiversity Areas (KBAs), Natural Enclave, Protection Plan

Facilities within or adjacent to protected spaces (PS) or in high biodiversity-value (HBV) areas

Facility	Surface area inside PS or HBV	Surface area inside PS	Adjacent facilities (units)	Type of protection
United Kingdom				
Power lines (km)	4758	4399	N/A	National Park, Nature Park, Special Protected Area (SPA), Special Conservation Area (SCA), Ramsar Wetlands, National Nature Reserve (NNR), Sites of Special Scientific Interest (SSSI), Biosphere Reserves, Marine Protected Area (OSPAR), Regional Park, Nature Reserve, Area of Outstanding Natural Beauty (AONB), National Scenic Areas (NSA) and Key Biodiversity Areas (KBAs).
Substations (units)	549	512	N/A	National Park, National Scenic Area (NSA), Special Protected Area (SPA), Special Conservation Area (SCA), Ramsar Wetlands, National Nature Reserve (NNR), Sites of Special Scientific Interest (SSSI), Nature Reserve, Area of Outstanding Natural Beauty (AONB) and Key Biodiversity Areas (KBAs).
Transformer centres (units)	7233	6785	N/A	National Park, National Scenic Area (NSA), Special Protected Area (SPA), Special Conservation Area (SCA), Ramsar Wetlands, National Nature Reserve (NNR), Biosphere Reserve, Regional Park, Area of Outstanding Natural Beauty (AONB), Marine Protected Area (OSPAR), Sites of Special Scientific Interest (SSSI) and Key Biodiversity Areas (KBAs).
Offshore wind farms (ha)	292	292	0	Marine Protected Areas (OSPAR).
Wind farms (ha)	5	0	1	Key Biodiversity Areas (KBA).

Facilities within or adjacent to protected spaces (PS) or in high biodiversity-value (HBV) areas

Facility	Surface area inside PS or HBV	Surface area inside PS	Adjacent facilities (units)	Type of protection
United States				
Onshore wind farms (ha)	108	0	0	Key Biodiversity Areas (KBA).
Power lines (Km)	1805	497	N/A	Marine Protected Area, National Wildlife Refuge, Wildlife Sanctuary, State Conservation Area, Bird Sanctuary, Nature Reserve, Forest Reserve, Wilderness Area (NPS), Wilderness Forest (USFS), National Scenic Trail, Wilderness Area and Key Biodiversity Areas (KBAs).
Substations (units)	15	2	N/A	Wilderness Forest (USFS), Wilderness Area and Key Biodiversity Areas (KBAs).
Transformer centres (units)	7577	1502	N/A	National Wildlife Refuge, State Park, Sanctuary, Marine Protected Area, Nature Reserve, Bird Sanctuary, Wildlife Sanctuary, Conservation Area, Forest Reserve, National Scenic Trail, Wilderness Forest (USFS) and Key Biodiversity Areas (KBA).
Brazil				
Power lines (Km)	64847	52199	N/A	Environmental Protection Areas (EPAs), Wildlife Refuge, National Park, Key Biodiversity Areas (KBAs), Indigenous Reserve, Ecological Interest Area, Ramsar Wetlands, Natural Monument and Sustainable Development Reserve.
Substations (units)	234	149	N/A	Environmental Protection Areas (EPAs), Ecological Interest Area, Indigenous Reserve, Key Biodiversity Areas (KBAs) and Wildlife Refuge.
Transformer centres (units)	54128	43725	N/A	Environmental Protection Areas (EPAs), Ecological Interest Area, Indigenous Reserve, Wildlife Refuge, Natural Monument, Key Biodiversity Areas (KBAs), Sustainable Development Reserve and Ramsar Wetlands.
Hydroelectric plants (ha)	14	0	The Baixo Iguazú Hydroelectric Power Plant is located 500 m from the Iguaçu National Park.	Key Biodiversity Areas (KBA).
Wind Farms (ha)	6	6	0	Environmental Protection Areas (EPAs).
Combined cycles (ha)	1	0	0	Environmental Protection Area and a Key Biodiversity Area (KBAs).

Facilities within or adjacent to protected spaces (PS) or in high biodiversity-value (HBV) areas				
Facility	**Surface area inside PS or HBV**	**Surface area inside PS**	**Adjacent facilities (units)**	**Type of protection**
Mexico				
Wind Farms (ha)	91	0	1	Key Biodiversity Areas (KBAs) and National Park.
Combined cycle and cogeneration (ha)	7	0	0	Key Biodiversity Areas (KBA).
Greece				
Wind and solar farms	50	49	0	Natura 2000 Network and Key Biodiversity Areas (KBAs).
Hungary				
Wind farms (ha)	9	0.45	0	Natura 2000 Network and Key Biodiversity Areas (KBAs).
Portugal				
Wind farms (ha)	17	17	0	Natura 2000 Network, Key Biodiversity Areas (KBAs), Natural Park and Protected Landscape.
Hydroelectric plants (ha)	200	200	0	Natura 2000 Network and Key Biodiversity Areas (KBAs).
Cyprus				
Onshore wind farm (ha)	0.63	0.63	0	Natura 2000 Network.
France				
Onshore wind farm (ha)	1.27	0	0	Key Biodiversity Areas (KBA).
Australia, Germany, Italy, Poland and Romania				
None				

Threatened species in the vicinity of the facilities

GRI 304-4

Awareness of the species that live in the vicinity of the facilities is fundamental to the prevention of effects on them - all the more so if they are protected.

Iberdrola has identified threatened species included on the IUCN Red List and on the national and regional lists of the areas in which it operates that potentially could be affected by our facilities. It also conducts species monitoring programmes and research projects at many of its facilities with a view to learning more about their patterns of behaviour and incorporating this knowledge into its operations (see indicators GRI 304-2 and GRI 304-3). The following table lists those species which are likely to be impacted according to IUCN protection category.

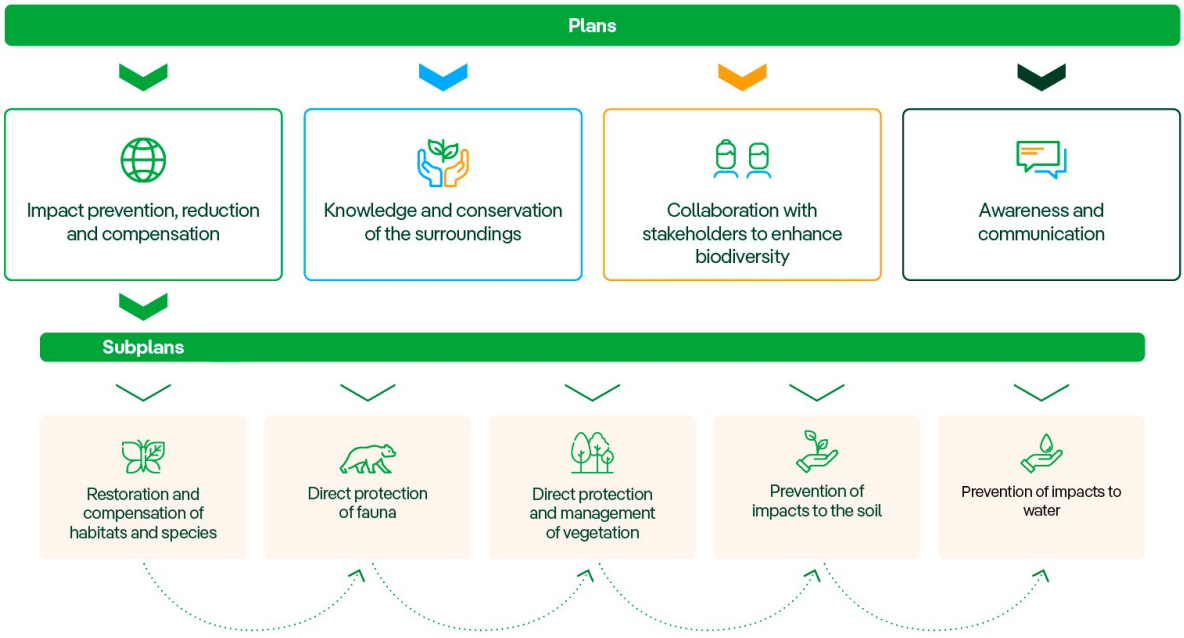
IUCN Red List Classification	
	No. of species
Critically endangered (CR)	22
Endangered (EN)	81
Vulnerable (VU)	172
Near threatened (NT)	188
Least concern (LC)	2,568

Action for biodiversity

In its *Biodiversity Policy,* Iberdrola establishes its priority lines for action, which are integrated in management of the operational units in action programmes and specific actions. These are:

- Protecting biodiversity and making sustainable use of natural capital, adopting a conservation hierarchy, integrating into its management the best practices along the entire lifecycle and promoting actions in favour of regenerating and conserving natural heritage.
- Continuously identifying, quantifying and evaluating the impacts and the dependencies of the group's activities on natural capital, with a focus on biodiversity during the entire lifecycle of facilities, by promoting research and improving knowledge of the ecosystems in the environments of the territories in which it operates.
- Partnering with Stakeholders, considering their needs and expectations regarding biodiversity in order to integrate these needs and expectations in action plans, and participating in research projects.
- Commitment to raising awareness and reporting on the importance of biodiversity and internally and externally communicate the impact of our activities and actions for the preservation of biodiversity.

Biodiversity Action Plan



Iberdrola engages in more than 800 activities for the protection of biodiversity each year and publishes its Biodiversity report on a regular basis, which includes many of these activities.

Tackling the drivers of biodiversity loss

The analysis of the impact of the group's activities on these drivers enables Iberdrola to take the measures required to prevent or minimise them. The drivers of biodiversity loss identified by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) that can be tackled by Iberdrola are analysed below, as are the measures taken to prevent and minimise the impact of its activities.

Changes in land use

In a context of increased energy demand and transition to a low-carbon economy, new clean energy facilities need to be built, which must be environmentally friendly. This infrastructure often causes changes in land use and potential habitat loss, displacing species.

The Biodiversity Plan 2030 intensifies the company's efforts to integrate the search for opportunities to make the generation of renewable energies compatible with other uses and improve biodiversity in those territories in which it operates.

The Plan also reinforces the work done by the company to implement the mitigation hierarchy (avoid, reduce, mitigate, and compensate as a last option) in all project phases, from the design and Environmental Impact Assessment (EIA) processes to decommissioning after operation.

Most impacts resulting in diversity loss can be prevented in the design phase, for which reason we support knowledge of the area as the best tool to prevent or minimise effects on the environment. To properly select a site, Iberdrola avoids locating new infrastructures in protected areas (including World Heritage sites, national protected areas, Nature 2000 Network, and the respective International Union for the Conservation of Nature (UICN) categories, as well as unprotected areas of high biodiversity value, unless there are no alternatives or the only alternatives are less compatible with the environment. If significant impacts are identified during the evaluation process, the project is modified to the extent possible, and the best available techniques and any measures identified as necessary are employed to correct and minimise these impacts. Stakeholders are involved and consulted with throughout the entire design process, which makes it possible to incorporate good construction practices, going beyond the applicable legal requirements in each case. Once this process has ended, and during construction, Iberdrola continues to work with stakeholders, seeking to ensure that the environmental impact is as low as possible, restoring the affected areas and offsetting residual impact.

Iberdrola works to ensure that new infrastructure projects are a shelter for biodiversity while preserving local jobs. One example is photovoltaic plants in Spain, which have gone from being agricultural land to becoming biodiversity reservoirs thanks to the measures taken.

Habitat and species loss

GRI 304-3

A proper habitat is essential for ensuring the successful survival of local species, for which reason Iberdrola implements specific programmes and actions to avoid, reduce, restore and offset effects on habitats and species at its infrastructure, as well as to monitor their interactions in order to remedy the impacts. It also promotes voluntary projects that contribute to reversing the loss of biodiversity in ecosystems. Below is a list of the most important projects in 2023, for more information see Iberdrola's Biodiversity report.

Habitat conservation, restoration and compensation programmes

Iberdrola is committed to preserving and restoring forest ecosystems. For this reason, in 2020 it created the Trees Programme for forest biodiversity and ecosystems in order to promote the conservation and planting of 20 million trees by 2030. Since its launch, the group has promoted the planting of 3.4 million trees.
In 2023, Iberdrola launched Carbon2Nature (C2N) with the mission of developing high-impact nature-based solutions projects that reduce the overall carbon footprint, improve biodiversity and promote a sustainable economy. The new company aims to capture and store in nature more than 61 million tonnes of CO2, which it will make available to its customers in the form of carbon credits. In 2023 alone, C2N promoted the planting of more than 770,000 trees as part of conservation and ecosystem restoration projects covering more than 640 hectares in Spain.

Also noteworthy is the work carried out in Brazil in recent years, where conservation and regeneration activities have been carried out on more than 8,975 hectares and monitoring and conservation actions on more than 18,400 hectares in Permanent Preservation Areas. Activities in 2023 include a continuation of the creation of the Biodiversity Corridor through the forest areas of Iguaçu National Park (PNI) and the Direct Influence Areas (AID) of the Lower Iguaçu Hydroelectric Plant, in the areas surrounding the reservoir. Conservation activities have been carried out on 1,135 hectares and more than 110,000 trees have been planted to date. The corridor will consist of more than 3,000 hectares. In addition, work has continued on developing the Permanent Protection Areas of Corumbá and Telespires, where the planting of more than 50,000 trees was promoted in 2023. A total of 54,800 trees were also planted on 56.6 hectares in the Luzia Solar Complex. Neoenergia Networks carried out forest restoration actions in 2023 in which approximately 7,200 trees of native species were planted in São Paulo and Pernambuco, respectively.

In the United Kingdom, work was undertaken in 2023 to maintain and replace plant species as part of the restoration work on the land taken up by the landline cable at the East Anglia One offshore wind farm, where more than 1,600 trees were planted, 35 hectares of grassland were sown, and 3,500 linear metres of hedges were recovered.

In Greece, more than 10,000 trees have been planted on almost 5 hectares and more than 2 hectares of land have been sown and reforested as part of the measures to offset the installation of an onshore wind farm.

In Mexico, maintenance continued on more than 25 hectares planted in 2019 at the La Venta III wind farm and the 38 hectares at the Escobedo combined cycle power plant (Northeast), where to date more than 23,500 trees have been planted at this last site.

At the Tâmega hydroelectric complex (Portugal), reforestation and maintenance of planted land continues, with more than 41,700 new trees planted in 2023.

Various reforestation projects have been implemented as part of the volunteer programmes promoted in all countries. Thanks to these initiatives, more than 6,000 trees have been planted in Spain, more than 1,500 in Brazil and almost 8,000 in Mexico. In the United Kingdom, the Trees For Life project continues, where 400 trees have been planted this year in the groves owned by ScottishPower.

Other restoration actions

Iberdrola also promotes the restoration of other ecosystems. In 2023, work continued on the Habitats Management and Monitoring Plan with respect to the wind farms in Scotland, covering a total area of more than 10,000 hectares.

Iberdrola also works to ensure that new infrastructure projects are a shelter for biodiversity while preserving local jobs. This is exemplified by the photovoltaic plants in Spain, including the creation of a genetic plant reserve for the conservation of orchids and other unique species at the Núñez e Balboa photovoltaic plant and the restoration of the habitat for the recovery of the Cabrera vole at the Oriol photovoltaic plant. There are also regular measures to encourage the settlement of species such as the lesser kestrel, vegetation management through sheep, and the promotion of ecosystemic services and local jobs, such as the placement of beehives at several of the photovoltaic plants during certain months of the year.

Fauna and flora species protection and conservation programmes

Iberdrola is working to minimise the impacts of its facilities on fauna and is taking actions to promote its protection and conservation. Special attention has been paid to the effects of our wind farms and grids on fauna, particularly birdlife. Numerous actions have been taken in this regard, from adapting supports –more than 140,000 in Spain since 2018– to implementing new bird protection methodologies, such as the installation of AI-equipped surveillance cameras or deterrents such as painting blades, installing eye-shaped vinyl patterns, among others. Conservation measures include the reintroduction of eight Spanish imperial eagle chicks. Other common measures include the construction of middens, dens, pigeon coops, ponds and burrows and installing nesting boxes for birds and bats, all of which are designed to provide shelter and food for different species in the vicinity of Iberdrola's facilities. It is also common for photovoltaic plants to manage agricultural land to favour the presence of steppe birds, through land stewardship agreements.

In Brazil, a Conservation Programme has been set up with the main objective of recovering the endangered Lear's Macaw, a species endemic to the Caatinga.

In France, the operation of wind farms depends on agricultural activities and the weather. Therefore, wind turbines do not operate during activities or weather conditions that are favourable to the presence of red kites and other rare species.

ScottishPower has collaborated with World Wildlife FUND (WWF) in the Restoration Forth project, which has successfully reintroduced 10,000 native oysters into the Firth of Forth (Scotland), their natural habitat but where they have been absent for the last 100 years.

In the implementation of new projects, there are numerous activities to conserve and improve the habitats of threatened or unique species. In France, birds were protected through actions to fight the depredation of sea birds by carrion crows in Cap Fréhel at the Saint-Brieuc offshore wind farm. Measures to protect sea life, particularly sea mammals and sea turtles, are implemented at offshore wind farms in the United States. The actions are aimed at protecting species such as the hawksbill sea turtle (*Eretmochelys imbricata*), North Atlantic right whale *(Eubalaena glacialis*) and Kemp's ridley sea turtle (*Lepidochelys kempii*).

Wildlife tracking and monitoring programmes

Iberdrola carries out programmes to track threatened species or habitats that may be affected by its activities, in order to evaluate the success of its corrective measures, identify possible impacts and implement new measures to reduce such impacts where necessary. In addition to the tracking of birdlife and chiroptera at the group's wind farms, measures are underway to monitor fish and water bodies so as to protect the water environment in Spain, in addition to monitoring programmes with respect to herpetofauna, ichthyofauna and mastofauna at the hydro plants in Brazil, monitoring of feline species at the combined cycle plant in Altamira and benthic and marine mammal monitoring at offshore wind farms.

Vegetation management programmes

Iberdrola applies the best techniques to minimise effects in the form of soil loss due to erosion and acidification. These techniques include maintaining the vegetation cover at photovoltaic plants and refraining from using herbicides as well as avoiding the mass cutting of trees for street cleaning work related to fire protection lanes.

Programmes to foster knowledge and research for habitat and species conservation

Iberdrola is committed to supporting knowledge and research as key measures to protect and conserve biodiversity. Along these lines, in 2023 the company continued to support research such as the work carried out through the Coralizar Project on the effects of climate change on coral reefs and the Flyways Project to monitor wading and migratory birds, some of which are at risk of extinction, in northeastern and southern Brazil.

In Spain, studies on the evolution of biodiversity were carried out at several photovoltaic plants, the accounting framework for diversity was developed to monitor the group's Biodiversity Plan 2030, and work was done on the assessment of the natural capital at several facilities. The Migra Project also continued, the objective of which is to study the migratory movements of birds in Spain, with the launch of a project with the Migres foundation to analyse actions for the recovery of ospreys in Spain. Work is also under way to conserve habitats and species, such as the protection of feline species and mangroves in Mexico.

A specific programme on macrophyte growth dynamics is being carried out at the Itapebi reservoir in Brazil and DNA samples from restored peatlands are being analysed at the Whitelee onshore wind farm in Scotland. A survey is also being conducted to determine whooper swan migratory routes between Iceland and northwest England, aimed at determining the altitude and speed of these routes.

Iberdrola and BirdLife have signed a partnership to collaborate on renewable deployments that enhance the contribution to biodiversity.

Iberdrola also played an active role in the European Business and Biodiversity Summit and the nature-related events of Climate Week in New York, and sponsored the Conference on Wind Energy and Wildlife Impacts in Croatia.

Climate change

All information on Climate Action can be found in chapter "I.3. Climate action"

Pollution

Eutrophication and eco-toxicity are problems derived from pollution. Iberdrola applies the precautionary principle and its environmental guidelines include preventing water and soil pollution through spillage or dumping.

To this end, pollution prevention programmes have been implemented within all organisations of the group, through actions to improve the safety and containment measures to prevent harm. These planned actions include building tanks to collect oil in the event of a mass spillage at substations and transformation centres, the insulation of retaining troughs, and the installation of containment barriers in sensitive environments.

Invasive species

Invasive species are animals, plants, or other organisms that develop outside their natural area of distribution, in habitats that are not their own or in an unusual abundance, causing alterations in ecosystem richness and diversity.

Control of these species is fundamental for the equilibrium of ecosystems. Iberdrola contributes to reducing these species both in the operation of its facilities (vegetation management and zebra mussel control programmes) and through dedicated volunteering actions.

Sustainable use of resources and the circular economy

For Iberdrola, the circular economy is a key element to achieve sustainable development and represents an opportunity as a driver for climate action and the energy transition.

The circular economy encompasses a wide spectrum of the company's activities, relating not only to Iberdrola's internal processes, but also to the activities carried out by our suppliers and the products and services we provide to our customers.

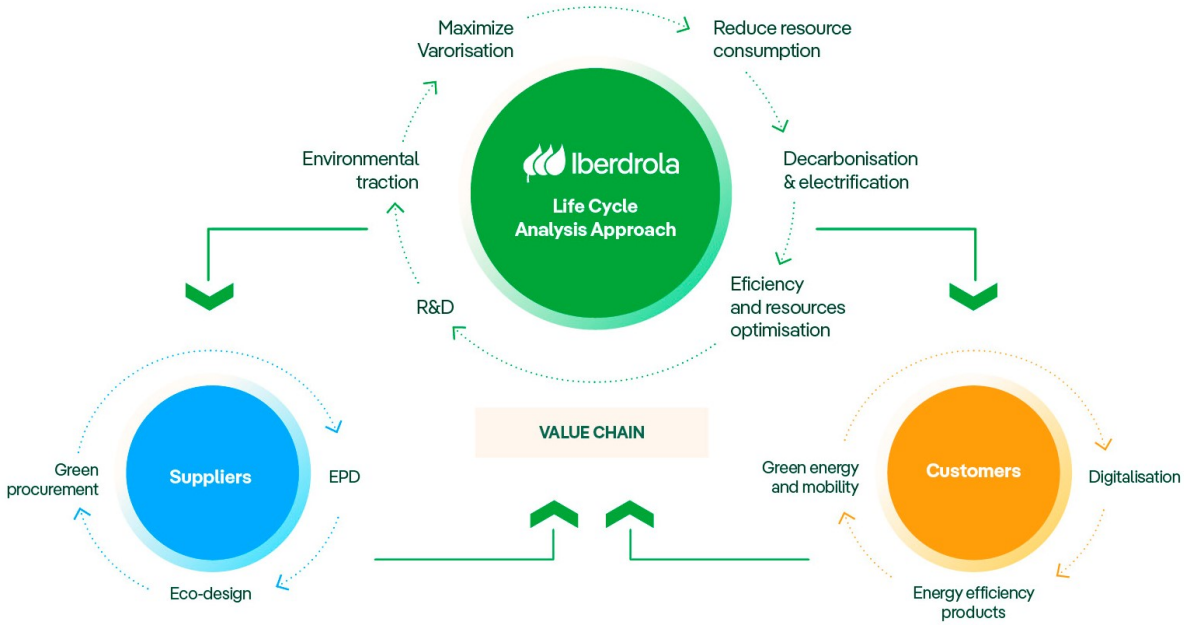
The circular economy is based on the following pillars:

- Use of renewable resources in production.
- Improving efficiency in processes and services; including extending the life cycle and repairing and reusing assets.
- Maximising the use of waste.

Iberdrola's circular economy management model therefore identifies three areas of action to assess performance and define actions.

- Internally within the company, to improve processes in pursuit of efficiency in using resources and energy, backed by R&D to develop products and services with a smaller environmental footprint.
- An area for working with suppliers to improve the supply chain and to deliver products and services to Iberdrola with higher rates of secondary raw materials, lower energy consumption and better reuse and recycling rates.
- An area for our customers, providing better products and driving the energy transition associated with less use of resources.

Actions to improve circularity lead to reductions in the life-cycle emissions of the economy, especially in an economy with a strong green energy mix.



Iberdrola has defined the following challenges for 2030:

- Reducing the consumption of primary materials for electricity generation by 50% compared to 2020.
- 100% of the company's light fleet sustainable
- 100% recycling of blades and photovoltaic panels (50% in 2025)
- 10% of our steel will be near-zero as part of our commitment to the **First Movers Coalition** of the World Economic Forum.
- 50% sustainable steel by 2030 and 100% by 2050 as part of The Climate Group's **SteelZero** initiative.

Furthermore, Iberdrola continues to work with its suppliers to improve working standards through its supplier evaluation system and the support and training it offers them to adopt best practices in the circular economy.

We continue promoting products for our customers based on an electrified and decarbonised economy in mobility and green heat. In addition, we are actively working on decarbonising complex hard-to-abate industries, which will deliver significant circularity improvements.

Actions to be highlighted during 2023 are:

EnergyLoop	EnergyLoop is a company created by Iberdrola together with FCC to provide a commercial and scalable solution to recycling wind turbine blades.
	Construction of its plant in Navarra (Spain) began in 2023. EnergyLoop will play a key role in ensuring blade recycling.
LATEM Aluminio	Iberdrola invests in LATEM to develop a recycled and low-emission aluminium production facility.

ChargingTogether	ChargingTogether is a company that was set up together with BP and that will install 11,700 charging points by 2030.
Alliances	Iberdrola continues to foster and support alliances working towards decarbonisation in major economic sectors, including Spain's AEDIVE and NetZero Mar aimed at promoting the electrification of heavy road transport and decarbonising maritime transport, especially in port operations.
I+D	Iberdrola participates in the European RETRIEVE project to research solar panel recycling processes that provide higher value products.

All of these actions are framed within Iberdrola's Circular Economy Plan, which sets out the global goals and guidelines to be implemented locally by each of the country subholding companies.

Use of materials

GRI 301

The consumption of fuel from non-renewable sources for generation over the last three years is shown below. Consumption of renewable fuels used in generation (WDF and Offgas) is also included:

GRI 301-1

Use of raw materials			
	2023	**2022**	**2021**
Coal (t)	0	0	–
Fuel oil (t)	5,708	17,362	26,327
Natural gas (Nm3)	13,513,252,939	13,066,040,385	13,719,683,127
Diesel (m3)	31,985	38,767 [22]	23,649
Uranium (kg)	36,907	52,238	34,899
Waste-derived fuel (WDF) (t)	1,553	1,037	2,258
Offgas (m3) [23]	32,649,159	44,930,387	69,875,382

GRI 301-2

The use of waste-derived fuel (WDF) and Offgas from industrial processes accounted for 0.10% of the fuel energy consumed in the year.

Fuel use (%) by country in 2023 is shown below:

[22] The updated figure for 2022 is presented, based on a better available value, which differs from the one presented in the SNFI-SR 2022. This value is immaterial to the total value of internal energy consumption (GJ) reported in the GRI 302-1 table.
[23] Offgas is a fuel produced at the plants of the Tarragona Power S.L. customers. The volume of gas consumed by the plant depends on the customers' activity.

GRI 301-1

Distribution of fuel consumption in 2023 (%)							
	Coal	Fuel oil	Natural Gas	Diesel	Uranium	WDF	Offgas
Spain	0	100	12.5	45.1	100	100	100
United Kingdom	0	0	0	3	0	0	0
United States	0	0	5	11.0	0	0	0
Brazil	0	0	0.1	27.1	0	0	0
Mexico	0	0	82.1	1.5	0	0	0
Other countries	0	0	0.1	12.1	0	0	0

Apart from fuel, there is also consumption – to a much lower extent – of chemical products (in water purification, filtering of gases, etc.), oil and grease, etc.

Rational water use[24]

GRI 303 SASB IF-EU-140a.1. IF-EU-140a.3.

Water is a basic and irreplaceable natural resource in many of Iberdrola's activities, mainly for producing hydroelectric power where water energy is transformed into electricity and this same water is returned to the environment, and in thermal power plants which rely on water supply as a coolant. The company's awareness of this dependency and of the risks arising from water shortages has led it to set a goal of ensuring its increasingly responsible use of this resource.

The group's main actions for a more sustainable use of water are:

- Continually improving processes at facilities to reduce consumption and impact.
- Implementing and controlling ecological flows and environmental programmes as required by the competent authorities at hydroelectric generation facilities.
- Conducting awareness-raising campaigns to achieve a more efficient and responsible use of sanitary water by employees at offices.

GRI 303-1 303-2

The water cycle needed to generate power at Iberdrola's thermal generation plants is based on the following three phases:

- **Withdrawal**: performed within regulatory limits.
- **Use**: use in cooling and auxiliary services of plants.
- **Return to the environment:** the quality of effluent discharged into the environment is always within the required limits and even improving on them compared to the values of water withdrawn

[24]Following an internal audit conducted in 2023, a material error was detected in the calculation of the water consumed by the Baja California combined cycle power plant in Mexico. The water consumption was much higher than the actual water consumption due to the data provided by a faulty water discharge sensor. The affected figures in indicators 303-4 and 303-5 have been updated for 2022.

Efforts to ensure compliance with legislation and to seek methods for minimising the risk of spills apply to all of Iberdrola's facilities, including thermal, hydroelectric, wind, and photovoltaic generation plants and distribution substations.

To avoid the risk of polluting discharges, with a possible negative impact, Iberdrola has:

- Consolidated Environmental Management Systems: ISO 14001 and EMAS certificates, in which possible anomalies and incidents are managed, establishing plans to minimise spillage risks, by implementing predictive, preventive and corrective actions that ensure the proper condition of the water.

Water consumption and discharges by the facilities in 2023 remained within the limits established in the environmental operating conditions and monitoring programmes, and no anomalies were detected that might materially affect water resources or associated habitats.

GRI 303-3 303-4 SASB IF-EU-140a.1.

The following table gives total water consumption, considered to be the difference between total water withdrawn and water discharged, with a breakdown of total water withdrawal by the group by source and water stress area. The areas are classified according to the Aqueduct Water Risk Atlas.

Water withdrawal, discharge and consumption

	2023		2022		2021	
	All areas	Water stress areas	All areas	Water stress areas	All areas	Water stress areas
Withdrawal by water source						
Surface water (river, lake, reservoir or wetland)						
Fresh water	522,595	415,789	511,598	383,700	507,545	374,451
Other water	0	0	0	0	0	0
Seawater						
Fresh water	0	0	0	0	0	0
Other water	1,196,465	759,521	1,181,697	344,873	1,338,177	338,327
Groundwater						
Fresh water	2,647	2,451	2,333	2,008	2,787	2,480
Other water	0	0	0	0	0	0
Third-party water						
Fresh water	23,656	9,387	23,424	9,867	25,892	3,286
Other water	0	0	0	0	0	0
Total water withdrawal						
Fresh water	548,898	427,627	537,355	395,575	536,224	380,217
Other water	1,196,465	759,521	1,181,697	344,873	1,338,177	338,327
Total	**1,745,363**	**1,187,148**	**1,719,052**	**740,449**	**1,874,401**	**718,544**
Water discharge by destination (ML)						
Total	**1,665,559**	**1,130,324**	**1,642,422**	**673,092**	**1,787,111**	**648,383**
Total water consumption (ML)						
Total	**79,804**	**56,824**	**76,629**	**67,357**	**87,289**	**70,161**
Total Consumption/Withdrawal (%)	**4.6 %**	**4.8 %**	**4.5 %**	**9.1 %**	**4.7 %**	**9.8 %**

71% of Iberdrola's thermal plants are located in areas of high water stress, according to the water stress indicator of the Aqueduct Water Risk Atlas. 69% of the water withdrawn is seawater or saltwater that does not affect water stress.

Total water withdrawal is the sum of the various sources, and is obtained by direct measurement (flowmeters) or by estimating the output of the water withdrawal pumps.

99% of total water withdrawn is used in cooling processes. The rest of the water withdrawn corresponds to other ancillary services of the generation plants.

All of the withdrawals of water intended for use in generation are regulated strictly by government authorities, which issue the permits and determine the maximum permissible withdrawal volumes, to avoid significant negative effects.

68% of the water withdrawn and 79% of the water consumed is from high and very high water stress areas.

GRI 303-5

The changes in the group's water use are summarized in the following table:

Water use	2023	2022	2021
Total water consumption (ML)	79,804	76,629	87,289
Water use/overall production (m3/GWh)	473	470	531
Water use/overall sales (m3/thousands of euros)	1.62	1.42	2.16

Water cycle in hydroelectric generation

Water used for hydroelectric power generation is not considered to have been withdrawn, and is therefore analysed separately. The following table shows the net amount of water used in hydroelectric power generation, defined as turbined water less pumped water, in Spain, Brazil and the United States, and the change in storage of reservoir water.

Water use in hydroelectric generation (ML)	2023	2022	2021
Net water volume	159,584,653	137,187,988	158,007,994
Volume of pumped water	4,890,933	4,665,145	3,058,700
Increase in reservoir water	360,900	2,250,390	-1,378,705

For more information, see the Water usage section of the corporate website.

Finally, a binding agreement was signed as a result of the sale of Iberdrola Mexico and Mexico Infrastructure Partners (MIP), whereby MIP acquires a total of 8,539 MW, of which 99% correspond to combined cycle gas plants, the vast majority (87%) of which are plants operating under the Independent Power Producer regime, contracted with the CFE.

As a result, the impact of this transaction on the evolution of water consumption was estimated at a reduction of 29% to 56,500 ML.

SASB IF-EU-140a.2.

Number of water-related incidents			
	2023	2022	2021
Total	0	5	3

Water discharge

GRI 303-4

After use in cooling and other auxiliary processes, 93% of the water withdrawn at thermal generation and cogeneration facilities returns to the environment.

The total discharge of water by destination type is:

Water discharge by destination (ML)			
	2023	2022	2021
Sea	1,170,696	1,160,115	1,309,168
Rivers	119,540	139,346	144,957
Lakes and reservoirs	371,838	339,168	329,070
Purification network	3,485	3,793	3,916
Total	1,665,559	1,642,422	1,787,111

Discharge of water in fresh water or other waters is:

Total discharge by water type (ML)			
	2023	2022	2021
Fresh water	494,864	482,307	477,943
Other water	1,170,695	1,160,115	1,309,168

Discharged water that returns to the receptor environment does so in physicochemical conditions allowing it to be used by other users without affecting the natural environment. The discharge by treatment level is:

Water treatment (ML)			
	2023	2022	2021
No treatment	91,876	88,295	293,418
Primary treatment	335,813	260,215	292,952
Secondary treatment	1,097,244	1,271,869	1,191,114
Tertiary treatment	140,626	22,043	9,627

Efficiency in energy consumption

GRI 302

The Iberdrola group optimises the use of energy throughout its value chain (production, transmission, distribution, marketing and end use), considering energy efficiency from a threefold perspective:

- As a company that generates and distributes electricity, it seeks to improve efficiency by introducing cutting-edge technologies, new equipment and digitalisation, which means expanding electricity grids and growing selectively in renewables, thus promoting a safe, clean and competitive system.
- As an energy consumer, Iberdrola promotes the ongoing improvement of energy efficiency across all its activities (offices and buildings, mobility, etc.).
- As a supplier of energy solutions, the company informs, promotes and supplies comprehensive efficiency solutions aligned with the emission reduction strategy, thereby contributing to more efficient energy use by consumers, while encouraging the reduction of the environmental impact of their energy consumption habits.

Energy consumption within the organisation

GRI 302-1

Energy consumption within the organisation (internal consumption) includes energy consumption at all Iberdrola group facilities, buildings and offices, and is calculated as:

$$\text{Energy consumption within the organisation (GJ)} = \text{Fuel consumption} + \text{Energy purchased} - \text{(Non-renewable) energy sold} - \text{Steam Sold}$$

The fuel consumption figure in terms of energy (GJ) is obtained by directly measuring the fuel used at each facility based on its lower heating value (LHV):

$$\text{Consumption (GJ)} = \text{Fuel Consumption (kg)} \times \text{PCI} \left(\frac{Mj}{kg}\right) / 1000$$

The value of energy purchased or sold is obtained by direct measurement at the facilities, buildings and offices:

$$\text{Consumption (GJ)} = \sum \text{Building/facility consumption (MWh)} \times 3.6\ \text{J/MWh}$$

Energy consumption within the organisation in recent years is shown in the following table:

GRI 302-1

Energy consumption within the organisation (GJ)			
	2023	2022	2021
Energy consumption by type of fuel			
Natural gas	491,688,521	483,640,179	510,013,958
Uranium	268,875,553	266,435,615	258,565,631
Coal	0	0	0
Fuel oil	230,599	701,425	1,064,873
Diesel	2,401,448	3,349,275	1,482,414
WDF	50,800	33,920	73,880
Offgas	724,362	1,068,132	1,469,003
Petrol	377,970	678,733	622,030
Ethanol	122,583	129,812	119,505
Propane	8,715	7,533	N/Av.
CTV Diesel	123,117	159,866	N/Av.
HVO	12,546	3,768	N/Av.
CNG	595	147	N/Av.
Fuel consumption	**764,616,809**	**756,208,405**	**773,411,294**
Energy purchased	**26,941,184**	**17,981,640**	**11,815,428** [25]
Standby and pumping	26,207,894	17,433,811	11,326,651
Buildings [26]	733,290	547,829	488,777
Non-renewable energy sold	**320,669,243**	**317,481,891**	**322,340,336**
Steam sold	**9,651,522**	**10,763,904**	**14,093,106**
Total energy consumption within the organisation	**461,237,228**	**445,944,250**	**448,793,280**

GRI EU12

The following table shows the losses in distribution and transmission networks:

Transmission and distribution network losses (%)			
	2023	2022	2021
Transmission			
United Kingdom	2.35	1.75	1.90
United States	1.28	1.38	1.60
Brazil [27]	1.74	1.71	0.00
Distribution			
Spain	6.30	6.29	6.42
United Kingdom	7.22	7.32	7.24
United States	3.34	4.06	3.92
Brazil	8.54	8.51	12.82[28]

[25] Data updated due to improved calculation in the report for this year.
[26] During 2023, electricity consumption in buildings was 203,692 MWh.
[27] Although there are transmission assets in the country, the data for 2021 have not been collected for this report.
[28] Neoenergia's network losses for 2021 have taken into account the technical and non-technical losses, while in 2022 and 2023 they only take into account technical losses, for purposes of uniformity with the other countries.

Annual loss reduction programmes are undertaken in all regions to reduce the level of losses and thus limit the costs borne by the system.

Efficiency in thermal generation

In line with previous years, the company continues to implement measures to improve plant efficiency by preventing leaks, reducing emissions, reducing auxiliary consumption, optimising start-up times and procedures, and installing recirculation systems, among others.

The following table shows changes in the average efficiency of thermal generation facilities:

GRI EU11

Average efficiency at thermal generation facilities (%)

		2023	2022	2021
Spain	Combined cycle	50.72	50.99	51.05
	Conventional thermal	0	0	0
	Cogeneration	69.76	69.01	71.37
United Kingdom	Combined cycle	N/A	N/A	N/A
	Conventional thermal	N/A	N/A	N/A
	Cogeneration	N/A	N/A	N/A
United States	Combined cycle	N/A	N/A	N/A
	Conventional thermal	N/A	N/A	N/A
	Cogeneration	48.55	48.07	46.87
Brazil	Combined cycle	51.18	42.11	54.74
	Conventional thermal	N/A	N/A	N/A
	Cogeneration	N/A	N/A	N/A
Mexico	Combined cycle	52.07	53.05	53.81
	Conventional thermal	N/A	N/A	N/A
	Cogeneration	55.54	58.13	59.79
IEI	Combined cycle	N/Av.	N/Av.	N/Av.
	Conventional thermal	N/A	N/A	N/A
	Cogeneration	N/Av.	N/Av.	N/Av.
Iberdrola total	**Combined cycle**	**51.92**	**52.80**	**53.41**
	Conventional thermal	**0**	**0**	**0**
	Cogeneration	**56.26**	**57.91**	**56.89**

Reduction of energy consumption

Two cornerstones of reduced energy consumption are considered: on the one hand, the energy savings from reduced fuel consumption and, on the other hand, the savings associated with steps to improve energy efficiency.

GRI 302-4

Reduction of energy consumption through the generation of renewable energy and steam (energy saved, GJ)				
Areas	**Type of energy**	**2023**	**2022**	**2021**
Renewables	Annual primary energy savings through the production of renewable energy	280,086,056	265,931,274	270,277,248
Cogeneration	Annual savings through the supply of heat energy (steam) within the group	9,651,522 [29]	10,763,904	14,093,106
Total		**289,737,578**	**276,695,178**	**284,370,354**

The reduction in energy consumption is equal to the savings of primary (non-renewable) energy generated by the production of renewable energy and cogeneration. This figure for the energy saved is obtained by direct measurement at the output terminals of the facilities.

Consumption (GJ) = ∑ Generation (MWh) x 3.6 J/MWh

Various measures were implemented in 2023 to improve energy efficiency in buildings and infrastructure. The energy savings resulting from these measures is presented below:

Reduction of energy consumption associated with increases in efficiency (energy saved, GJ)				
Areas	**Item**	**2023**	**2022**	**2021**
Efficiency in the distribution network	Savings due to efficiency in the grid	1,472,450	1,379,273	1,522,071
Efficiency in generation	Savings due to efficiency improvement at plants	36,928 [30]	7,656	1,654
Efficiency in buildings	Savings due to efficiency in buildings	7,362	6,239	5,370
Total		**1,516,740**	**1,393,168**	**1,529,095**

[29] Lower energy demand from the companies associated with the cogenerations.
[30] The increase is due to the installation of solar panels for self-consumption at the generation plants.

Reductions in energy requirements of products and services

Iberdrola offers its customers smart and innovative residential and industrial solutions to promote efficiency, energy savings and care for the environment.

GRI 302-5 SASB IF-EU-420a.3.

Energy savings from green products and services

	2023		2022		2021	
	GJ	MWh	GJ	MWh	GJ	MWh
Photovoltaic solar energy	1,953,060	542,517	672,095	186,693	208,886	58,024
Energy audits and plans	1,079,399	299,833	1,188,267	330,074	0	0
Gas maintenance service	0	0	0	0	0	0
Other savings and efficiency activities	266,711	74,086	558,968	155,269	371,899	103,305
Green energy supplied	270,016,638	75,004,622	243,281,238	67,578,122	265,553,475	73,764,854
Total	**273,315,808**	**75,921,058**	**245,700,568**	**68,250,158**	**266,134,260**	**73,926,183**

Energy consumption outside of the organisation

GRI 302-2

The most significant consumption of energy outside the organisation is associated with trips to/from work by the group's employees and with business travel (flights and motorways). All of this information forms part of Scope 3 in the calculation of greenhouse gas emissions. Energy consumption outside the organisation is estimated based on the distance travelled via each means of transport and is transformed using the conversion factors obtained from official sources. Energy consumption for these items was in the order of 658,997 GJ in 2023, which is a reduction compared to the 2022 data, mainly due to the increased use of hybrid and electric cars.

Energy intensity

GRI 302-3

The fuel consumption intensity of thermal power plants relative to their net production in 2023 was 179 toe/GWh, while the intensity of internal energy consumption was 2.74 GJ/MWh.

Fossil fuel consumption (toe/GWh)

	2023	2022	2021
Total	179	180	216

Internal energy usage intensity (GJ/GWh)			
	2023	2022	2021
Total	2.74	2.71	2.70

Generation technologies (% energy production)			
	2023	2022	2021
Renewables	47 %	46 %	45 %
Onshore wind	26 %	28 %	25 %
Offshore wind	3 %	3 %	3 %
Hydroelectric	15 %	13 %	15 %
Photovoltaic solar and others	3 %	2 %	2 %
Nuclear	14 %	15 %	14 %
Combined cycle	35 %	36 %	36 %
Cogeneration	4 %	4 %	4 %
Coal	0	0	0

Renewable energy production continues its upward trend, with a slight increase in hydropower production.

Waste management

GRI 306 306-1 306-2

As part of its circular economy plan, waste is managed in accordance with the following principles:

- Minimise the generation of waste at source.
- Maximise the reuse, recycling and recovery of waste.
- Promote awareness-raising campaigns regarding the minimisation of waste.
- Specific treatment and management of hazardous waste.

Waste generated

GRI 306-3

Hazardous waste (HW) and non-hazardous waste (NHW) generated (excluding radioactive waste) is as follows:

Total waste by type (t)

	2023		2022		2021	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Electrical/electronic waste	550	5,612	152	7,390	76	7,097
Construction waste	186,025	684	123,344	1,796	176,458	2,133
Urban solid waste	20,231	43	21,474	36	12,239	62
Thermal-process waste	380	42	2,889	44	2,097	3
Oils and liquid fuels	0	6,022	0	4,598	0	4,262
Batteries	6	225	24	248	4	195
Other waste	115,396	2,336	196,152	3,600	265,614	2,308
Total waste	**322,587**	**14,964**	**344,036**	**17,713**	**456,489**	**16,058**

Nuclear waste

In keeping with its commitment to transparent disclosure to its Stakeholders, Iberdrola provides additional information about its nuclear power generation park ("General Radioactive Waste Plan", Enresa[31]). The radioactive waste that is generated undergoes reduction, reuse, segregation, recycling and recovery processes as part of the safe management thereof.

Iberdrola's nuclear power plants are covered by the Environmental Radiological Monitoring Programme of the Nuclear Safety Council of Spain, the purpose of which is to monitor the dispersion into the environment of controlled discharges from facilities and to determine and monitor radiological quality throughout the country[32].

Low-low level and medium-low level radioactive waste generated in 2023 is shown in the following table:

Hazardous waste generated in nuclear power plants 2023

	Net output (GWh)	Low-low level waste		Low-medium level waste	
		Produced (m3)	Produced (m3/GWh)	Produced (m3)	Produced (m3/GWh)
Cofrentes nuclear power plant	7,950	139	0.017	199	0.025
Partially-owned nuclear plants	15,834	93	0.006	37	0.002

As regards high-level waste, 468 fuel elements (FEs) were generated at Cofrentes and taken to Individual Temporary Storage (Almacén Temporal Individualizado) (ATI) during 2023.

[31] Enresa: Empresa nacional de residuos radioactivos, S.A.

[32] For more information, see the technical reports on environmental radiological monitoring issued by the Nuclear Safety Council, available at www.csn.es.

Waste destination classification

GRI 306-4

The following tables show waste that is diverted from disposal, specifying the type of operation involved (e.g. reuse, recycling and other).

Waste diverted from disposal

Total waste diverted from disposal, by recovery operation (t)

	2023		2022		2021	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Reuse	77,227	1,657	42,954	2,875	49,095	2,058
Recycling	131,581	6,921	123,980	7,636	121,871	7,476
Other recovery operations	14,441	2,030	18,362	1,167	8,878	1,184
Total	**223,249**	**10,608**	**185,296**	**11,678**	**179,845**	**10,718**

Total waste diverted from disposal (t)

	2023		2022		2021	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Electrical/electronic waste	548	4,672	146	6,031	76	5,334
Construction waste	176,625	285	109,359	601	162,074	455
Urban solid waste	11,302	39	13,270	28	5,906	50
Thermal-process waste	51	39	6	12	75	0
Oils and liquid fuels	0	4,588	0	3,932	0	3,124
Batteries	6	208	24	247	4	195
Other waste	34,717	776	62,490	827	11,709	1,559
Total	**223,249**	**10,608**	**185,296**	**11,678**	**179,845**	**10,718**

GRI 306-5

The following tables show waste directed to disposal, specifying the disposal operation (e.g., incineration, landfilling and other).

Waste directed to disposal

Waste directed to disposal, by disposal operation (t)

	2023		2022		2021	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Incineration (with energy recovery)	962	1,411	1,002	942	895	1,765
Incineration (without energy recovery)	97	111	1,549	475	569	169
Landfilling	87,532	1,968	108,109	2,375	196,761	564
Other disposal operations	10,694	866	48,079	2,243	78,422	1,843
Total	**99,284**	**4,356**	**158,739**	**6,035**	**276,646**	**4,341**

Waste directed to disposal, by composition (t)

	2023		2022		2021	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Electrical/electronic waste	1	939	6	1,360	0	1,762
Construction waste	9,396	400	13,985	1,194	14,384	1,676
Urban solid waste	8,880	4	8,205	8	6,333	11
Thermal-process waste	329	3	2,883	32	2,022	3
Oils and liquid fuels	0	1,433	0	667	0	137
Batteries	0	18	0	1	0	0
Other waste	80,678	1,559	133,661	2,773	253,906	747
Total	**99,284**	**4,356**	**158,739**	**6,035**	**276,646**	**4,341**

III. Social

III.1. Protection of human rights

- Protection of human rights
- Human rights due diligence system

Iberdrola's commitment to human rights

GRI 407 408 409 2-23

Iberdrola is firmly committed to defending human rights and has a set of tools that ensure and promote the protection of and respect for people in order to prevent, mitigate and redress any negative impact on their rights.

The practices adopted by the company in this area are aligned with the main international frameworks and instruments, including the following:

- Principles on which the UN Global Compact is based.
- United Nation Guiding Principles on Business and Human Rights (UNGPs),
- OECD Guidelines for Multinational Enterprises,
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization,
- International Labour Organization (ILO) Conventions (including Convention 169 on Indigenous and Tribal Peoples), and
- Sustainable Development Goals (SDGs) adopted by the United Nations.

Iberdrola's commitment to human rights is formalised in its *Policy on Respect for Human Rights* approved by the Board of Directors in 2015 and last revised in December 2023. This policy establishes the mandatory principles of conduct for all the group's professionals, as well as the need for the group to have the necessary procedures and governance systems in place to guarantee respect for human rights with respect to its businesses, countries in which it operates and its supply chain.

Through this policy, the company has made the following commitments, among others, associated with international human rights standards:

- To respect human rights, including the labour rights recognised in domestic and international law, as well as comply with international standards in those countries in which human rights legislation has not reached an adequate level of development.
- To reject child and forced labour or any other form of modern slavery and to respect freedom of association and collective bargaining, as well as non-discrimination, the freedom of movement within each country, and the rights of ethnic minorities and of indigenous peoples in the places in which it does business.
- To respect the right to the environment of all communities in which it operates, considering their expectations and needs and understanding access to energy as a right related to and linked to other human rights.
- To promote a culture of respect for human rights and raise awareness in this regard among its professionals in all companies of the group, and especially at those where there may be a higher risk of negative impacts on such rights.

To guarantee compliance with these commitments, Iberdrola has established the adequate governance and management structures to ensure that duties and responsibilities in this area have been assigned, including monitoring and evaluating the actions envisaged.

Human Rights regulatory framework of the Iberdrola group

The regulatory framework is ensured through:

1. The Governance and Sustainability model
2. The three lines of defense control model
3. The integration of due diligence systems to a logic of human rights

Governance and Sustainability framework

- *Policy on respect for Human Rights of Iberdrola Group*
- Specific policies related to relevant human rights issues
- Human rights policies of each of the countries
- Regulations that respond to the most relevant issues that impact on human rights business areas and corporate holding
- Rules, procedures and protocols that respond to the most relevant issues that impact on human rights from the business and corporate areas of the countries

Marco de Gobernanza y Sostenibilidad

- Corporate Bylaws, Purpose, Code of Ethics, General Sustainable Development Policy, Stakeholder Relations Policy and ESG-related rules and policy

Regulatory framework for Sustainable Development

- *General Sustainable Development Policy*
- *Innovation Policy*
- *Resources and Human Capital Framework Policy*
- ...

The regulatory due diligence framework on human rights of the Iberdrola group, is based on:

- Recognition of the duty of multinational companies to respect human rights.
- The differences in the laws of the companies in which the group operates.

The Company has also defined an overall human rights due diligence framework with the aim of better integrating all issues relating to human rights into a single system.

This system is in turn based on Iberdrola's Governance and Sustainability System and on the Control Model based on three lines of defence (prevention, monitoring, and human rights management assessment). This process involves ongoing review and assessment to ensure that the UN Guiding Principles (UNGPs) are implemented in a manner that is consistent with the size and characteristics of the company's business and the diversity and local specificities of the facilities in the various countries (For more information, see: "Human rights due diligence system" in this chapter).

The cross-dimensional nature of the due diligence system is assured through specific management policies for significant human rights issues as they relate to the activities of the Group, the subsidiaries thereof and the supply chain. The *Policy on Respect for Human Rights* is thus reflected in various policies and operational procedures that apply across all Group companies, and in non-integrated investees over which the Company (Iberdrola, S.A) has effective control, within legal limits.

Other policies and standards that directly affect or are related to the company's commitment to human rights have also been approved: *Regulations of the Board of Directors and Regulations of the Sustainable Development Committee, Code of Ethics* and *Suppliers' Code of Ethics; General Sustainable Development Policy; Stakeholder Engagement Policy People Management Policy; Equality, Diversity and Inclusion Policy; Selection and Hiring Policy; Knowledge Management Policy; Corporate Risk Policy* and *Senior Management Remuneration Policy; Cybersecurity Risk Policy; Corporate Security Policy, Environmental Policies: Sustainable Management Policy, Environmental Policy, Biodiversity Policy and* Climate Action Policy.

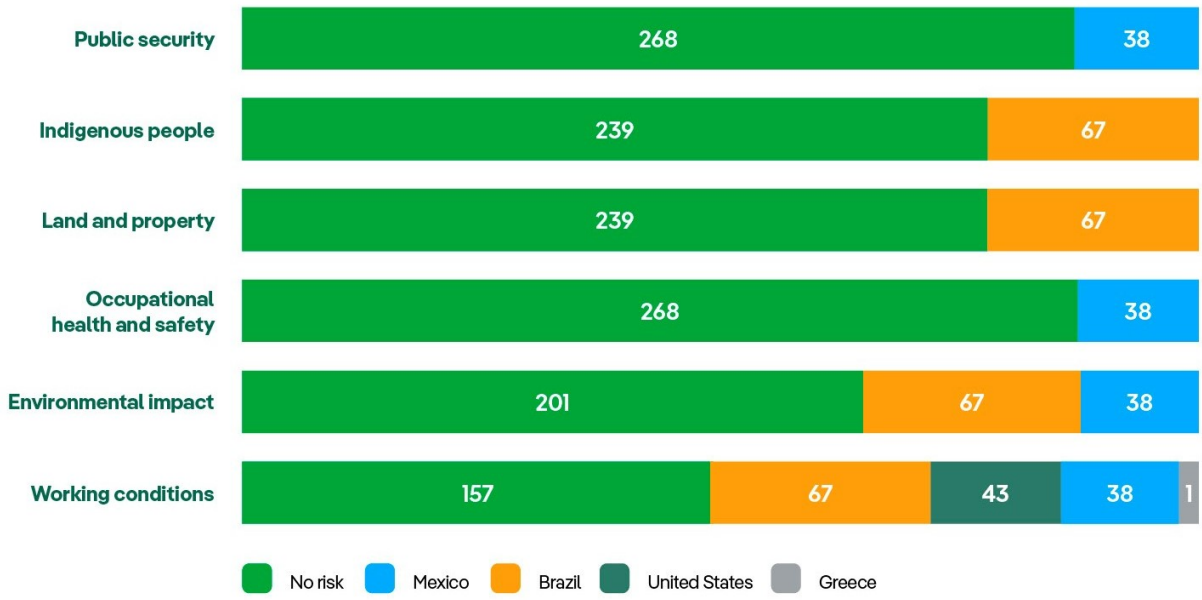
Human rights risk map

GRI 407-1 408-1 409-1

Iberdrola has a human rights risk map that covers both the country in which the group operates and those from which it obtains its supplies

The map is updated on a regular basis through independent external specialists. Unlike other generic indices on the market, it allows the risks specific to the energy sector to be weighted and supplemented with the particular characteristics of Iberdrola's activities, providing results more closely aligned with the company's reality.

The results of the risk map are cross-checked with the list of the main locations of operation to identify those facilities where there may be a greater risk of human rights violations.



Iberdrola carries out a human rights risk analysis at 100% of its main locations of operation (a total of 306 locations of operation). As a result of this analysis, risks were identified in 2023 in the following

human rights issues: working conditions (49% of locations); environmental impact (34%); occupational health and safety (12%); public safety (12%); indigenous peoples (22%); or, land and property (22%). The locations where these risks were identified included countries such as the United States, Brazil, Mexico and Greece.

Similarly, Iberdrola assesses the risks of 100% of its supply chain, considering both general supplies and fuel procurement.

This risk assessment is in addition to the specific analyses that the company carries out on its major general suppliers in terms of compliance with certain ESG principles set out in contracts that address, among other aspects, human rights. The results of these analyses are included in the "Supplier social assesment" section of this report.

Human rights due diligence system

Iberdrola considers the Human Rights Due Diligence System to be an ongoing process intended to identify and manage the risks and impacts associated with the performance of its operations (in all phases of planning and development, construction, operation, maintenance, and decommissioning of facilities), considering the geographical and social context and the characteristics of its supply chain.

As a result of a broad definition of human rights, the due diligence system is based on various subsystems and their procedures (e.g., Compliance, Health and Safety, Purchases, and Cybersecurity, among others), which manage the matters for which they are responsible.

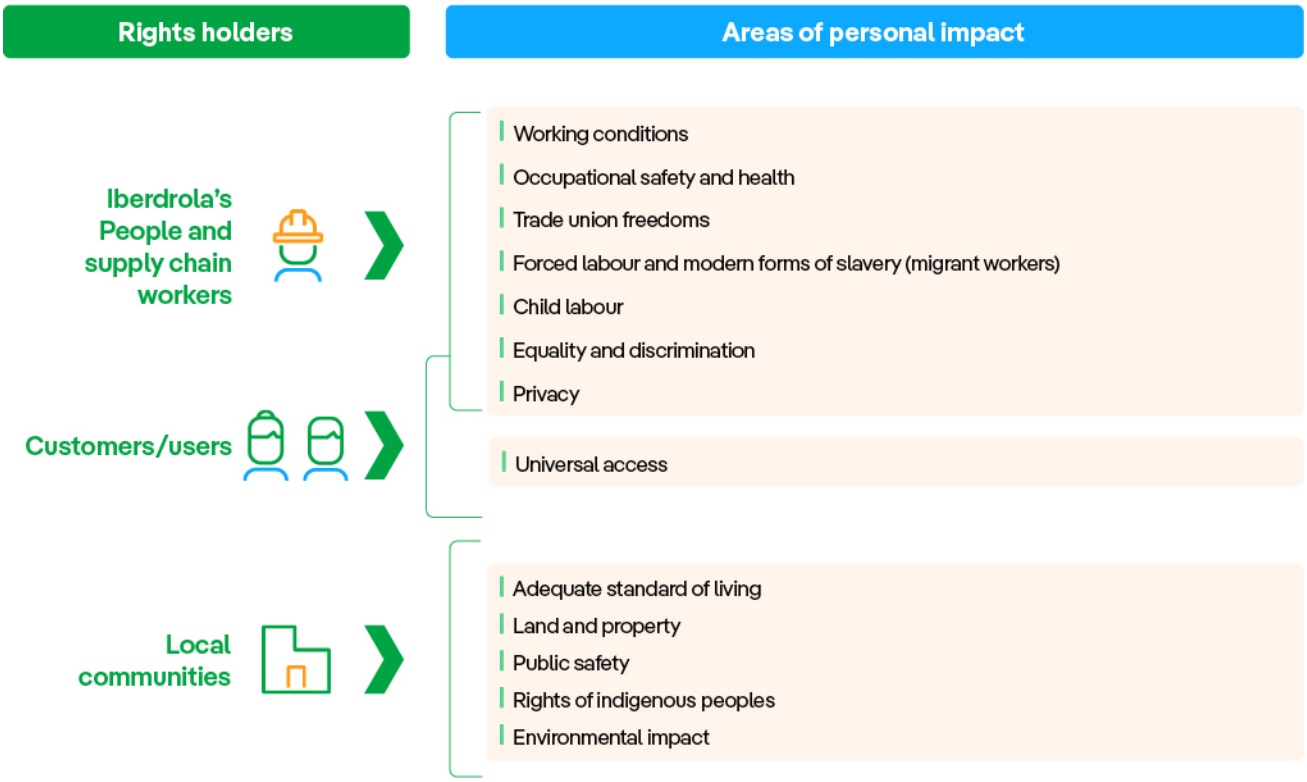
The implementation of this system ensures the identification of actual and potential impacts on human rights, the integration of the conclusions of this analysis and relevant action, follow-up on the company's responses, and communication of the way in which negative consequences are dealt with.

Identification of impacts

Identification of impacts is the first step in the implementation of the system. The methodology employed for this purpose adopts the UNGP recommendations and allows for the evaluation of potential impacts, significant issues, and issues of priority regarding human righs.

1. **Potential impacts,** understood as those impacts that might be caused by the very nature of the business and the countries in which the company operates, as well as other additional factors. According to the risk map, the areas of potential impact and the Stakeholders that might be affected would be the following:

Areas of potential impact and rights-holding Stakeholders



2. **Relevant impacts** for the company, determined on the basis of the severity, scope, and possibility of remediation, as well as their likelihood and the extent of the company's connection to them. In accordance with these criteria, the main relevant human rights impacts for Iberdrola pertain to:

    - Labour practices, including those of the supply chain.
    - Local communities, rights of indigenous peoples and the environment.
    - Cybersecurity and information privacy.
    - Citizen security and labour practices in the hiring of security services.

3. **Priority impacts** for which an action plan is established based on their significance.

After identifying the potential and actual impacts, Iberdrola triggers measures to prevent and mitigate them, which are horizontally integrated across all levels of the company.

GRI 2-25

However, even valid risk prevention systems are unable to prevent adverse impacts in all cases. For this reason, when the due diligence system detects an actual negative impact, mitigation plans are implemented to reduce the magnitude of the impact. In those cases in which this is not fully possible, remedial action is required. Iberdrola implements remedial actions or measures to ensure that victims and affected persons have access to an effective remedy through legitimate processes and active cooperation. Remedial actions are intended to restore one or more of the affected rights, returning the affected people to the situation prior to the impact or, if this is not possible, re establishing it as much as possible through various types of remedy.

Along these lines, Iberdrola has taken certain actions to prevent and mitigate its main human rights impacts.

As regards its employees, Iberdrola has worked, for instance, to ensure that their labour conditions provide them with a decent wage, a safe workplace that takes their mental health into account, as well as respect for diversity, inclusion, non-discrimination and equality of opportunity. These measures are described in the Commitment to quality employment", "A safe work environment"and "Diversity and inclusion" sections of this report.

In the area of labour practices, Iberdrola has also implemented a number of actions to ensure that the practices adopted in its supply chain make it possible to prevent or mitigate the impacts identified. Thus, the company has integrated various elements that seek to guarantee respect for human rights in the different phases of the relationship with its suppliers, which are accompanied by other support and training initiatives that promote their improvement. Both types of measures are described in the chapter "III.5. Promotion of socially responsible in the supply chain".

Among the impacts associated with labour practices, other particularly relevant issues are forced labour and modern slavery, which are some of the most serious human rights impacts that may arise, both regarding company employees and those in its supply chain. Furthermore, there are specific regulations in this section in various geographical areas in which the group operates, such as the United Kingdom, the United States and Australia, whereby the due diligence measures adopted must be reported.

Iberdrola is working to improve its assessment of these risks and to incorporate appropriate management practices. In this respect, in 2023, through specific clauses in the contracts for certain supplies, the company has tightened the requirements on its suppliers to prevent forced labour. Furthermore, assisted by specialised consultants, Iberdrola has carried out various audits to gain a better understanding of the origin and traceability of the raw materials and components included in some supplies (solar panels), allowing it to define measures for preventing these risks.

Looking beyond these actions, Iberdrola is convinced that joint sectoral action is imperative in order to eradicate the risk of forced labour in supply chains, in addition to the support of regulators and society at large. The company has therefore also collaborated with various external initiatives to ensure accountability and improve the traceability of the supply chain for certain equipment such as solar modules. Two examples of such collaboration are the Solar Stewardship Initiative led by the European industry association Solar Power Europe, as well as the Solar Industry Forced Labor Prevention Pledge promoted by the US Solar Energy Industries Association. Iberdrola has collaborated throughout 2023 within the framework of these initiatives, namely in the development of a standard aimed at assessing the performance of solar module manufacturers in different ESG areas (including human rights), as well as the creation of a traceability protocol to identify the origin of raw materials and track their use in the end products used by the sector, primarily solar modules.

Communities are other stakeholders on which Iberdrola's activities can have potential or actual impacts. The company has taken various actions to prevent and/or mitigate such impacts, including measures to reinforce safety at power grids, mitigate negative socio-economic impacts, ensure that the displacement of populations respects the affected parties' rights in accordance with applicable law, guarantee responsible supply that takes into account the rights of communities in access to natural resources, and, finally, respect the rights of indigenous peoples and ethnic minorities. In addition, the company has implemented multiple community support programmes which, together with actions to mitigate negative impacts, contribute to better integrating operations in local environments. These measures are specified in the "III.6. Contribution to the well-being of our communities section, as well as in this chapter of the report.

The hiring of security services with potential impacts on the physical safety of communities is another significant risk identified by Iberdrola. The company has a *Corporate Security Policy*, as well as various procedures to ensure that its implementation is compatible with the applicable regulations. It has also specified protocols of conduct for all the activities provided by the Security Division. This management approach goes hand in hand with other actions, as well as with a significant effort in training for own and subcontracted personnel performing security activities, as described later in the section *citizen insecurity and labour practices in the hiring of security services*.

Iberdrola has also launched several initiatives pertaining to the potential impacts that may affect the **customers and users of its services.**

In this context, cybersecurity and information privacy are a priority, which the company manages with a unique governance model, specific technical and organisational techniques in each business and area, and a data protection management system, among other actions. Each of them is described in more detail in the "Cybersecurity and information privacy" chapter.

The company also considers supply quality and universal access to energy as another area that could have various impacts in terms of human rights, which have been worsened by the increase in end-user energy prices due to the rise in commodity prices and other international factors. The main measures implemented by Iberdrola in this area are described in the "III.6. Contribution to the well-being of our communities chapter.

In addition to these actions for managing specific human rights impacts, Iberdrola has developed a wide range of **management measures that are integrated cross-dimensionally** into the relevant internal functions and processes throughout the group. Examples include the establishment of incentives associated with sustainability and responsible fiscal conduct (see "IV.1. Good governance, transparency and Stakeholder engagement") section, training and qualification in human rights (described in this chapter), as well as the analysis of indices and rankings and participation in multi-player initiatives relating to human rights that make it possible to identify trends and integrate lessons learned.

Finally, in accordance with the UNGP, Iberdrola has also implemented a system to monitor the due diligence measures adopted, allowing for examination of the way in which the company has responded to an impact, and whether this response served to prevent and mitigate it and the extent to which it did so.

To achieve this goal, regular assessments are carried out through internal monitoring of all relevant human rights information, independent experts are consulted, and quantitative and qualitative indicators are used to specify potential improvement actions. This monitoring is based on internal and external sources of information, including ethical mailboxes and channels for complaints and grievances, among others. The company's Human Rights Report summarises the methodology to conduct this monitoring, as well as the main conclusions reached (see section 3.4). This report is regularly updated as part of the company's commitment to transparency and accountability.

Complaint and grievance mechanisms

GRI 2-25

Iberdrola has developed mechanisms to file complaints and grievances in accordance with the UNGP, to face any potential negative consequences early, and carry out remedial actions where applicable.

These mechanisms allow the affected parties to convey their concerns, complaints and grievances to the company, and also play a key role in monitoring the effectiveness of the measures previously implemented to mitigate and/or remedy impacts.

The main mechanisms are the ethical mailboxes available online and on the intranet, on-site complaint channels, corporate inboxes, and judicial and/or administrative complaints, among others.

There in a **procedure in place to classify, monitor, and report complaints and reports with a potential impact regarding human rights** which facilitates the classification of the complaints received through the different channels and ensures that all cases are resolved. The information related to human rights complaints and grievances received in the area of Compliance are described in the chapter on "Ethics and integrity" and those relating to workplace discrimination of company employees in indicator GRI 406-1. Complaints and grievances relating to human rights with regard to contractors are specified in the Supplier social assessment section.

Those relating to the Environment are reported in the "II Environmental" and in section "III.6. Contribution to the well-being of our communities", section, while those on Cybersecurity and Information Privacy are included in indicator GRI 418-1. Finally, those relating to Social and Economic Compliance are reported in indicator GRI 2-27.

This report also provides some examples of remedial actions carried out during the year to respond to the complaints and grievances that required this type of response. These actions are described in the "Management of population displacements", "Social impact assessment" and "Development programmes for local communities".

Progress and results

In its commitment to strengthen its due diligence system on an ongoing basis, Iberdrola has achieved several milestones 2023 , among which the most important are:

- Update of the human rights risk maps in operations and countries that handle supply based on the specific methodology implemented. The map has also been broadened with new areas of potential impact in response to emerging human rights issues.
- Incorporation of the human rights perspective in the new segmentation of the Stakeholder Engagement Model, allowing for more accurate collection and processing of information on relevant sub-groups such as groups at greater risk of vulnerability and environmental and human rights defenders.
- Reinforcement of supply chain due diligence based on the implementation of the measures described above, coupled with an analysis of opportunities for improvement, which the company will work on implementing in the coming months.
- Creation of a multidisciplinary working group to follow up on the issue of forced labour in the solar panel supply chain.

Priorities and next steps

Iberdrola has identified a number of priorities on which it will continue to work throughout 2024:

- Ongoing review of the due diligence system to ensure that it meets the requirements of emerging human rights legislation.
- Update of the human rights risk map to address new risk categories based on the monitoring performed, including, among others, the risk associated with sourcing certain critical raw materials in our supply chain.
- Strengthening supply chain due diligence throughout the supplier selection, sourcing and follow-up cycle.
- Strengthening the social dimension in corporate transactions.
- Employee awareness-raising and training on human rights and due diligence.
- Developing digital tools to organise and improve the processing of the information gathered in the consultation process.
- Improving transparency by updating the Human Rights Report.

III.2. Stakeholders engagement

- Stakeholders engagement

Stakeholder engagement

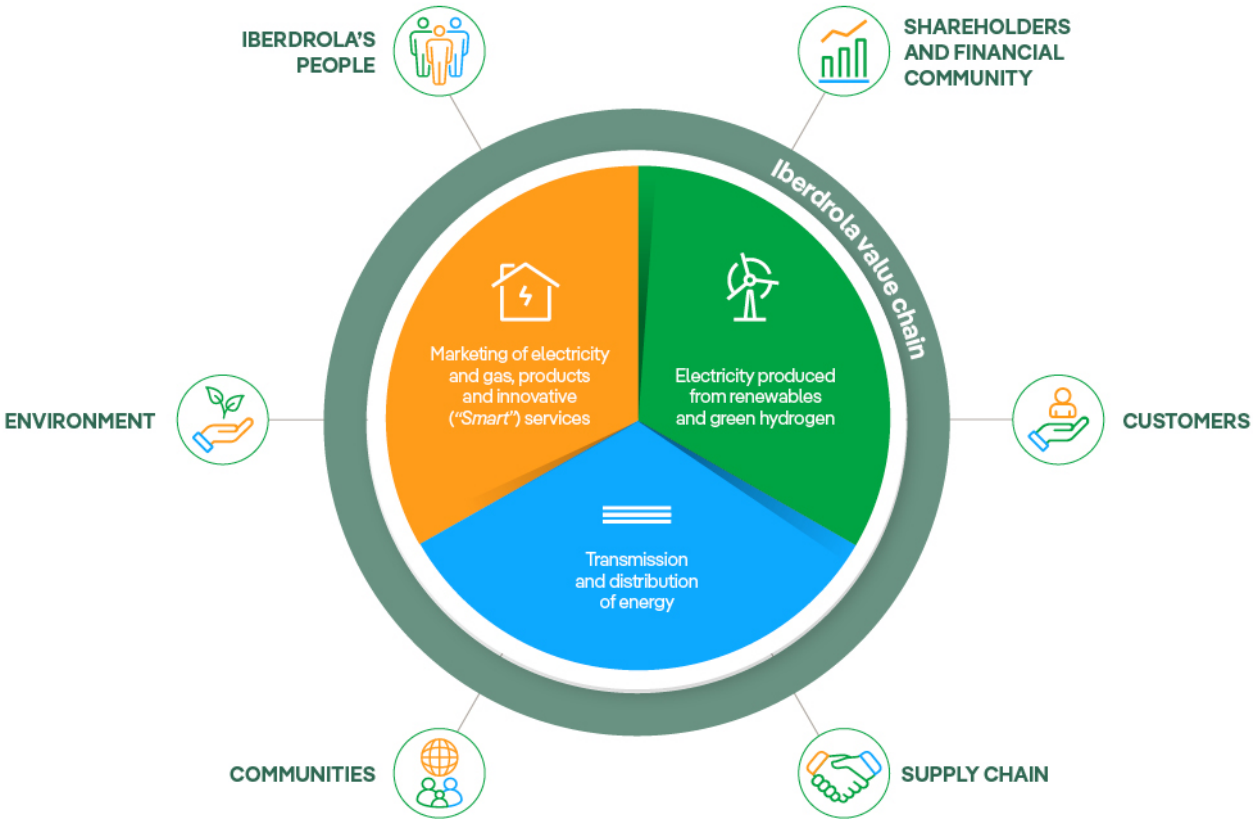
Iberdrola's Stakeholder Engagement Policy –approved by the Board of Directors in February 2015 and last amended in December 2023– emphasises that "it is not possible to achieve the social interest and develop a responsible and sustainable business model without the strong engagement of the Company's Stakeholders, which are defined as those groups and entities whose decisions and opinions have an influence on the company and who, at the same time, are affected by the Iberdrola group's activities". The value chain comprised of Iberdrola's businesses means that there is a large number of these groups and, therefore, the company has grouped them into different categories that constitute its Stakeholders.

A review of current Stakeholders and their segmentation was conducted in 2023 with the threefold purpose of updating certain obsolete descriptions, simplifying the Stakeholder map and reorganising the segmentation in line with the current needs of the areas and businesses in their engagement map. This review was completed with the update of the Policy in December. As a result, the number of Stakeholder categories has been reduced from eight to six:

- Iberdrola's people
- Shareholders and financial community
- Customers
- Supply chain
- Communities (encompassing, among others, the former Media and Regulatory Entities Stakeholders)
- Environment

On this basis, for the proper management of each of the Stakeholders, Iberdrola's various areas and businesses identify different subgroups that they deem relevant for more specific treatment.

GRI 2-16 2-29



Approach to Stakeholder engagement

GRI 2-29

Iberdrola has a responsible, sustainable and resilient business model that puts Stakeholders at the centre of its decisions. The company's objective is thus to build relations of trust with the various Stakeholders, and to expand their participation, engagement and collaboration.

The By-laws, the Purpose and Values of the Iberdrola group and the various *corporate policies* focus on the creation of shared sustainable value for Stakeholders related to our business activities and our institutional reality in view of the commitments made in the Code of Ethics.

In this regard, the *Stakeholder Engagement Policy* further develops this business philosophy and establishes five objectives and seven principles of conduct, which serve as a guide for all the group's professionals to act and engage with Stakeholders.

Stakeholders	Principles	Objectives
Iberdrola's people	Responsibility	Promote stakeholder engagement through a strategy of strong commitment to the communities in which Iberdrola does business, and the creation of shared sustainable value for all stakeholders
Shareholders and financial community	Transparency	
Customers	Active listening	Respond to the legitimate interests of Iberdrola's stakeholders
Supply chain	Participation and engagement	Build trust between stakeholders to create long lasting, stable and robust relationships
Communities	Consensus	Encourage recognition by stakeholders of Iberdrola's commitment to diversity
Environment	Partnerships	Contribute in this way to maintaining corporate reputation in the various countries and businesses
	Continuous improvement	

Iberdrola has decisively driven compliance with its *Stakeholder Engagement Policy* (mentioned above), through a Global Stakeholder Engagement Model based on the AA1000 Stakeholder Engagement Standard 2015 (AA1000SES 2015), the AA1000 AccountAbility Principles 2018 (AA1000AP 2018) standard, and in its four principles of inclusiveness, materiality, responsiveness and impact.

Among other objectives, this Model seeks to systematise Stakeholder relations throughout the Iberdrola group, in all countries and businesses, and to create a corporate culture with respect to the significance of dialogue with the Stakeholders for more sustainable performance by the company. The Model constitutes a process of continuous improvement in and of itself, as shown below:

Stakeholder engagement model ensuring a process of continual improvement

1	2	3	4	5	6	7	8	9	10
IDENTIFY the stakeholders	SEGMENT segment stakeholder categories into subcategories	PRIORITISE stakeholder subcategories	DEFINE levels of engagement	REVIEW channels for engagement	DESIGN engagement model	IDENTIFY relevant issues	IDENTIFY risks and opportunities	DESIGN Action Plan	MONITOR and Report
Defined by Board of Directors	Based on daily management criteria	According to impact and influence on value creation	Information, consultation, interaction or collaboration	Evaluate existing channels and create new ones	The best suited to each stakeholder subcategory	For both Iberdrola and the stakeholder subcategory	That help create value for Iberdrola and its stakeholders	Initiatives in relation to the engagement model and relevant issues	To analyse outcomes and report on performance
Stakeholder map			Engagement Model			List of relevant issues, risks and opportunities		Action Plan	

This process is implemented in the management of Iberdrola's six Stakeholder groups in the five main countries and at most of the Generation and Sustainable Energy facilities, as well as in the various geographical areas of the Networks business.

This Model aims for all areas and businesses of Iberdrola to have an in-depth understanding of their Stakeholders; have suitable channels for communicating with them; analyse their expectations, and establish appropriate action plans to minimise and mitigate those potentially negative impacts while maximising the potentially positive ones (with the related risks and opportunities for the Company).

It should be noted that the Model addresses the concept of impact from three different points of view: the impact of reputational risks on Iberdrola; the impact of the action plans on Stakeholders; and the potential negative and positive impact of significant events on Stakeholders. This last aspect was introduced in the Model, taking into account the latest reporting trends and standards.

Relationship channels, significant topics and best practices

Iberdrola keeps the engagement channels[33] with its Stakeholders updated and makes continuous efforts to identify the issues that are most important to each of them. An analysis of these issues shows that, while there are issues exclusive to each geographical area, most are common to Iberdrola's five main countries. The company also identifies best practices in relation to Stakeholders, which are shared by the entire group.

Set out below is a summary of the most important Stakeholder engagement channels, both face-to-face and online, and the main global issues detected, both generally among all Stakeholders and specific to each Stakeholder group. Also included is an example of Stakeholder engagement best practices for each of the main countries in which Iberdrola does business:

Relevant general channels and issues for all Stakeholders

General channels	Usage frequency	Significant general issues
Telephone, email, website and intranet	Constant	Ethics, integrity and transparency (accountability to Stakeholders and society)
Meeting and interviews	Periodic	Climate emergency, energy transition and industrial partnerships
		Innovation, artificial intelligence, digitalisation and cybersecurity
		Electricity prices
		Vulnerable customers and universal access to energy
		Strategy, investment plans, financial outlook and regulatory changes
		Respect for human rights, local communities and just transition
		ESG performance and Sustainable Development Goals
		Action for biodiversity and nature

[33] The By-laws state that "the website its presence on social media and its digital communication strategy generally are channels of communication serving the la *Stakeholder Engagement Policy"*

New Iberdrola's People Stakeholders

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
CEO and management team	Periodic	Diversity, inclusion and equal opportunities
Intranet, newsletter and employee management platform	Constant	Occupational health and safety
Volunteer Channel and Unique Employment Channel	Constant	Work-life balance and digital disconnection
Labour climate surveys	Periodic	Remuneration and social benefits
WhatsApp for employees	Constant	
Ethics mailbox	Constant	

Shareholders and financial community

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
General Shareholders' Meeting	Periodic	Economic and financial performance
Shareholders' Club, shareholders' website, exclusive OLS channel	Constant	Evolution of share price and dividends
Shareholders' Bulletin	Periodic	Socially responsible investment and green finance
Earnings presentations, Capital Markets & ESG Day and roadshows	Periodic	ESG management and performance. Indices, ratings and rankings
Investor Relations App	Constant	Structure and composition of the Board of Directors
Corporate reports	Periodic	
Shareholders' Ethics Mailbox	Constant	

Customer Business Customers

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
Digital channels (customer website, social media, chat, Iberdrola Customers app, Public Recharge app)	Constant	Customer experience and satisfaction
Remote channel (telephone)	Constant	Management of complaints, claims and incidents
Customer service desks, pop-ups	Constant	Energy efficiency and customised plans
Satisfaction surveys	Constant	Smart solutions (Smart Mobility, Smart Home, Smart Home, Smart Climate)
Communication and dissemination campaigns	Periodic	

New Supply Chain Stakeholders

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
Supplier registration and classification platform	Constant	Supply chain sustainability (including the circular economy)
Satisfaction survey	Periodic	Procurement, contracting and payment conditions
Bidding software systems Supplier Service Centre	Constant	Driving effect and opportunities for new projects and facilities
Suppliers' website	Constant	Circular economy and environmental footprint
Suppliers' ethics mailboxes	Constant	

Networks business customers

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
Digital channels (customer website, app)	Constant	Service quality
Remote channel (telephone)	Constant	Customer experience and satisfaction
Satisfaction surveys	Constant	Access and connection to the network
Complaint systems	Constant	Management of complaints, claims and incidents
Communication and dissemination campaigns	Periodic	Digitalisation of grids and smart meters

New Communities Stakeholder sub-group

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
Media		
Corporate website	Constant	Economic and financial performance
Press releases/announcements	Periodic	New investments, projects and facilities
Events and meetings	Periodic	Social and environmental impact and contribution
Social media	Constant	Corporate governance issues
		Equality and diversity
Regulatory Entities		
Queries and procedures	Constant	Present and future regulatory framework of the energy sector
Informational websites and capsules	Constant	Remuneration of the businesses
		Public policy issues
		Energy supply
Society in general		
Media and social media	Constant	Iberdrola's impact on community development (employment, investment, taxes, local procurement, etc.).
Working events and groups	Periodic	Engagement of local communities and Stakeholders in operations
Partnership agreements	Periodic	Fostering relations with institutions and organisations, agreements and alliances
Network of institutional delegations in the autonomous communities	Constant	Awareness-raising, disclosure and training on specific industry issues

Environment

GENERAL CHANNELS	USAGE FREQUENCY	SIGNIFICANT GENERAL ISSUES
Corporate website and reports	Constant	Biodiversity, land use and natural resource management
Inspections and audits	Periodic	Decarbonisation of the economy
Alliances, partnerships, events and conferences	Periodic	Circular economy
		Water availability and management

Iberdrola's Generation, Networks and Sustainable Energy facilities mainly manage two Stakeholders: Communities (including the former Stakeholders; Regulatory Entities and Society in general) and Environment[34].The most significant issues of interest refer to regulatory compliance, the economic and social impact of the facilities on local communities, and environmental impacts and the mitigation thereof.

Best practices by country

Spain	**Cedillo solar community: involvement and acceptance of Stakeholders** Iberdrola España has launched Spain's first solar community for an entire village in Cedillo (Extremadura). By installing small photovoltaic plants, which generate 355 kW, Iberdrola is contributing to developing this community and combating depopulation by attracting new residents to the area. As a starting point, the Company arranged outreach days with residents to explain what an Energy Community means and the benefits of belonging to one. Based on the positive feedback, Iberdrola España informed the residents and shopkeepers, currently more than 305 members, that the community solar system was being implemented and that it would bring savings equivalent to 50% of the municipality's annual consumption. The Cedillo Solar Village has recently received the accolade of Best European Initiative at SolarPower Europe's Solar Sustainability Award 2023.
United Kingdom	**Barrhill pilot project: collaborative leadership for decarbonisation** Throughout 2023, various ScottishPower departments contributed to delivering smart solutions to the communities in which it operates and, in turn, contributed to the goal of net-zero emissions. One example is the pilot project in Barrhill (South Ayrshire), where the company has three operational wind farms. ScottishPower has spent the last two decades building relationships with this community and it was therefore selected for launching the initiative to provide smart solutions and personalised advice to the local population, and to support the achievement of net-zero emissions. It has also assisted the community in applying for funding from the Scottish Government's Community and Renewable Energy Scheme (CARES) towards installing solar panels, battery storage and heat pumps at a community-owned hotel that will create local job opportunities in the area and encourage tourism in the village.
United States	**New York: joint climate change resilience strategy** Aiming to better understand the vulnerability of the electricity grid to climate risks in businesses, Avangrid subsidiaries New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E) completed a "Climate Change Vulnerability Study" for New York State. The study involved gathering the views of numerous stakeholders, including experts in the field, to jointly identify the strengths and shortcomings in the impact of climate change. Throughout the process, not only were stakeholders and multi-sectoral partnerships identified in detail, but a prioritisation exercise was performed based on their vulnerability and exposure to risk. Based on the findings of this project, a Climate Change Resilience Plan has been developed for joint implementation.
Brazil	**Project in Xique-xique to meet the needs of an isolated community** Thanks to its pioneering Remanso microgrid system, Neoenergia ensures round-the-clock energy access to Xique-xique, an isolated community of 244 inhabitants near the São Francisco river, thus supporting its economic and social development. The system comprises 26 kilometres of primary distribution network and 9 kilometres of secondary network, as well as lithium-ion storage batteries, 387 electricity poles and 32 transformers. Neoenergia's project, which is part of the "Electricity for All" programme, addresses the needs identified through listening processes and not only benefits the community, which relies on family farming and the production of self-produced honey, but also includes education on responsible consumption, energy efficiency and power grid safety.
Mexico	**Supporting local suppliers to promote diversity and inclusion** Iberdrola Mexico promotes diversity and inclusion by supporting its suppliers in implementing specific policies in this area and setting ESG goals. To this end, Iberdrola holds working sessions where it shares its knowledge and experience, thus exerting a driving force on its suppliers to address diversity and inclusion in their own workforces. The initiative was well received and appreciated by the suppliers, and the agreed actions are now being followed up with them.

[34] In the case of the cogeneration plants, the main Stakeholder group is 'Customers', for whom the most significant issue is customer satisfaction and experience.

Iberdrola's response to all of these issues is reflected not only in the various indicators of this *Statement of Non-Financial Information. Sustainability Report*, but also in the various Annual reports of the Company. The web page and the websites of the businesses and the foundations also contain information in this regard.

Similarly, this *Statement of Non-Financial Information. Sustainability Report* includes Iberdrola's main impacts on its various Stakeholders, in line with the "social dividend" concept established by Iberdrola's Governance and sustainability system, understood as "the direct, indirect or induced contribution of value that its activities represent for all Stakeholders".

Iberdrola has also launched numerous measures to strengthen internal culture regarding the importance of stakeholder engagement throughout the group. These measures include the global working group called the **Iberdrola Stakeholders' Hub** and the internal dissemination of ten guidelines on how to relate to and engage with its Stakeholders and current trends in this field.

The methodology described in the preceding sections enables the company to identify material issues through direct sources. This analysis is completed with analysis through indirect sources, such as the Dow Jones Sustainability Index (DSJI), the Carbon Disclosure Project, the Materiality Analysis, etc., described in the "VI.2. Defining report content. Materiality Analysis".

Considering all of the above, Iberdrola has a complete Stakeholder management system, subject to a process of continuous improvement, which allows it to increasingly engage all of the groups with which it relates and to encourage their participation in all of the company's decisions[35]. This is shown by the fact that Iberdrola achieved the highest rating in the "stakeholder engagement" section of the DJSI index in 2023, for the fourth consecutive year.

[35] Iberdrola prepares an annual Management Report on Iberdrola's Stakeholder Relations, which summarises issues of interest detected within the various communication channels, as well as the company's response through action plans.

III.3. Commitment to quality employment

- Commitment to quality employment
- Stable labour environment
- Diversity and inclusion
- A safe work environment
- Professional training and development

Commitment to quality employment

Policies and commitments

GRI 401 402

Iberdrola has adopted a *People Management Policy* that aims to define, design and disseminate a model for the management of resources and human capital in order to attract, develop and retain talent, as well as to encourage the physical, mental and emotional well-being of the workforce through their personal and professional growth, making them participants in the successful business enterprise of the Group's companies and guaranteeing them a dignified and stable job within a diverse and inclusive environment.

This policy is further developed in the following specific policies:

- *Equality, Diversity and Inclusion Policy*
- *Selection and Hiring Policy*
- *Knowledge Management Policy*
- *Occupational health and safety policy*[36]
- *Senior Management Remuneration Policy*

Business culture

Iberdrola has identified as the following especially significant issues in relations with its employees:

- Work-life balance and equality: committed to equality, quality of life and professional excellence.
- Diversity and inclusion: We are the sum of cultures and talents.
- Training and talent. We are committed to a learning model that combines experience, relationships and training, key factors for better job performance.
- Occupational safety and health: We seek ongoing improvement in all areas of managing occupational risk prevention in order to achieve a safe working environment.

[36] Policy included as a section within the *Corporate Risk Policies*.

Our workforce

The group has 42,276 employees at year-end 2023, with the following breakdown by country.

GRI 2-7

Employees [37]			
	2023	2022	2021
Spain	9,894	9,702	9,727
United Kingdom	6,268	5,755	5,708
United States	7,999	7,579	7,349
Brazil	15,693	15,406	15,058
Mexico	1,301	1,305	1,296
IEI	1,121	974	817
Total	**42,276**	**40,721**	**39,955**

The distribution by types of employment and contract is reflected in the following table:

Employees by type of employment and contract [38]									
		2023			2022			2021	
		Men	Women	Total [39]	Men	Women	Total	Men	Women	Total
By type of employment	Full-time	31,540	9,780	41,330	30,676	9,066	39,748	29,753	8,607	38,360
	Part-time	400	546	946	436	537	974	919	676	1,595
By type of contract	Permanent	31,840	10,280	42,129	30,999	9,545	40,550	30,516	9,242	39,758
	Temporary	100	47	147	114	58	171	156	41	197
Total		**31,939**	**10,327**	**42,276**	**31,112**	**9,603**	**40,721**	**30,672**	**9,283**	**39,955**

[37] The figures in the table reflect the number of employees at year-end 2023, irrespective of their working hours. The average number of contracts is not reported because there is an insignificant change with respect to contracts at the end of the year owing to the high percentage of full-time permanent contracts and low turnover.
To perform statistical analysis regarding labour costs, it is recommended to use the number of employees in terms of Full Time Equivalents (FTEs): 42,186 in 2023, 40,602 in 2022 y 39,788 in 2021.

[38] We do not have employees working non-guaranteed hours

[39] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Distribution by gender, age and professional category is reflected in the table below:

GRI 405-1

Employees by gender, age and professional category

		2023		2022		2021	
		N°	%	N°	%	N°	%
By gender[40]	Men	31,939	76	31,112	76	30,672	77
	Women	10,327	24	9,603	24	9,283	23
By age group	Up to 30 years old	7,880	19	7,515	18	7,247	18
	Between 31 and 50 years old	26,107	62	25,156	62	24,163	60
	Over 50 years old	8,290	20	8,050	20	8,545	21
By professional category	Leadership	2,452	6	2,278	6	2,898	7
	Qualified technicians	17,619	42	16,610	41	14,988	38
	Skilled workers and support personnel	22,205	53	21,833	54	22,069	55
Total		**42,276**	**100**	**40,721**	**100**	**39,955**	**100**

Employees by category and age group (%)

		2023	2022	2021
Leadership	Up to 30 years old	0.1	0.0	0.1
	Between 31 and 50 years old	3.7	3.7	4.7
	Over 50 years old	2.0	1.9	2.5
	Total	**5.8**	**5.6**	**7.2**
Qualified Technicians	Up to 30 years old	7.3	6.6	5.6
	Between 31 and 50 years old	25.7	25.7	23.7
	Over 50 years old	8.6	8.5	8.2
	Total	**41.7**	**40.8**	**37.5**
Skilled workers and support personnel	Up to 30 years old	11.3	11.8	12.4
	Between 31 and 50 years old	32.3	32.4	32.1
	Over 50 years old	8.9	9.4	10.7
	Total	**52.5**	**53.6**	**55.3**
Total		**100**	**100**	**100**

[40] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

GRI 405-1

Employees with disabilities			
	2023	2022	2020
Men	467	452	453
Women	275	252	234
Total	**742**	**704**	**687**

Information on ethnic diversity is included in the Iberdrola Diversity and Inclusion Report.

Workers who are not employees

GRI 2-8

Depending on the country and operating business, contractors perform different types of tasks, including construction, operation and maintenance of facilities, as well as inspections at technical facilities, and emergency readiness and response activities. They can also carry out maintenance work not characteristic of Iberdrola's main activity (maintenance of administrative buildings). Activities include support to nuclear operation, mechanical, electrical and usage maintenance, civil works, electromechanical assembly, and startup. General services include staff for industrial cleaning, decontamination, painting, and civil works. Staff are available for IT support, administrative support, surveillance and training. As regards security, there are physical security, radiological control, and fire protection personnel.

At some companies, workers from temporary employment agencies are engaged on an exceptional basis and in the manner provided for by law. They usually carry out short-term jobs, helping to cover the positions of workers on leave or due to an occasional increase in workloads, usually administrative tasks. They can also provide specialised work required for a specific project.

At year-end 2023 there were 51,230 non-employee workers (215 of whom are part-time workers).

Salaries

Average salary by professional level (€)[41]			
	2023	2022	2021
Leadership	157,032	150,832	126,126
Qualified technicians	68,497	65,808	57,472
Skilled workers and support personnel	35,193	34,763	30,194
Total average salary	**56,035**	**53,792**	**47,307**

[41] Wage remuneration includes fixed salary, variable salary and supplements

Average salary by age group and gender (€)[42]

	Men			Women			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Up to 30 years old	35,693	31,898	25,273	34,509	31,428	26,391	35,377	31,779	25,530
Between 31 and 50 years old	50,524	48,825	42,242	58,055	55,832	49,474	52,317	50,452	43,921
Over 51 years old	89,140	86,979	78,584	84,755	81,837	70,885	88,053	85,754	76,722
Total average salary	**55,255**	**53,100**	**46,529**	**58,436**	**56,020**	**49,857**	**56,035**	**53,792**	**47,307**

As a general principle of conduct of its human resources management model, Iberdrola promotes respect for the human and labour rights recognised in domestic and international law, guaranteeing a stable job and a decent wage, promoting the physical, mental and emotional well-being of the workforce.

To this effect, the employee remuneration policy ensures that decent and fair salaries are paid in cash above the legal minimum wage established in each country and with an array of social benefits adapted to the different social and labour realities of the territories in which the Group operates, and which in terms of pension plan benefits, savings benefits and health care insurance are above the average for companies in each country.

GRI 202-1

Entry-level wage vs. legal minimum wage (%)

	2023	2022	2021
Spain	103.0	110.0	126.1
United Kingdom	104.6	100.0	100.1
United States	115.0	118.0	123.5
Brazil	122.0	124.0	138.9
Mexico[43]	250.0	278.0	312.1

GRI 401-2

Social benefits and entitlements

Iberdrola offers a number of benefits to its employees, including:

- Life insurance
- Medical insurance
- Disability insurance
- Maternity/paternity leave
- Pension fund
- Remuneration in the form of company shares

[42] Remuneration includes fixed salary, variable salary and supplements.
[43] In Mexico, the minimum wage is generally not used as a reference for market wages; it is applied to penalties imposed by the labour authority, fines and limits on tax deductibility.

Social benefits and entitlements offered 2023						
	Life insurance	Medical insurance	Disability insurance	Maternity/ paternity leave	Pension fund	Shares
Spain	All	All	All	All	All	N/A
United Kingdom	All	All	N/A	All	All	All
United States	All	All	Full time	All	All	N/A
Brazil	All	All	All	All	All	N/A
Mexico	All	All	All	All	All	N/A

There are no significant differences between the benefits offered to part-time and full-time employees of Iberdrola, S.A., the subsidiaries of Iberdrola España, Iberdrola Energía Internacional, ScottishPower, AVANGRID, Neoenergia and Iberdrola México.

Safe work environment

Recruitment and selection: new hires

GRI 202 401-1

Boosting the Employer Brand and new talent attraction model.

As a global leader in the energy transition and renewable electricity, at the beginning of 2023 the Company revised its value proposition and people strategy through the 2023-2025 *People Plan*.
Convinced of the global opportunity that the just transition will provide for new "green" talent, the Group's strategy has focused on promoting not only leadership as a sustainable employer brand, but also as a pool of talent in all of the countries in which Iberdrola operates.

A number of activities have therefore been determined in order to meet the new challenges facing the group: on the one hand, the revision of a Talent Attraction and Selection Model, thus boosting employability and generating future professionals and, on the other hand, the revision of the onboarding programme, which takes care of employees before they join and assists them during their first days at the Company. These actions have been carried out through the implementation of three lines of work:

Employer Brand
The first line of work is aimed at strengthening Iberdrola's leadership as an Employer Brand, ensuring the hiring of the best talent through an attractive and differential value proposition that is closely aligned with their purpose, as well as their loyalty and sense of belonging, in order to carry out our global business plan. The following activities have been carried out for this purpose in 2023:

- Review of platforms for connection and interaction with the various professionals, such as the channels and means chosen by them (social media, media, technological supports, etc.)

- Development of the brand ambassador programme on social media to boost the Company's presence, improve interaction with target audiences and thus strengthen the values that identify Iberdrola.

The focus continues to be on:

Young talent, strengthening the global benchmark programmes, the Master's Scholarships and the International Graduate Programme, which have increased by 21% and 53%, respectively, while at the same time implementing new local initiatives for different levels and groups. Examples include the Engineering Development Program and the Internship Program implemented by AVANGRID in the United States, especially designed for engineers in critical disciplines and highly qualified technical personnel.

The promotion of careers in science, technology, engineering and mathematics (STEM), with the aim of encouraging the inclusion of women in this field, which has historically been quite low; Iberdrola Spain has launched numerous initiatives, including the following:

- STEAM Alliance for Female Talent. "Girls in Science" to promote careers in the fields of science, technology, engineering and mathematics and in connection with the arts and humanities among girls and young women.
- Collaboration with the STEM Education conferences at the University of Comillas, where the aim is to show future teachers a stimulating and exciting way to take on the role of designers of STEM experiences for primary education students. All with a special emphasis on female talent.
- Partnership with "Womenalia", which aims to help companies promote STEM opportunities for women. Iberdrola therefore has access to the profiles of women that may fit the technical vacancies in demand, thus allowing for a greater balance in hiring.
- With the help of "HispaRob" (Spanish Technological Community of Robotics) and to encourage early STEM careers, various schools (including specific schools for girls) have been provided with electronics kits aimed at the energy sector so that, through practice, they can develop technical skills and become interested in technical fields.

Talent Attraction Model

The second major line of work has been the revision of the Talent Attraction Model, making it more flexible and coordinated, and bringing it closer to the needs of the business, thus reducing recruitment times by an average of 44% overall in the selection processes.

In 2023 a model known as "Workday" was therefore implemented, which aims to improve the recruitment processes and has already allowed managers to have more access and functionality during the process, improved the experience of candidates and digitised the related activities. This new model will focus on diversity and inclusion, taking into account the selection of special groups. One example is Iberdrola Mexico, which has joined the INCLÚYEME Association, the goal of which is to train people with disabilities in fields such as recruitment or selection.

Improving the onboarding experience for new employees

The last line of work, which is directly related to revising the employee listening and experience strategy, has been to redesign the Company's onboarding model to facilitate the process of adapting to the position, responsibilities and culture, thus reducing the learning curve and generating greater commitment and satisfaction during their first months at Iberdrola.

Orientation resources that are useful during their initial days have therefore been centralised (Welcome Letter from the Chairman, welcome video, useful training, etc.), along with guidelines to optimise daily

management, for new hires and their manager, and the creation of the "buddy" figure as part of professional and personal adaptation to the new team. For example, in Spain, this included designing an infographic with all the necessary information, the organisation of an orientation session on the first day and the celebration of Iberdrola IN during the first year, which includes two days at the San Agustín del Guadalix Campus and the Ricobayo hydraulics laboratory, and the "One year pack", a small gift on completing one year at Iberdrola. It should be noted that the level of satisfaction with the onboarding experience is rated an 8.8 out of 10.

Promoting employability

In line with its commitment to sustainability, training and quality employment, Iberdrola is taking an additional step to promote employability in the green sector in the communities where it operates. With this objective in mind, Iberdrola has been participating in and co-leading the European Round Table's "Reskilling for Employment (R4E)" project since 2021, which seeks solutions to the existing training mismatch in Europe, creating a collaborative ecosystem of re-skilling with the participation of companies, public bodies, trade unions, industry associations and training providers. Iberdrola promotes training in the energy sector through specific initiatives for the unemployed, while supporting the local economy in the areas where we operate. To date, we have reached more than 1,000 people, enabling them to reposition themselves in the labour market.

In addition, the commitment to employability was strengthened in 2023 with the launch of Global Green Employment, Iberdrola's platform for green employment, training and job counselling.

It aims to boost employability in the green economy, promoting decarbonisation and the energy transition, and making the necessary training and support available to society, together with the job offers currently available. By the end of 2023, the platform had more than 30 partners and had published more than 1,400 job vacancies.

New hires

		2023[44]		2022		2021	
		Men	Women	Men	Women	Men	Women
By age, in numbers	Up to 30 years old	1,498	775	1,440	700	1,814	562
	Between 31 and 50 years old	1,435	718	1,567	723	1,932	552
	Over 50 years old	151	72	182	77	136	58
Total in numbers of total workforce		**3,084**	**1,565**	**3,189**	**1,500**	**3,882**	**1,172**
By age, in %	Up to 30 years old	25.94	36.86	25.64	36.90	32.47	33.86
	Between 31 and 50 years old	7.21	11.57	8.11	12.40	10.40	9.88
	Over 50 years old	2.41	3.56	2.95	4.10	2.09	2.85
Total % out of total workforce		**9.66** [45]	**15.15**	**10.25**	**15.62**	**12.66**	**12.63**

[44] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.
[45] Of the total turnover reported in Mexico, 34 were temporary positions of union personnel, which is governed by the union contract with SUTERM, and due to the nature of the temporary employment itself there are discharges and subsequent returns of the same worker. They should therefore not be considered as final terminations or new hires.

Employee turnover[46]

Personnel leaving the company		2023		2022		2021	
		Men	Women	Men	Women	Men	Women
By age, in numbers	Up to 30 years old	425	219	533	229	366	132
	Between 31 and 50 years old	1,196	470	1,217	566	911	276
	Over 50 years old	638	158	1,005	395	1,033	230
By age, in %[47]	Up to 30 years old	7.36	10.42	9.49	12.07	6.55	7.95
	Between 31 and 50 years old	6.01	7.58	6.30	9.71	4.90	4.94
	Over 50 years old	10.18	7.82	16.29	21.03	15.87	11.30
By seniority, in numbers	Up to 10 years	1,497	621	1,617	659	1,151	381
	Between 11 and 20 years	287	118	340	280	281	93
	Over 20 years	475	108	798	251	877	164
By seniority, in %	Up to 10 years	7.41	9.14	8.35	10.76	6.35	7.04
	Between 11 and 20 years	4.22	5.70	5.08	13.47	3.95	4.00
	Over 20 years	9.62	7.39	15.84	17.91	16.14	10.59
Total in numbers		**2,259**[48]	**847**	**2,756**	**1,190**	**2,310**	**638**
Total in % of total workforce		**7.07**	**8.20**	**8.86**	**12.39**	**7.53**	**6.87**

Dismissals at the company

		2023		2022		2021	
		Men	Women	Men	Women	Men	Women
By age, in numbers	Up to 30 years old	99	49	165	33	143	24
	Between 31 and 50 years old	473	135	489	200	374	65
	Over 50 years old	130	28	145	112	125	26
By age, in %	Up to 30 years old	1.71	2.33	2.94	1.74	2.56	1.45
	Between 31 and 50 years old	2.38	2.18	2.53	3.43	2.01	1.16
	Over 50 years old	2.07	1.38	2.35	5.97	1.92	1.28
By seniority, in numbers	Up to 10 years old	478	144	539	117	442	77
	Between 11 and 20 years old	123	49	160	165	98	24
	Over 20 years old	101	19	100	63	102	14
By seniority, in %	Up to 10 years old	2.36	2.12	2.78	1.91	2.44	1.42
	Between 11 and 20 years old	1.81	2.37	2.39	7.94	1.38	1.03
	Over 20 years old	2.05	1.30	1.99	4.50	1.88	0.90
By professional category	Leadership	23	3	20	9	22	12
	Qualified Technicians	152	84	165	134	137	50
	Skilled workers and support personnel	527	125	614	202	483	53
By professional category (%)	Leadership	2.20	0.42	2.57	1.43	1.05	1.49
	Qualified Technicians	1.32	1.37	1.21	2.34	1.39	0.98
	Skilled workers and support personnel	1.32	3.59	1.52	6.23	2.58	1.58
Total in numbers[49]		**702**	**212**	**799**	**345**	**642**	**115**
Total in % of total workforce		**2.20**	**2.05**	**2.57**	**3.59**	**2.09**	**1.24**

[46] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.
[47] Of the headcount of this group at year end.
[48] Of the total turnover reported in Mexico, 34 were temporary positions of union personnel, which is governed by the union contract with SUTERM, and due to the nature of the temporary employment itself there are discharges and subsequent returns of the same worker. They should therefore not be considered as final terminations or new hires.
[49] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Average length of service of the workforce by region (years)[50]									
	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	16.6	12.5	15.7	16.7	12.6	15.8	18.1	13.7	17.1
United Kingdom	12.1	12.2	12.1	13.3	13.3	13.3	16.2	16.2	16.2
United States	10.4	10.9	10.5	10.2	10.8	10.3	11.3	12.4	11.6
Brazil	7.5	6.7	7.4	7.2	6.8	7.1	6.9	7.0	6.9
Mexico	8.7	6.3	8.2	8.1	5.8	7.6	7.5	5.7	7.1
IEI	4.4	3.5	4.1	4.7	3.9	4.4	4.3	3.7	4.2
Total	**10.8**	**9.8**	**10.5**	**10.8**	**10.1**	**10.6**	**11.4**	**11.3**	**11.3**

GRI EU15

Employees eligible to retire						
	In the next 5 years (%)			In the next 10 years (%)		
	2023	2022	2021	2023	2022	2021
Total	**6.96**	**6.72**	**7.44**	**14.12**	**14.44**	**15.81**

Collective bargaining agreements

GRI 2-30

The relationship between the company and trade unions is based on respect and recognition of the legitimacy of these institutions as workers' representatives, within the principles and ethical values that guide good trade union practices. The parties rely on negotiation as the main form of establishing mutual rights and duties. Trade union negotiations are part of the labour relations management model at group companies, and collective bargaining agreements are established to reflect modern and advanced labour practices, while respecting the regional characteristics and areas of activity of the various group companies and seeking to go beyond compliance with legal requirements.

In this regard, the Company has significant experience in trade union relations and has worked with these entities in accordance with the ethical and transparent principles that guide good negotiation practices, which has resulted in reaching collective bargaining agreements.

Generally speaking, the collective bargaining agreements of the Iberdrola group apply to all employees working under an employment relationship and for the account of the companies of the group, regardless of the type of contract entered into, the professional group to which they are assigned, their occupation or the job performed.

[50] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

However, issues relating to corporate organisation, the law of each country or even the practices and customs in each country lead to certain groups being expressly excluded from the scope of collective bargaining agreements (for example, executive officers in Spain are not covered by the agreement). In most situations the working conditions of these employees are determined by collective bargaining agreements covering all other employees or by personal contracts based on individual bargaining (e.g. salary, benefits, etc.), with all other conditions based on the collective agreement itself.

This is why there is not 100% coverage, as indicated in the table below:

Personnel covered by a collective bargaining agreement, by region

	2023		2022		2021	
	No. of Employees	%	No. of Employees	%	No. of Employees	%
Spain	8,594	86.9	8,475	87.4	8,578	88.2
United Kingdom	3,629	57.9	3,480	60.5	3,680	64.5
United States	3,667	45.8	3,486	46.0	3,504	47.7
Brazil	15,693	100	15,406	100	15,092	100
Mexico	368	28.3	371	28.4	349	26.9
IEI	394	35.2	394	40.5	178	21.8
Total	**32,345**	**76.5**	**31,612**	**77.6**	**31,381**	**78.5**

There are 9 collective bargaining agreements in Spain, 2 in the United Kingdom, 11 in the United States, 43 in Brazil, 11 in Mexico, and 4 in the other countries of Iberdrola Energía Internacional.

GRI 402-1

The different organisational changes and significant events are formally reported in compliance with the various legal provisions applicable at both the global and local level, as well as any applicable terms of the collective bargaining agreements with regard to the labour relations of the group companies. The minimum periods for giving notice, if they apply, range from less than one week to a maximum of four weeks in the main countries in which the group operates.

Diversity and inclusion

Governance Model

GRI 405

Iberdrola has demonstrated its commitment to diversity and inclusion, and aims to reflect as faithfully as possible the diversity of the surrounding communities. The Company therefore seeks to strengthen individual capabilities based on the firm belief that each person brings a special and unique talent that enriches everyone.

To achieve a truly inclusive workplace, it is crucial to take action regarding the company culture. This is why diversity is integrated in the corporate values and conduct that define the way in which the leaders and employees of Iberdrola conduct themselves.

The organisation therefore defines and promotes the diversity and inclusion strategy from the Governance and Sustainability System:

- **The Equality, Diversity and Inclusion Policy** aims to develop structures, systems, processes and a culture that generate respect for the individual characteristics of all people within the organisation, while promoting a sense of belonging.
- **The Board of Directors Diversity and Director Candidate Selection Policy** aims to ensure a diverse composition of the Board that enriches decision-making and provides multiple points of view on matters within its competence.
- **The Diversity and Inclusion Committees**, at both a global and local level, aim to propose, promote and coordinate the Company's positioning in terms of diversity and inclusion, encouraging the involvement of senior management.

To guarantee a discrimination-free work environment, and in line with the Code of Conduct, the Group is also explicitly committed to not discriminate on the basis of any condition (gender, sexual orientation, age, disability, origin, or any other characteristics not related to the requirements to perform the job) and has procedures in place to prevent conduct that violates this standard. In addition to the global guidelines, the companies of the group have additional policies and mechanisms to expand their commitment and adjust to country requirements.

Strategy and Commitments

To ensure proper coordination in the execution of the strategy established by the group, a common working framework has been defined that considers the organisation's current and future needs and those of the communities in which it operates. Its scope focuses on gender, age, disability, origin, sexual orientation, and war veterans, although the goal is to encompass all individual characteristics. The group promotes diversity, equity and inclusion throughout its value chain, through cross-cutting initiatives aimed at all Stakeholders.

The Group has a significant and ambitious set of ESG+F proposal. Within the governance and social pillars, there are several objectives that seek to promote diversity and inclusion:

- At least 40% of Board members should be women (target set for 2025 and 2030).
- Increase the number of women in important positions, reaching 30% by 2025 and 35% by 2030.
- Continue to increase the number of women in positions of responsibility, reaching 35% by 2025 and 36% by 2030.
- Achieve certification of equal pay with an external body before the end of 2024.
- Achieve a total of 30 inclusive solutions for our customers by 2025.
- Continue to promote the "Electricity for All Programme" (*Programa Electricidad para todos*), which aims to bring electricity to people who currently do not have access to this energy source, reaching 16 million people by 2030.
- Improve the quality of life of vulnerable groups through our Foundations and the Corporate Volunteering Programme, reaching 10 million annual beneficiaries of the foundations and 18,000 thousand volunteers by 2030;
- Ensure that 85% of key suppliers have robust sustainability or ESG policies and practices by 2030, which includes diversity and inclusion aspects.

In addition to the ESG+F objectives set by the Iberdrola Group, each of the countries establishes commitments at the local level, taking into consideration their social context.

Lastly, in order to promote projects with greater scope and potential for impact and to accelerate the fulfilment of the objectives established, the Group forms strategic alliances, such as the United Nations Global Compact (since 2002), UN WOMEN and the Diversity and Inclusion charter of the European Round Table for Industry (ERT).

2023 Performance

The management of diversity and inclusion is seen not only as an urgent issue of equity or fairness, but also as an opportunity for value creation from different perspectives. Against this backdrop and under the slogan: "Our energy is made of diversity", the Company launched its annual work plan, the main activities of which include the following:

- Creation of Local Diversity and Inclusion (D&I) Committees to ensure the deployment of the global D&I strategy, adapting it to each country's situation.
- Identification of opportunities for improvement in human resource processes and, in response, the launch of new initiatives such as the development programme for female executives (HerEnergy) and the Leadership Model that includes diversity and inclusion pillars (Top Líder).
- Awareness-raising and training programmes for key groups (board members, leaders and human resources).
- Strengthening of internal communications and celebration of significant dates to raise awareness, foster dialogue, make role models from minority groups more visible, and ensure the commitment of the workforce.

- Expansion of employee networks as a lever for promoting an inclusive culture.
- Expansion of D&I metrics through targeted surveys with staff.
- Promotion of an environment that is free of workplace violence, intimidation and harassment by ensuring the establishment of agile and effective reporting channels and attention to affected victims.
- Increased engagement with various suppliers and supply chain awareness.
- Identification and improvement of products and services taking into account diverse/vulnerable customers.

Recognitions

Iberdrola's commitment and progress regarding diversity and inclusion have led to the following awards:

- The Company has been included once again in the Dow Jones Sustainability Index, the only European utility to be included in its 24-year history. Its social score increased in the following areas: Discrimination and Harassment, Gender Pay Indicators and Workforce Breakdown: Gender.
- Bloomberg recognised Iberdrola for the sixth year in a row by including it in the Bloomberg Gender-Equality Index (GEI) of organisations committed to equality between women and men. The GEI has rated the dissemination of information related to diversity and equal opportunities and the excellence of the data very positively. In 2023, AVANGRID, the Group's subsidiary in the United States, was also included in the index for the first time.
- The Workforce Disclosure Initiative (WDi) recognised Iberdrola for its various initiatives to promote a high-quality work environment among its employees.
- Iberdrola was named one of the 25 leading companies in terms of sustainability worldwide by Global 100.
- The Equileap ranking has placed Iberdrola among the top five Spanish companies with respect to gender equality based on 19 criteria evaluated.
- The sustainable fund manager *La Financière Responsable* has classified Iberdrola as a "leader" given its commitment to and inclusion of people with disabilities.
- The Financial Times has included Iberdrola in its Europe's Diversity Leaders ranking, ranking it first among Spanish energy companies.
- In Spain, Brazil and Scotland, the Company is the main partner-sponsor of the women's national football team, and supports other leagues and grassroots sport, reaching more than 600 thousand people. The Company was also recognised by the Laureus Sport for Good Index for promoting equality through sport.

Relating to labour practices (including the supply chain)

Ethics, Equality and Non-Discrimination

Non-discrimination was an issue that was particularly significant for Stakeholders in this regard.

GRI 406

The principles of non-discrimination and equal opportunity applied within the Iberdrola group are set out in both the *Code of Ethics* and the global policies and procedures that have been approved and implemented (*People Management Policy*, *Selection and Hiring Policy*, *Equality, Diversity and Inclusion Policy* and they are intended to avoid any discrimination on the basis of any personal status or characteristic.

In addition, specific plans and policies are in place in each country to ensure that the most relevant challenges are addressed at the local level (policies to prevent discrimination against any type of group, harassment prevention policies, etc.).

Group employees can report behaviour that may constitute labour discrimination both through the ethics mailbox and through their respective supervisors or Human Resources.

GRI 406-1

Incidents of discrimination reported (no.)			
	2023	2022	2021
Iberdrola total	**115**	**50**	**29**

The group received 161 grievances regarding labour discrimination and harassment through the various channels in 2023 of which 115. under review. A total of 111 cases were closed during 2023, of which 11 were dismissals and some form of action was taken in 40 cases.

In addition, mailboxes are available at the facilities to receive complaints and grievances relating to human rights. In 2023, Vineyard Wind, the developer of the wind farm of the same name and in which Iberdrola has an interest in the United States, received a complaint through these channels from one of its subcontractor's employees about an alleged case of harassment by another employee of the same subcontractor. Applying the internal complaint handling protocol, Vineyard Wind conducted an initial assessment and requested that the subcontractor investigate by gathering the opinions of the parties involved, among other enquiries, as well as information on the measures taken or to be taken as a result of the analysed facts and procedures. The investigations concluded that there was insufficient evidence to substantiate the complaint.

Work-life balance and labour disengagement policies

Iberdrola promotes a work-life balance, as well as co-responsibility in the performance of family obligations, providing measures for looking after family members and children, maternity leave and breastfeeding benefits.

The most recent organisational trends and the implementation of new technologies promote organisational efficiency, but at the same time blur the boundaries between work and private life. As indicated in the *People Management Policy*, the group has made it a priority to ensure that its professionals can fully enjoy their personal lives in a way that is compatible with their work.

This Policy therefore establishes guidelines that allow employees to effectively separate their personal and work life, with special attention paid to disconnection from digital devices, without favouring or discriminating against those professionals.

These guidelines for disconnection should be diverse based on the responsibilities of the different workforce groups and should cover the multiple and varied digital communication and information instruments supplied to professionals for the performance of work, particularly mobile devices, computers and tablets enabled for remote work or that receive professional e-mails.

The uninterrupted schedule in Spain and Mexico is noteworthy of mention, with the company being the first IBEX-35 company in Spain to establish this type of shortened workday. Flexible hours, remote working and out-of-office work have also been implemented. Other measures that are applied locally include: overtime control, training leaders on the need for effective compliance with working hours and rest periods, more flexible working and hybrid and/or remote job positions, adapting working hours, and giving employees the freedom to choose the most appropriate place to work, depending on their role, etc.

GRI 401-3

Parental leave and return to work[51]						
	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
Employees entitled to parental leave (No.)	31,939	10,327	31,112	9,603	30,672	9,283
Employees entitled to parental leave (%)	100	100	100	100	100	100
Number of employees taking parental leave	897	352	1,102	452	977	366
Number of employees who returned to work after parental leave ended	1,079	307	1,260	355	1,135	327
Number of employees who returned to work after parental leave ended and who were still employed after 12 months	1,139	275	1,141	216	970	268
Return-to-work rate	99.3	87.2	96.9	78.4	94.8	89.3

Equal pay for equal work

Iberdrola facilitates and promotes equality of opportunity, non-discrimination, diversity, and inclusion for Group professionals through its *Equal opportunities and conciliation policy*,which calls for equal pay for men and women for equal work and a wage review with uniform criteria for both genders. The current collective bargaining agreements at the companies of the Iberdrola group ensure equality in starting wages for men and women.

In line with the above, Iberdrola made a commitment at the Capital Markets & ESG Day on 9 November 2022 to earn an External Equal Pay Certification by 2025.

The total average salary of men and women at Iberdrola is quite similar. The ratio of men's average salary to that of women is **94.6% in 2023.**

The salary gap in 2022 and 2021 was 94.8% and 93.3% respectively.

The underlying cause of the salary gap in certain age groups is the smaller presence of females within the staff, a common situation in the energy sector, and which is more pronounced in management and technical positions.

[51] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

To mitigate this reality, Iberdrola is working in the following areas:

- On equitable professional development through the implementation of specific training plans for women.
- On including new generations and promoting STEM careers in groups within the industry with a higher minority representation.
- On promoting scientific careers among youth and women students, who will go on to form part of the talent pool that Iberdrola will access in the future.
- On promoting measures of work-life balance that equally benefit men and women, so that they can exercise co-responsibility in family duties and thus establish the conditions required for parity.

On gradually increasing the presence of women in positions of responsibility. As regards Iberdrola's current situation, positions of responsibility held by women in 2023 rose to 34.4%, compared to 34,0% y 33,7% in 2022 and 2021, , respectively.

With regard to leadership and other positions reporting to the Board of Directors or its committees, the percentage of women in significant positions increased to 27.8% by year-end 2023, compared to 26.1% y 24.4% in 2022 and 2021, respectively.

GRI 405-2

Average salary by age group and gender[52]

Iberdrola (EUR)	Men's remuneration/ Women's remuneration			(Men's remuneration - Women's remuneration) / Men's remuneration		
	2023	2022	2021	2023	2022	2021
Up to 30 years old	103.4	101.5	95.8	3.3	1.5	-4.4
Between 31 and 50 years old	87.0	87.5	85.4	-14.9	-14.4	-17.1
Over 51 years old	105.2	106.3	110.9	4.9	5.9	9.8
Total	**94.6**	**94.8**	**93.3**	**-5.8**	**-5.5**	**-7.2**

Stable labour environment

The safety and health of people is a top priority for the Iberdrola group and therefore strongly influences how all its activities are designed and carried out. This commitment forms part of the group's vision and values, and is formally set out in the *Occupational Safety and Health Policy* approved by the company's Board of Directors, the basic goals of which are to:

- Achieve a gradual reduction in accident rates at the Iberdrola group's businesses.
- Continue to improve safety conditions at work and ensure increasingly healthier workplaces.
- Promote a culture of excellence and coordinate global preventive actions at the group's companies.

[52] Wage remuneration includes fixed salary, variable salary and supplements

Occupational Health and Safety Management System

GRI 403 403-1

The Iberdrola group has implemented Occupational Health and Safety Management Systems with different scopes (country subholding companies, businesses), which allows it to comply with both current legal provisions in the territories in which it operates and with the ISO 45001:2018 international standard.

Practically all staff, workplaces and activities under Iberdrola's control are covered by one of these Management Systems, which enable all local legal obligations in this regard to be covered.

The systems rely on a number of tools to meet these requirements:

- prevention plans
- operating procedures
- management standards

The systems rely on a number of tools to meet these requirements:

- duties and responsibilities
- applicable policies
- targets and indicators
- desirable goals and resource requirements

All of the above aims to comply with local and international health and safety regulations in the company's different areas of operation, including aspects such as management of employees and interested parties, leadership and commitments, policies, responsibilities, consultation with employees, planning, identification of hazards and opportunities, legal requirements, resources, skills, communication, document management, operations, change management, purchasing, performance evaluation, management review, emergency response measures, ergonomic and psychosocial risk management, continuous improvement, etc.

In addition, specific management and prevention measures have been implemented in recent years with a focus on protecting the health of individuals and groups, and mental and emotional health tools for its employees.

Examples of these measures include adjustment of sanitary, communication, cleaning and disinfection measures; the establishment of prevention protocols; launching awareness campaigns; distributing questionnaires to identify and assess psychosocial risk factors; creating specific well-being and early intervention programmes and applications; proposing physical activity challenges for employees; and providing a number of training resources, including a course on managing psychosocial factors for mental health, face-to-face workshops on emotional management, online workshops on personal well-being at work, the *Más Apoyo* programme and the quality of life week.

Workers covered by an occupational health and safety management system

GRI 403-8

The Occupational Health and Safety Management Systems are designed in accordance with current legal and regulatory requirements and apply to the entire workforce, contractors, suppliers and visitors to protect their health and safety.

Information on incidents is collected, assessed and reported based on the procedures established by law and internal company regulations. Certification of the management systems under the ISO 45001:2018 standard is a tool used to ensure uniformity with regard to the methodology for implementing these systems.

In general, all employees are covered by the occupational health and safety system in their respective locations. However, there may be exceptions in certain locations as a result of specific local norms. In Brazil, steps continue to be taken for 100% of the employees to be included in the scope of the ISO 45001 certification. Although 75% of employees at Iberdrola Energía Internacional are covered by the management system, it does not reach the minimum number of employees to certify management systems in many of the countries in which it has a presence. In the United States, certification covers all employees and operations in both the renewables and networks business areas; employees in the offshore wind business are not covered by a certified management system, but do have the fundamental processes of a management system in place, and are expected to be certified in the near future.

Coverage of the health and safety management system (own personnel)

	2023		2022		2021	
	No.	%	No.	%	No.	%
Employees covered by occupational health and safety management system	41,404	98	40,141	99	38,913	97
Employees covered by an occupational health and safety management system subject to internal audit	41,366	98	40,092	98	38,857	97
Employees covered by an occupational health and safety management system subject to third-party audit or certification	33,385	79	32,103	79	29,561	74

Main elements of the health and safety systems						
	Spain	**United Kingdom**	**United States**	**Brazil**	**Mexico**	**IEI**
Is there a system?	Yes	Yes	Yes	Yes	Yes	Yes
Reference regulation	Law 31/1995	UKHS-GSP-SMS2008 Health & Safety Legal Register - Lists all the Legal Requirements	Only for offshore wind	Decree Law 5454/43 - Consolidation of Labour Laws	None	Depending on the country
Scope	All 15 companies covered by the collective bargaining agreement	All employees	Networks and renewables businesses, Rest of the Corporation	Celpe, Cosern, Elektro, Termopernambuco and renewables business	Electricity generation businesses. Coverage of employees at corporation in process	IEI, ICI and IRI. Renewables and Retail
Certification	ISO 45001	ISO 45001	ISO 45001	ISO 45001 en	ISO 45001	ISO 45001
Are there formal risk identification procedures?	Yes	Yes	Yes	Yes	Yes	Yes
Are there action plans linked to risks?	Yes	Yes	Yes	Yes	Yes	Yes
Are there formal procedures for giving notification of hazards?	Yes	Yes	Yes	Yes	Yes	Yes
Are there policies and procedures for withdrawing from situations that may cause injuries, ailments or illness?	Yes	Yes	Yes	Yes	Yes	Yes
Are there processes for investigating work-related incidents?	Yes	Yes	Yes	Yes	Yes	Yes

Hazard identification, risk assessment and incident investigation

GRI 403-2

A process has been established to identify occupational safety and health hazards, which includes the evaluation and prevention of occupational risks, in all the countries in which Iberdrola operates. The procedures established by standardised institutions are followed in each country, as well as those under the ISO 45001 standard. To manage this process, tools such as the following are used:

- Workplace risk assessment questionnaires.
- Regular risk assessments.
- Regular assessments identify the information needed for the annual review of the occupational health and safety management systems, and are used to develop action plans to mitigate risk.
- Safety inspections.
- Information sessions, regular training for employees identified as at risk, etc.
- Internal and external audits to ensure the effectiveness of their processes.
- Expanded analysis of causes that affected other systems in order to apply the findings and prepare preventive and corrective actions to eliminate the causes of the event.
- Comprehensive assessment of low- and medium-potential incidents, investigation reports for incidents with high potential or major consequences. All with a view to determining corrective actions and lessons learned.

Iberdrola has and promotes the use of mechanisms to enable its employees, partnering companies and other personnel affected to report any identified occupational health and safety hazards. These mechanisms include various communication channels such as: telephone hotlines, computer applications, ethics mailboxes, etc., but under no circumstances may these communications lead to reprisals or adversely affect an employee, given that they are part of Iberdrola's preventive culture. All new employees are informed of this possibility, both in their orientation courses and in the safety manual and instructions given prior to accepting the job position.

In line with this prevention culture, workers are always instructed to not proceed with work, or give priority under any circumstance to performing any task that involves a risk without having the means and knowledge needed to mitigate or eliminate the effects of the risk. Hence, at all locations, employees have the right to speak out and to stop work or refrain from working if they feel that a situation is unsafe. Lastly, when an incident is reported in any country, an investigation is carried out on the possible root causes and contributing factors. In addition, general procedures are implemented to monitor and complete the corrective actions resulting from the investigation (through the hierarchy of controls stemming from applicable law).

GRI 403-7

One of the Iberdrola group's pillars of action is to promote the health and safety of its employees. This includes strict compliance with labour law, integrating occupational safety at all levels of the hierarchy, and the use of systems to mitigate any impact on occupational health and safety.

These systems include the evaluation of occupational risks (including psychosocial risks), providing theoretical and practical courses, carrying out regular health exams, designing mechanisms to detect possible negative impacts on the health of staff, and implementing specific plans to mitigate the negative impacts of work on health and safety.

This internal procedure must also be implemented by all partnering companies to manage the health and safety of their contractors. This includes pre-qualification, selection, approval, supervision and management of contractors to reduce risks and ensure the well-being of the employees.

Occupational health services

GRI 403-3

Iberdrola has occupational risk prevention policies that include regular legal assessments, hygiene measurements, internal and external audits, ISO 45001 management system controls, health monitoring, and accredited medical services.

These programmes include professional occupational health services, advice and support to effectively manage occupational health and safety risks, absence management, drug and alcohol testing, health monitoring, international travel assistance, sick leave management, first aid, rehabilitation, specialist health counselling, overseas employee services, overseas business travel health assessment, voluntary medical exams, employee self-referrals, early intervention, specialist support services, wellness programmes, mental health programmes, skills development programmes and healthy eating programmes. These services are protected by medical confidentiality and files are kept in such a way so as to guarantee the confidentiality of the information contained in the files.

Worker participation, consultation and communication on occupational health and safety

GRI 403-4

The Iberdrola group companies strive to implement a culture of communication, consultation and participation on topics relating to occupational health and safety. This is achieved through the dissemination of prevention plans, the creation of joint and collective occupational health and safety committees (with regular meetings), the provision of formal and informal channels for consultation by employees, training plans on occupational risk prevention, general communication and consultation procedures, panels of qualified employees, strategic safety meetings, the use of the corporate intranet, and other media such as magazines, display screens at the plant, etc. On this basis:

- In Spain, there is a Central Occupational Health and Safety Committee.
- In the UK, there is a Health and Safety Governance Committee, as well as executive teams, a Health and Safety Department, and Health and Safety Forums.
- In the United States, the company has employee-qualified panels and a Strategic Safety Board that meets on a monthly basis.
- Brazil has Health and Safety Committees, as does Mexico, which has a Health and Safety Committee. Iberdrola Energía Internacional (IEI) has committees that vary from country to country.

Own staff represented on safety and health committees (%)

	2023	2022	2021
Spain	98.6	96.2	95.9
United Kingdom	91.6	100	98.2
United States	100	100	100
Brazil	100	100	100
Mexico	99.3	99.1	100
IEI	21.8	0.7	0
Iberdrola total	**96.3**	**96.7**	**96.9**

Worker training on occupational health and safety

GRI 403-5

Iberdrola España has training courses that cover the needs regarding information and training on and awareness of occupational risks at each workplace. One example is the training in prevention carried out at the Almaraz de Tamarillo power plants, applying the Systematic Design of Training methodology applicable to these activities.

In the United Kingdom, new employees are invited to a corporate introduction event and are introduced to a number of senior executives who present various aspects of Iberdrola's business. They are also offered training on the Health and Safety Management System, along with technical and operational training and assistance from experts in the field and suppliers.

In the United States, employees at AVANGRID receive technical and safety training through a combination of fieldwork, classroom instruction and online training. This technical training includes training on hazards, risks and controls associated with each job function.

In Brazil, employees at Neoenergia receive training on the hazards, risks and controls associated with each job function, and are not allowed to perform the work until they demonstrate the skills and knowledge necessary to do so safely.

In Mexico, an annual training plan is established based on the performance evaluation. An improvement gap is then established based on this evaluation and a training plan is developed.

At Iberdrola *Energía Internacional* (IEI), all employees take specific health and safety training courses.

Promotion of health among workers

GRI 403-6

The Iberdrola group has established various procedures, measures and programmes to ensure better occupational health and well-being of its employees. This includes human and material resources, functions and responsibilities in the medical, monitoring and control areas.

In addition, there are flu vaccination campaigns, programmes for promoting health and preventing diseases such as colon cancer, prostate cancer, cardiovascular diseases, hypertension, diabetes and glaucoma, as well as recommendations for healthy diets, access to physical exercise and seasonal vaccination campaigns.

At Iberdrola España, Occupational Medicine activities fall within the scope of the Prevention Service. Employees are offered a comprehensive benefits package that includes medical, dental and vision coverage. These benefits are also extended to the immediate family members of employees. In addition, the company assists in providing external medical therapies and treatments.

At the international level, access to medical services is managed by the Human Resources divisions. These benefits include doctor's visits, surgery, hospitalisation, medical exams and dental care.

In the United Kingdom, strategic initiatives were launched to improve the mental health of employees, along with a plan to prevent and reduce physical problems at the workplace.

Furthermore, in Brazil there are outsourced contracts for flu vaccination, doctor's visits and screening services through a health plan, prevention campaigns and access to benefits from physical exercise.

Two specific programmes to promote health were developed at Iberdrola Mexico: Total-pass (benefit to promote the physical activity of personnel members) and *Cuadro Médico* (an electronic medical file database containing the medical examinations and recommendations from the doctor at the plant).

In the other countries, the Iberdrola group offers campaigns and programmes to promote health, as well as psychosocial risk assessments and psychological support to employees. In addition, the *360Wellbeing Plan* was launched for all employees in 2023, with various themes related well-being.

Injury and absenteeism rates

GRI 403-9 SASB IF-EU 320a.1

Accident rate for own staff	2023	2022	2021
Number of accidents	**883**	**797**	**599**
Men	778	706	547
Women	105	91	52
With leave	**87**	**83**	**83**
Men	*73*	*74*	*73*
Women	*14*	*9*	*10*
With fatalities	1	0	3
Men	*1*	*0*	*3*
Women	*0*	*0*	*0*
With major consequences	5	17	3
Men	*4*	*15*	*3*
Women	*1*	*2*	*0*
Without leave	**796**	**714**	**516**
Men	*705*	*632*	*474*
Women	*91*	*82*	*42*
Number of hours worked	**84,029,419**	**81,203,502**	**78,455,175**
Men	64,325,367	62,769,743	61,053,122
Women	19,686,105	18,429,423	17,402,053
Number of days lost	**5,298**	**5,958**	**4,646**
Men	4,272	5,232	4,397
Women	1,026	726	249
Injury rate (IR) [53]	**1.04**	**1.02**	**1.06**
Men	1.14	1.18	1.20
Women	0.72	0.49	0.57
Severity Index [54]	**0.06**	**0.07**	**0.06**
Men	0.07	0.08	0.07
Women	0.05	0.04	0.02

With regard to the 2022 data, although the number of accidents involving sick leave has increased by approximately 5% (resulting in a 2% increase in the frequency rate due to longer working hours), the severity of these accidents has been reduced and therefore the number of days lost per year has been significantly reduced (approximately 11%).

The injury rate per work-related accident has also been reduced by 11%. The frequency rate of near misses[55] for own staff for the year 2.90 based on the number of hours worked in the period.

[53] Injury rate (IR) = (number of accidents with leave*1,000,000) / hours worked.
[54] Severity index = (number of calendar days lost per accident, as from first day of leave/hours worked)*1,000.
As the percentage interests in certain companies may not be 100%, sums may not correspond to the total presented due to rounding.
[55] Frequency rate of near misses = Number of near misses / Number of hours worked × [200,000].

Rates of work-related injuries (own personnel)

	2023	2022	2021
Rate of fatalities [56]	**0.00**	**0.00**	**0.01**
Men	0.00	0.00	0.01
Women	0.00	0.00	0.00
Rate of work-related accidents with major consequences [57]	**0.01**	**0.04**	**0.01**
Men	0.01	0.05	0.01
Women	0.01	0.02	0.00
Injury rate per work-related accident [58]	**0.65**	**0.73**	**0.78**
Men	0.76	0.86	0.91
Women	0.29	0.28	0.33

Accident rate (subcontracted staff)

	2023	2022	2021
Number of accidents	**793**	**733**	**812**
Men	738	689	786
Women	55	44	26
With leave	**203**	**167**	**212**
Men	*191*	*163*	*204*
Women	*12*	*4*	*8*
With major consequences	17	20	10
Men	*17*	*20*	*10*
Women	*0*	*0*	*0*
With fatalities	2	7	4
Men	*2*	*7*	*4*
Women	*0*	*0*	*0*
Without leave	**590**	**565**	**600**
Men	*547*	*525*	*582*
Women	*43*	*40*	*18*
Number of hours worked	**113,633,254**	**110,867,432**	**114,924,556**
Number of days lost	**14,640**	**10,090**	**9,770**
Injury rate (IR) [59]	**1.78** [60]	**1.51**	**1.84**

[56] Rate of fatalities = Number of fatalities as a result of work-related injuries / Number of hours worked x [200,000]
[57] Rate of high-consequence work-related injuries (excluding fatalities) = Number of high-consequence work-related injuries (excluding fatalities) / Number of hours worked x [200,000]
[58] Rate of recordable work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [200,000].
[59] Methodology used for calculating the indicators:
Injury rate (IR) = (number of accidents with leave*1,000,000)/hours worked
Severity index = (calendar days lost per accident, as from first day of leave/hours worked)*1,000
As the percentage interests in certain companies may not be 100%, sums may not correspond to the total presented due to rounding.
[60] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Rates of work-related injuries (sub-contracted personnel)	2023	2022	2021
Rate of fatalities[61]	0.00	0.01	0.01
Rate of work-related accidents with major consequences[62]	0.03	0.04	0.02
Injury rate per work-related accident[63]	0.63	0.60	0.84

The rate of frequency of near misses[64] for contractors in 2023 is 1.30 based on the number of hours worked in the period.

A risk assessment is carried out in the event of a high-consequence work-related injury, where each type of risk is assigned a score determined by evaluating the probability of occurrence and the consequences of the risk (FINE method). The two are multiplied to give the final classification, which will be low, medium or high. Based on these scores, the relevant measures will be taken to eliminate and/or minimise such risks.

Absenteeism among own personnel (missed hours)	2023	2022	2021
Occupational injury and disease	29,925	65,656	55,991
Common illness and Covid	1,254,101	1,501,416	1,438,538
Total	**1,284,026**	**1,567,072**	**1,494,529**

GRI 403-10

Occupational diseases among own personnel (no.)	2023	2022	2021
Deaths due to occupational diseases	0	0	0
Occupational diseases[65]	7	1	1
Total	**7**	**1**	**1**

Occupational diseases among subcontracted personnel (no.)	2023	2022	2021
Deaths due to occupational diseases	0	0	0
Occupational diseases	0	0	0
Total	**0**	**0**	**0**

[61] Rate of fatalities = Number of fatalities as a result of work-related injuries / Number of hours worked x [200,000]
[62] Rate of fatalities = Number of fatalities as a result of work-related injuries / Number of hours worked x [200,000]
[63] Rate of recordable work-related injuries = Number of recordable work-related injuries (except first aid) / Number of hours worked x [200,000]
[64] Frequency rate of near misses = Number of near misses / Number of hours worked × [200,000].
[65] In compliance with Law 11/2018, it is hereby noted that the gender of the person with an occupational disease is male.

Professional training and development

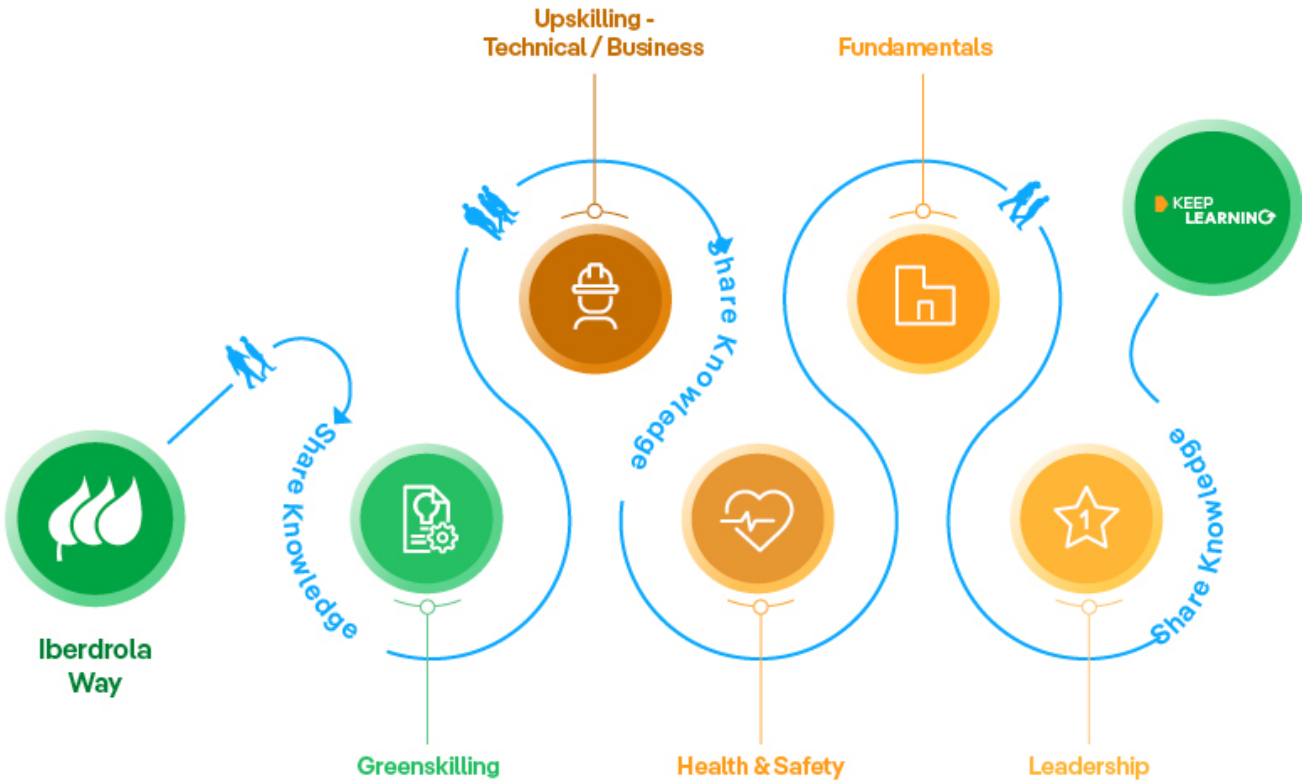
GRI 404

Promoting a culture of learning is fundamental to Iberdrola, and doing so is to empower employees to continuously invest in their training and development.

This year Iberdrola has redefined its learning strategy for the 2023-2025 time horizon, framed within our "People Plan" and based on 4 key pillars:

1. Promote a culture of ongoing and flexible learning.
2. Promote high added-value technical training to achieve strategic objectives.
3. Develop significant Skills for the Organisation.
4. Maximise employee experience in their learning process.

To achieve these goals, we have redefined the overall way in which we promote learning at Iberdrola and have designed, together with all regions, the following global learning model:



During 2023, working mainly on 3 main blocks:

Culture of Ongoing Learning - Keep Learning

Ongoing learning is a key element for promoting innovation, competitiveness and the progress of Iberdrola's professionals. Therefore, the Company has a solid training model that reaches all of its professionals in all categories. This strong commitment to training has resulted in more than 3.1 million hours of training in 2023, an increase of 14.4% compared to 2022. Along these lines, we continued to strengthen our "Keep Learning" culture, which encourages the active involvement of employees in their learning.

"C3 #BreakingSilos" Knowledge Communities

The "C3" knowledge communities arose in order to foster an open and participative business culture, with the objective to "Connect, Collaborate and Contribute (C3)". Four communities were launched in this first year, addressing topics related to our strategic capabilities map, in which to promote the exchange of knowledge, lessons learned and best practices within a secure corporate environment. The first communities are:

- New ways of working - Agile methodologies and business agility
- Data-Driven - Data management and analytics
- Customer Experience
- Project Management

Each community operates with a governance model that gives them autonomy over the subject matter to be shared, under global and expert supervision in the field, which consolidates the new knowledge generated in each of them and makes it more dynamic.

This project revolutionises the way in which the Company learns by encouraging decentralisation and empowering internal experts to be multipliers, offering them a platform that allows them to connect with other experts, launch webinars, create training capsules and share articles, publications, experiences or best practices from their day-to-day activities. All of this is carried out in a multi-cultural and multi-language environment that encourages generosity between different businesses and countries, thus strengthening a global work environment. Clear examples of its success are as follows:

- More than 1,400 members registered globally.
- More than 35,500 visits to the website developed for this purpose.
- More than 200 messages of interaction between the different participating members.

Masterclasses

This project of online lectures given by managers and internal experts on key topics or those aligned with the Company's strategic capabilities map also stems from the need to promote collaboration and shared knowledge management.

In 2023, 10 masterclasses were held, with an average live attendance of 700 people, while 2,600 employees accessed this content on-demand. The total training received in strategic skills (both live and on-demand) stood at over 9,600 hours.

As a result, this training course, which obtained a satisfaction rating of 4.7 out of 5, has become well established in a very short period of time as a stable offering that is very much on the agenda of the teams.

Greenskilling (Green + reskilling)

Furthermore, at Iberdrola we consider reskilling to be the process by which our people can acquire new skills that increase their contribution of value to the organisation or provide them with professional repositioning within the energy transition process ("greenskills"). Specifically, we divide the greenskilling process into two main groups: internal and external. Some examples of internal initiatives include:

- DATIA programme in finance and treasury management: a project that promotes data centric management with the use of big data applied to financial reporting processes. Processes that previously took 40 hours to complete can now be completed in 30 minutes thanks to a data-driven reconfiguration, giving professionals more time to focus on analysis and providing value to the business.
- Networking programme for new facility managers and development managers, in which, after the profiles are analysed and identified, more than 300 hours of training have been recorded to train this group and reposition their technical experience in a new activity.
- The creation of a new Iberdrola Campus headquarters in Ricobayo (Zamora, Spain), which will provide support for wind turbine maintenance training, and be the meeting point for training all new recruits at the Iberdrola Spain subsidiary, through the Iberdrola IN programme.

In addition to internal programmes, external initiatives are also gaining weight in Iberdrola's greenskilling strategy. Projects such as our "Electricians School" project in Brazil, the GGE (Global Green Employment) platform and leadership in the European Working Group to determine future green skills and jobs (R4E) are clear examples of this.

Learning Technology

Convinced that professional development helps the Company achieve its results and makes the organisation more efficient, Iberdrola is equipping teams with the skills and competencies needed to perform their work efficiently, while preparing them to undertake greater responsibilities and challenges in the future.

Iberdrola therefore has a number of up-to-date and cutting-edge training resources that allow its employees to consume content with a high educational value and updated with the latest developments and technologies. In this regard, the offering focuses on two platforms that are market leaders in the promotion of training:

Micro-learning

A catalogue of more than 18,000 courses taught in more than 20 languages continues to be offered through a learning solution that is a market leader in learning through training capsules, which is key to reaching the employees of the Iberdrola Group at a global level.

As a result, in 2023 employees registered for more than 45,000 different courses, more than 285,000 videos were viewed and, in short, more than 15,000 hours were consumed on this platform, with an average of more than four hours per user. This data highlights the commitment to flexible and specific learning for the coming years in relevant areas such as data analytics and visualisation, customer experience, agile methodologies, project management and leadership.

Thanks to the availability of these types of training solutions, it is possible to meet the demands of Iberdrola *Energía Internacional*'s employees, who are geographically dispersed throughout 22 countries.

Deep learning

To build on this training offering, we also use a leading "Deep learning" platform that already has a catalogue of more than 10,000 courses from the most important and recognised universities, business schools and companies in the world.

In 2023 we increased the number of licences available globally threefold, enabling more than 75% of employees with a license to consume content on this platform.

Work was carried out during the year on designing and setting the parameters of the Workday training module, which will enable a learning capability roadmap to be developed and offered, uniquely tracking the progress of learners and meeting all their learning requirements both locally and globally.

Furthermore, convinced that technology is a great ally when it comes to developing a practical and relevant training process in the workplace, shortening the learning curve of the student and improving the use of the training, the use of virtual reality and/or augmented reality continues to be promoted as a technology already well established in the area of technical training and that in 2023 was tested in the context of skills training by developing a pilot with 15 leaders to stimulate the repeated practice of professional presentations in different scenarios, thanks to the use of virtual reality headsets.

Mentoring Programmes

Mentoring programmes are valuable tools from both a training and a professional development viewpoint. Not only do they allow technical knowledge to be transferred from a practical base based on experience, but they also favour an exchange of perspectives and business visions that enrich the content covered in these programmes. This is why these programmes, which are well established within the Company, continue to be strengthened over the years.

Digital Mentoring

This programme seeks to contribute to Iberdrola's digital transformation process, connecting employees who need support in projects involving strategic digital skills with other employees that have previous experience in this area. In 2023, more than 4,600 hours were dedicated to the programme launched in October 2022, with a participant satisfaction rating of 4.9 out of 5.

This programme also helps to promote inclusion within the Company by connecting employees of different generations, genders and cultures. This year 44% of the 155 pairs were from different countries, and 47% from different generations. Because of its success and popularity, the programme has become an established part of the Company's development offering and is expected to be continued once again next year.

Global Talent Mentoring Program

This programme, which in 2023 included 26 pairs who devoted more than 560 hours to mentoring, is enabling the development and learning of those profiles with high potential to be accelerated by providing them, in addition to training and knowledge of high added value, with leadership references on which to develop their management skills during all sessions.

Conclusion

All of the above actions and initiatives have allowed an increasingly solid and consistent learning culture to be built in all regions, which is being endorsed by businesses and teams, as demonstrated by the overall results obtained:

- Total annual hours of training by average personnel: 73.5 hours – which represents 34% more than our ESG commitment (55 hours).
- Total hours of training: +40% on the Training Plan initially scheduled for this year.
- Hours of training by knowledge area: +35% on the initial hours planned in strategic capabilities.

Programmes to support transition

The Iberdrola Group is committed to its professionals throughout their careers, and therefore, in those cases in which a career transition is necessary, we provide programmes to support this transition, to facilitate continued employability as well as career-end management.

In Spain, Iberdrola implements training plans on a planned basis, both in terms of training and methodologies, anticipating new production and/or environmental needs (greater digitalisation, green jobs, etc.), which allows employees to have the knowledge to maintain excellent levels of internal employability.

Both Avangrid and ScottishPower offer outplacement services through a partner company that assists employees to identify and prepare their next professional move. It is a tailor-made service that adapts to the employee's specific needs to benefit as much as possible from opportunities for employment.

Iberdrola Energía Internacional has developed a transition and support programme, comprising a set of techniques worked on together with the employee in three fundamental aspects: improving the employability of their profile through training; defining a job search strategy; and assistance in an enterprise of self-employment, should the employee so desire.

International mobility

The international mobility of teams between different countries and projects is not only an opportunity for professional and personal development, but also a competitive advantage that favours the exchange of knowledge, learning and best practices. For all these reasons, the management model was revised in 2023 on the basis of the following key principles:

- Single, coordinated management of the process across countries, analysing and minimising risks, streamlining processes and ensuring compliance with secondment objectives.
- Maximising the experience of the person moving through unique, tailored and specialised support.
- Strengthening internal communication of measures, support, policies and processes to ensure certainty, rigour and objectivity.

On this basis, the main milestones achieved in 2023 were as follows:

- Creation of a specific global department that focuses on the mobility process and ensures specialisation of the function and a single global contact with the mobility areas and teams.
- Review of internal operations and optimisation of processes (tasks, supervisors, times, teams, etc.).
- Redesign of a new International Corporate Mobility Policy, based on principles of flexibility, adaptation to personal and business needs, rigour, objectivity, competitiveness and legal certainty.
- Implementation of a Corporate Return Programme that not only guarantees a next professional milestone after their secondment, but also offers the possibility of development based on the personal and professional expectations of the teams

To promote internal talent mobility, in 2023 a Global Mobility and Talent Committee was set up with the participation of all regions. As a result, all global talent demand is being managed in the various regions in a coordinated manner in the short and medium term, sharing existing opportunities that can be covered by professionals from other countries, favouring greater connectivity, information and collaboration between companies, people and projects.

Programmes for skills management and lifelong learning

GRI 404-2

Professional development helps the Company achieve its results and makes the organisation more efficient, enabling employees to efficiently perform their work today, while preparing them to take on the future challenges of the green energy transition.

The group has various programmes aimed at high-potential professionals, including the **MBA in the Global Energy Industry**, which is offered by Comillas Pontifical University in Madrid and Strathclyde University Business School in Glasgow.

This is a global programme that lasts two and a half years, in which professionals from all the country subholding companies take part, 30 each time. A portion of the fifth year of this programme was carried out in 2023, and more than 130 employees have been trained since it launched in 2017. This fifth class of the MBA will graduate in 2024.

At the local level, countries have a wide range of management skills training programmes to develop the basic management and leadership skills required at all levels, thus strengthening our leadership pipeline.

Development of executives

The objectives of the management development strategy set out in the 2023-2025 People Plan are as follows:

- Drive transformation through leadership.
- Ensure that all employees enjoy the benefits of working with great leaders who create value.
- Strengthen the management pipeline to ensure the sustainability of the business.

All of this is based on four pillars:

- Listen to their needs, concerns and ambitions: the voice of the leader.
- Accompany career transitions and people management processes.

- Assess to measure leadership effectiveness and align development.
- Provide training at all levels to create a multiplier and cumulative effect with an appropriate local/global balance.

Building on the work carried out in 2022 to evaluate and review the portfolio of the Leadership School's global programmes, three new global leadership training programmes were launched in 2023, based on our leadership model - TOP Leader.

Internationally renowned academic institutions have participated in designing and delivering the programmes:

- **HerEnergy,** while all of our programmes bear diversity and inclusion as a hallmark, this programme has been specifically designed to give visibility to and promote female talent and leadership. In addition to attending workshops organised globally and locally, participants work in teams to develop relevant projects in each of our lines of business sponsored by executives. In this first year, 32 women from Spain, the US, the UK, Mexico and Brazil are participating in the programme, who will also have a mentor to accompany them in their professional growth throughout the programme. The kick off of the programme in September closed with a satisfaction rating of 4.6 out of 5.

- **Evolve**. In partnership with Headspring (IE & FT), the aim of the programme is to equip leaders with a global vision, bringing them closer to the latest trends in leadership and offering them valuable knowledge to advance their careers in the current climate of transformation and digitalisation. With 32 participants from all our carefully selected subholding companies and an average satisfaction rating of 4.6 out of 5 in the two modules held in 2023, it has already established itself as one of the programmes with the greatest academic and business impact, since real projects are being carried out based on the knowledge acquired.

- **Transformational Leadership Program.** Executives need to develop a global mindset and leadership skills that will enable them to make a transformational impact in the dynamic context in which we operate. Launched in collaboration with INSEAD, a total of 31 leaders from all the country subholding companies where we have a presence are participating in this programme. We obtained an average satisfaction rating of 4.3 out of 5, including investment in group coaching sessions carried out to supplement the academic portion.

At the local level, leadership training programmes develop the skills, knowledge and experience needed to successfully lead teams and organisations, supplementing the global offer and fully aligned with the TOP Leader model. Some of the most noteworthy initiatives are as follows:

- **Leader for a Day:** in the US, Avangrid has implemented a programme of **shadowing** between profiles identified as having high potential and executives who stand out for being a role model in leadership. The idea is to learn leadership skills through practice, to gain a cross-cutting view and to expose participants to certain challenging situations.

- **Channel Manager:** a site has been launched in Spain that brings together all the tools and resources that leaders need to know in order to carry out their role, thus facilitating access to all this content in an rapid and simple way. In addition, six training itineraries are offered for the development of leaders that are in line with the TOP Leader model and with the different levels of management careers.

- **Leader DNA:** taught by highly prestigious universities such as Anáhuac University, this is a comprehensive training experience that has already trained 104 participants in 2023 for a total of 2,704 hours of training in Mexico.

In 2023 the project also focused on providing leaders with support, most notably through the initiatives developed to improve onboarding for new managers, providing them with guides with all the relevant information necessary to approach their new position, supplemented by several sessions through teams, where they can learn from our experts about the main topics of people and team management.

In addition to all of the above, and continuing with the tools that Iberdrola makes available to our leaders, in 2023 we took on the challenge of developing our performance model to promote a culture of ongoing, constructive feedback, to align the achievements of our employees with the Company's strategy, and to focus on their professional growth. We want our people to get to know each other better, contribute their full value and continue to find opportunities for growth within the Group.

The role of leaders is key in order to best implement this new performance model known as **People Review**, which is why the change management plan has focused on this group, with more than 80 information and training sessions held in all countries in 2023, so that the model can be better understood and adopted as it will be used to evaluate 2023 and will be the basis for our talent management and development process, using the talent map as the main input.

Listen: Voice of Employees

Iberdrola promotes a favourable and dynamic work environment that allows us to obtain the maximum potential from our human capital, promoting their personal and professional development. The Company therefore has formal tools that measure and assess our employees' perception of various aspects of interest, and encourages their participation in this process of dialogue and constant development.

The Company is focusing on improving the employee experience, with one of its pillars being to listen to employees, understand their needs and, from there, take action. This is how we have defined our global listening strategy.

We have started by training professionals in the People area and certifying them in the Employee Experience methodology to build this new approach. In 2023 more than 60 focus groups were held with different employee profiles from all subholding companies to find out what employees experience and feel about their relationship with the Company from the time they join to the time they leave.

This information allows the Company to determine the employee life cycle at Iberdrola, identifying those important moments when the employee's voice should be heard.

In 2023 we began by evaluating the onboarding experience, with a satisfaction rating of 8.8 out of 10, and the experience of our employees when leaving the Company, with 90% recommending the Company.

In addition, a survey was carried out among graduates to understand what their experience is like, with a participation rate of 82%, a level of commitment of 8 out of 10, a satisfaction rating of 7.5 out of 10, and an eNPS of 33. The quantitative and qualitative information analysed following this survey will enable us to improve the graduate programme in future years.

In Spain, various actions have been carried out to listen to employees: interviews with more than 2,400 people, nearly 50 focus groups and 20 sessions of the "En Confianza" programme, in which different departments and organisational areas have been invited to discuss any questions, obstacles, needs or recommendations that they may have and the People and Organisation area has tried to provide live responses.

ScottishPower has held various sessions with the CEO in which 600 people have participated in four locations, and two surveys have been taken with different business focuses, in renewables and in control. In addition, quarterly employee forums have been held in both the Customer and Networks businesses, in which various topics are discussed related to business and people between business managers and employee representatives.

In line with our listening strategy, the **Annual Climate Survey was once again carried out in 2023. All employees of the Group** have been invited to contribute, **reaching a participation rate of 81% of the total workforce.**

The survey has revealed the level of employee engagement, whereby 71% of employees say they feel engaged, and favourably view the support they receive from the organisation, while 71% of employees feel supported by the organisation.

After gathering the information, the results were analysed and communicated to the management team, team managers and employees, allowing us to identify best practices to be maintained and also to identify opportunities for improvement that have since arisen in action plans.

GRI 404-1

Hours of training by professional category and gender							
		2023[66]		2022		2021	
		Men	Women	Men	Women	Men	Women
Hours of training	Leadership	64,445	27,122	62,387	26,979	85,078	31,054
	Qualified technicians	533,641	259,545	444,229	223,312	440,433	207,835
	Skilled workers and support personnel	1,858,877	310,793	1,730,249	244,663	1,449,663	183,248
Total		**2,456,963**	**597,459**	**2,236,865**	**494,955**	**1,975,175**	**422,140**
Average hours of training by average personnel	Leadership	38.0	40.6	32.2	35.3	41.5	39.1
	Qualified technicians	48.0	43.8	43.4	41.5	46.0	42.6
	Skilled workers and support personnel	99.3	90.9	93.0	74.1	80.9	56.5
Average hours of training by average personnel		**77.9**	**59.7**	**72.7**	**52.4**	**66.8**	**47.3**

The specific training varies according to the diverse professional profiles of the staff, not according to gender.

The high numbers of training hours received by skilled workers and support personnel 84% of whom are men, explains the difference in average hours between men and women.

Employees receiving performance and career development reviews

GRI 404-3

As indicated in Iberdrola's *People Management Policy* **employee performance evaluations, and communication of the results to the employees evaluated, are considered essential aspects for their professional development**. Some of the basic principles of conduct relating to this aspect and described in the policy are:

- Conduct annual performance reviews of professionals in Group companies based on objective criteria.
- Communicate the results thereof to the employees evaluated, so as to favour their professional development, contributing to the creation of a feedback culture.

At the Iberdrola group, employees are included in formal performance review processes, which vary based on professional category and level of responsibility, as well as the country in which the employees are located. There are individual performance reviews, based on individual and team contribution, consisting of agile conversations and assessments of key aspects of professional development.

[66]This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information..

Employees can be reviewed through two types of processes, according to professional category and the level of responsibility relating to their position:

Leadership

- Goals review ("What"): measurable, quantifiable and specific goals to be achieved over the course of the review period, relating to the goals of the Company.
- Performance review ("How"): review of conduct during achievement of the goals, which must be aligned with the Iberdrola group's mission and purpose.

Qualified technicians, skilled workers and support personnel

- Performance review ("How"): employees are reviewed on the basis of a number of personal competencies, which must be aligned with the Iberdrola group's mission and purpose.

These processes are based on a corporate tool that allows management of the Human Resources processes relating to the review. In this way, all users involved in these processes (employee, evaluator and Human Resources team) can work globally in real time. Furthermore, the main advantage of this tool is that it makes it possible to standardise and unify the focus and the applicable guidelines and criteria.

Employees with perfomance reviews (%)

		2023	2022	2021
Man (%)	Leadership	93.1	94.4	93.7
	Qualified technicians	85.3	84.9	86.7
	Skilled workers and support personnel	73.9	73.5	65.5
Average men		**79.0**	**78.6**	**74.2**
Women (%)	Leadership	91.9	93.3	95.0
	Qualified technicians	84.3	83.6	85.9
	Skilled workers and support personnel	58.8	60.0	59.6
Average women		**76.3**	**76.3**	**77.3**
Average Iberdrola		**78.4**	**78.0**	**74.9**

Employees hired in the last quarter of the year are not eligible for the performance evaluation for that year and are included in the annual performance appraisal process for the year following the year in which they join.

III.4. Quality and safety for our customers through innovation and digitalisation

- Innovation and digital transformation projects
- Our commitment to our customers
- Competition
- Cybersecurity and information privacy

Innovation and digital transformation projects

Today Iberdrola is the utility company of the future thanks to its ongoing commitment to innovation, as shown by the fact that it has been recognised once again this year as the **private utility company that invests the most in R&D worldwide, according to the European Commission's ranking.**

Iberdrola invested a total of EUR 384 million in R&D in 2023, a 6% increase over 2022. The R&D efforts within the Iberdrola group are organised around five main pillars, which in turn are aligned with the fundamental vectors of transformation of the energy industry, decarbonisation of generation, promoting the use of smart grids and the electrification of demand:

- **Disruptive technologies** that are increasingly efficient, sustainable and environmentally friendly, enabling optimisation of facilities and processes.
- **New products and competitive services** that meet customers' needs, with more personalised content and offerings.
- **Digitisation and automation in all businesses and processes**, with the introduction of new technologies such as blockchain, big data, the Internet of Things, virtual reality, artificial intelligence, etc.
- **Innovation with start-ups, entrepreneurs and suppliers**, intended to develop partnerships and new, disruptive business models, encourage the exchange of knowledge, and act as a driving force among its partners.
- **A culture of innovation and talent**. Iberdrola promotes a culture of innovation through the transfer of knowledge, the attraction of talent and the encouragement of the entrepreneurial spirit. **The Universities Programme Iberdrola U** involves the development of various initiatives with academia, such as endowed chairs, R&D projects, student training, in-house training and young entrepreneurs.

Iberdrola Innovation Middle East, Iberdrola's technology hub in Qatar focused on the digitalisation of the electricity sector, is pursuing various programmes to develop digital products and services for Iberdrola's three business lines: sustainable generation, grids and customers. The initiatives revolve around the design and deployment of digital platforms deploying artificial intelligence applications to optimise the operation and maintenance of power generation and grid assets, the effective and safe integration of renewable generation, the scaling and operation of batteries and other flexible assets, demand-side management and the delivery of digital tools to our customers to make them active agents in the energy transition.

Some of the innovative initiatives are set out below, classified by major category:

Sustainable Energy

In the area of onshore photovoltaic and wind

In 2023, big data techniques continued to be applied to the MeteoFlow Forecasting System to improve weather forecasting. Work continued on the ENERPREDIC project for calculating wind energy yields,

together with developments stemming from the RECURSO project. Other highlights include substantial improvements in optimising layouts with quantum computing, the development of long-term wind production time series, evaluation software, sensitivity analysis of wake models and, lastly, the development of a calculation procedure for estimating energy losses from icing using mesoscale atmospheric simulation. Work has also been carried out this year to study frost and its blocking effect and impact on energy production. In terms of solar resources, of particular note is the NEXT GEMS project, which applies HPC computing and Earth-system Models to analyse resource variations. On the maintenance side, the ASPA project continues, in which the behaviour of each turbine is simulated using artificial intelligence (AI) techniques and a digital twin, and the Diagnostic Matrix project, where a maintenance model is studied with a view to preventing damage and wear and tear for more efficient and consistent predictive maintenance. An AI-based software tool has also been developed to analyse fault identification in blades. With respect to maintenance of civil works, improvements in the analysis of the rotational and structural mechanics of wind turbines have also been developed. In turn, the AEROEXTENS and NEWPREDICT projects have generated new knowledge on wind turbine control strategies. The ECOSIF project has also continued, which studies the best support structure for the panels according to ground conditions. As regards grid integration, work has focused on the THIRTIES project to optimise decentralised voltage control. Work is also ongoing to further the understanding of wireless network modelling of solar trackers and CIBER network modelling of communications. In the area of storage, solutions with different functionalities have continued to be studied as part of the ALMACENLAD project. Another important area is the research into plant hybridisation, grouped together in the HIBRIDAR project.

In the area of hydroelectric power

In the area of hydroelectric generation, analysis of future power needs and technological improvements in the NEWPUMPING project continued in 2023. These improvements, together with the digitalisation of management and hybridisation, will deliver the necessary management capabilities for integrating new renewable generation. Two pumping projects stand out in this respect: HYDROSES and AVANHID. As regards biodiversity, the KANTAURIBAI project will pursue the objective of improving the interconnectivity of the Urumea river by developing new infrastructures to facilitate upstream migration of salmonid species.

In the area of offshore wind

In the field of offshore wind energy, the MEGAWIND project has moved forward with the aim of improving the most commonly used foundation systems with the best market potential, i.e. monopiles, by integrating them with the new generation of large offshore wind turbines, developing innovations in the design and manufacture of the monopile itself, the transition piece and the coupling systems between both components. With regard to floating offshore wind, the MARINFLOAT project is conducting marine mammal and birdlife studies, environmental impact studies, metocean studies and theoretical terrain studies.

In relation to new lines of work

Iberdrola has generated fresh know-how on floating photovoltaic technology, preparing itself for future projects, and has researched new technologies for recycling and reclaiming wind turbine blade waste, and agrivoltaics, which is based on the combination of renewable energies with agricultural and livestock energies. Finally, the NUEVASOLAR project has analysed new developments in photovoltaic solar generation, with new panel technologies, dry cleaning of panels and new, more efficient structures.

Also of note is the creation of the renewables centre of excellence (CoE), where significant innovative work has been conducted, including the development of operation and maintenance tools and in the areas of cybersecurity, data and reporting.

The following initiatives also stand out:

In the United States, headway is being made in research on floating offshore wind. In particular, models for reliable power generation output are studied, taking into account the effect of wind shadowing between free-moving and anchored turbines that cannot be modelled with ideal systems. The project seeks to unify the modelling and simulation of many separate elements into a single multimodal model using real oceanographic data to create a unique and ground-breaking forecasting system. We also participate in various partnerships and initiatives such as the National Offshore Wind Research and Development Consortium (NOWRDCA), which aims to reduce the cost of energy (LCOE) of offshore wind while maximising economic and social benefits, or as an advisory member of Windstar, with the aim of reducing costs and increasing reliability at all stages of wind power plant development.

A notable project in the United Kingdom is the Whitelee BESS wind farm battery project, launched last year, which ensures improved usage of the electricity generated by the wind farm and provides stability and reliability to the local power grid. This project is aligned with the goal of installing more than 0.9 GW of energy storage technology by 2030. In offshore wind farms, innovative PING Monitor technology is being studied to detect early damage to wind turbines using a monitoring device comprising an intelligent listening sensor the signals of which can be associated with potential signs of damage.

In Brazil, in the area of hydroelectric generation, AI is being used both to increase the generation and reserve capacity of power plants in the Hidrodigital project, and to identify systems and equipment with a high potential for failure in the SIPRO-H project. Additionally, a geolocation software tool was implemented as part of the PROXI project, providing real-time visualisation of river conditions, flood maps, potentially affected structures and planned escape routes. In the solar generation field, the Fernando de Noronha Floating Solar Power Plant project stands out, with the aim of reducing the island's fossil fuel consumption.

In Australia, we have become active participants in the new Fast Frequency Response (FFR) markets with battery energy storage systems. Fast frequency response delivers a rapid increase or decrease in active power in a time period of two seconds or less, to correct imbalances between supply and demand, and assists in managing power system frequencies. In addition, new wind turbine inspection technologies, such as drones, are being deployed for preventive maintenance.

In Mexico, it is worth mentioning the project to reuse sensors to measure wind and solar resources by determining their steady-state transfer functions. In addition, virtual reality solutions are being applied to improve wind farm maintenance in a new system that allows for an immersive experience inside a wind turbine, and through the "My Smart Plant" app to facilitate real-time operational control by on-site operators, who can act immediately in the event of any contingency.

In the field of nuclear power, efforts continue towards maintaining the high levels of safety, reliability and efficiency of the power plants in a clear commitment to digital transformation. In this regard, it is worth noting:

- The implementation of the PRiSM tool at the Cofrentes plant, based on the good results obtained, for real-time monitoring of the main facilities and early identification of possible degradation processes using machine learning methods.
- The COATI project has been completed for the development of software to enable the implementation of specific loading plans for spent fuel elements, and which has caught the interest of potential users. A second phase has been launched in order to optimise the thorough draining of fuel pools.
- The PROSA project is being implemented to develop innovative tools for integrated management of process planning, risk assessment at nuclear power plants and delivery of operator assistance through augmented reality technologies.
- Work is being carried out on the treatment of radioactive waste and special waste with the full-capacity ATI development project.

Flexibility solutions for the electricity system

In the field of thermal generation, efforts continue to expand on the digital transformation of the power plants for operating scenarios with low emissions, and to adapt to growing demands for efficiency, flexibility and speed of response. Work on the **FLAGSHIP** project has concluded to develop advanced simulation and optimisation tools for operating combined cycle power plants by creating digital twins. The NeoCC project has been launched to develop a package of novel technological solutions designed to significantly improve start-up processes and operating strategies for combined cycle power plants. In addition, work continues on validating the new prototype for robotised generator inspection.

The projects in Brazil focus on improving the efficiency of operational assets, which has implications for quality, safety and costs. In addition, the Operations area has developed a Load Level Calculator, a tool which calculates the availability and flexibility of the plant's generation during maintenance periods more reliably and quickly.

Notable initiatives in Mexico include the analysis and implementation of new solutions to increase the efficiency of combined cycle power plants when they are working below 100% of their capacity. A model is therefore being developed to determine the optimal operating conditions for increasing gas turbine efficiency at partial loads.

In the field of energy management, the focus in recent years has been on making the electricity system more flexible by addressing three main lines of innovation: the integration of innovative renewable energy production and storage (hybridisation), participation in new energy markets and the incorporation of new forms of flexible demand (hydrogen, heat and prosumers). This transition is being driven by digitalisation. As such, progress continues to be made in implementing and aggregating resources in Virtual Power Plants (VPP), making it possible to provide services as an aggregator of distributed energy resources and to participate in the innovative active demand response service. In addition, this year marked the end of the Flexener project, with exceptional results, where new technologies were investigated in the areas of generation, storage and even demand, with a view to building a 100% renewable, flexible and robust electricity system.

Another key element towards achieving a decarbonised system is research and development into new services for the system, as well as testing emerging markets. The following projects are being developed within this framework:

- DEFINER, efforts are ongoing to develop a tool for flexible electricity demand management.
- AVANHID, work is underway in the modelling, control and optimised integration of advanced hydroelectric power generation systems.
- ONE SYSTEM, a new project aimed at developing a simulation model in which three energy vectors (electricity, decarbonised gases and green hydrogen) are represented.
- PERAL, a new project designed to deliver new voltage control strategies for unified management of synchronous and asynchronous generation resources, storage systems, flexible demand (electrolysers) and self-consumption.
- Collaboration is also ongoing in the **ATMOSPHERE** project to research new technologies associated with critical equipment in green hydrogen generation plants, encompassing the entire value chain, so as to enable a significant reduction in the investment and the operation and management costs of these plants. Applications are also being developed to enable the smart integration of electrolysers into the system to help build and manage an increasingly complex renewable energy mix, as in the case of the **FEDECOM** project.
- The company also continues to participate in European projects such as **BeFlexible**, to ensure effective coordination between all stakeholders in the supply of distributor services, and the **Posytyf** project, which analyses from a theoretical approach the contribution of renewable technologies to providing services for balancing and controlling voltage through **VPPs**.

Green solutions or new products and services

New initiatives to improve customers' experience

Work has progressed on developing new integrated features across all our digital channels (Public Website Landings, Customer App, Public Recharge App and My Customer Area), and pilot projects have been rolled out for new communication and sales channels with customers, such as WhatsApp. We have also focused on sustainability by developing functionalities such as a sustainability calculator linked to product recommendations. Work has also continued this year on projects such as rebranding, a new system of designs, a new look and feel to our private B2B area and the implementation of improvements and new features in our digital channels and user contact points.

New products and functionalities:

- **Smart Solar is the self-consumption distributed generation solution.** The **Solar Cloud** product has been further developed and is now available via the Public Web and APP. This product allows residential customers to use their surplus energy to reduce the bills of other points of supply owned by the same customer. In turn, this service allows energy surpluses to be carried over to other months where they can be offset against the bill for the residence. In addition, Iberdrola now has 475 solar communities, through which customers located close to a **Solar Community** can access 100% renewable energy and save on their bills without the need for investment. In the SME sector, the solar calculator for businesses has been developed so that customers can receive solar offers via the public website.

- **Smart Home. In this area, the Advanced Smart Assistant has been developed, which allows all the customer's Smart Solutions to be connected and managed autonomously** thanks to an innovative control algorithm. The platform is designed to shift consumption to the least expensive hours of the customer's tariff, taking into account the availability of power in the home and solar production (in the case of a photovoltaic installation), always in line with the customer's energy needs. It also ensures optimised electric vehicle charging, reduces air-conditioning consumption (taking into account the home's thermal inertia) and automatically manages the electric hot water heater.

- **Smart Mobility is Iberdrola's transport electrification proposal** and part of its strategy for transitioning to a decarbonised economy. Iberdrola and AEDIVE have signed an agreement to form an **alliance for the electrification of heavy road transport in Spain**, bringing together all the sectors involved: manufacturers, charging infrastructure, logistics operators and end customers. Part of the recharging infrastructure projects implemented by Iberdrola in heavy transport and buses concerned the integration of recharging points in the **Smart Charging** platform of the supplier BIA Power, allowing the optimisation of recharging based on different parameters (reduction of power peaks, energy cost, availability of renewable energy, etc.). In addition, it can be integrated with other systems such as fleet management systems, the user's ERP or management system, or photovoltaic generation systems. With respect to public charging, Iberdrola plans to develop **12 projects** to implement **very high-power charging stations** specifically for trucks, and a **charging hub with 48 high and low-power charging points**. Iberdrola has also adapted the proprietary recharging point management platform used in its network to provide a Platform-as-a-Service for third parties, taking advantage of its know-how in the management of the recharging point network.

- **Smart Clima is a package of solutions for energy savings and the decarbonisation of both single-family homes and buildings,** while also addressing renovation and energy efficiency of buildings. Different solutions are provided: efficient electrical air conditioning and heating with heat pumps, steps taken towards the thermal insulation of the house, energy supply and optimal maintenance of equipment. In addition, several projects to replace fossil fuel boilers have been launched for companies. As with the residential sector, the proposal extends to efficient electrical air-conditioning with heat pumps, energy supply and optimal equipment servicing.

- **Smart Cities stands out for its focus on the decarbonisation of ports** through the implementation of an innovative infrastructure for enabling ships to be supplied with renewable energy. The Onshore Power Supply (OPS) system allows ships to shut down their engines when moored and thus reduce air and noise pollution. Likewise, with the aim of realising comprehensive decarbonisation projects, the company collaborates on proposals with municipal councils and urban developers, proposing solutions that have an impact on citizens. One example is the ATELIER project, a smart city project showcasing Positive Energy Districts. Smart Cities has also launched an online, free and scalable Carbon Footprint calculator to help companies determine their Scope 1 and 2 emissions. It is also being used in partnerships with large customers and institutions whose decarbonisation commitment falls within Scope 3.

- The aim of the **Industrial Decarbonisation** team is to completely electrify and decarbonise production processes in the industrial sector. The most prominent technologies include heat pumps, electric boilers and thermal storage. This has led to the commissioning of projects like that of the AN Group, which consists of implementing an industrial heat pump at the Vicolozano factory. Along the same lines, a biomass plant with two 14 MW boilers has been launched to produce the steam required to process the material extracted from the Cobre las Cruces mining operation (Seville). Iberdrola is also promoting the development and implementation of heating and cooling networks in Spain with the aim of decarbonising heating, cooling and hot water systems in cities using renewable energy sources. Iberdrola has launched the company's first Heating Network in Palencia, Spain, supplying air conditioning and hot water to more than 9,000 people using renewable energy.

- The **United Kingdom** boasts a broad portfolio of products to deliver sustainable and affordable domestic heat solutions to customers: aerothermal heat pumps, solar panels, batteries and electric vehicle charging. An industry-leading home energy management system has also been developed to help customers better control low-carbon technologies and inform them about their overall energy consumption. Furthermore, the commercial division is engaged in various initiatives to respond to domestic customer demand, such as the Electricity System Operator's Demand Flexibility Service and the Equinox project, an innovative heat pump flexibility trial led by National Grid and funded by Ofgem.

- In **Brazil**, customer service channels are being created and implemented to connect and simplify customers' lives, offering digital services that provide independence, convenience and accessibility. As part of this process, the Digital Connection project stands out with the transformation of processes, architectures, digital channels, data analysis and robotic automation of processes. Highlights also include the automation of collection actions, advisory services, delivery of complaints and invoices, and monitoring of legal processes, sending messages with suggestions and notifications to customers, and visualisation of consumption history. Meanwhile, products such as 360° Customer Voice Research and CT Movement provide innovative insights into applying analytical models and AI to deliver an enhanced customer experience.

Smart grids

In 2023, efforts continued to augment the strategic Global Smart Grids Innovation Hub project, a pioneering hub and global leader in smart grid innovation. This initiative involves pooling the innovative potential of more than 200 professionals in order to develop R&D projects associated with greater digitalisation, the processing of data generated by grid assets and the response of the electricity grid to new consumption models, such as electric mobility and self-consumption. This year also marked the consolidation of the Innovation Data Space (IDS) laboratory, an open data space in which more than 15 collaborators are already participating, and which allows the use of data to be securely streamlined through AI and advanced analytics. Meanwhile, the Smart Grids INNOVA Valencia 2023 conference was held for the first time, with the participation of several demos led by the Global Smart Grids Innovation Hub, where R&D projects were shared with the industrial partners and public entities taking part in the event. In addition, this year i-DE was awarded the Forbes Innovation Award in the Disruptive Technology category with the "Wall-i. pARedes Virtuales" project, one year after winning it with R0V3RT, the autonomous substation robot.

The digitisation of the low-voltage grid is the foundation for building the smart city of the future and efficiently achieving the decarbonisation targets related to customer-level electrification. In general, work is carried out in accordance with the new low-voltage grid model, enhancing the digitalisation of the grid with various projects such as the definition of the smart Transformer Centre with advanced sensors for detecting anomalies and anticipating faults and incidents; as regards the active operation of the LV grid, projects include the eLVIS project, a low-voltage control system designed to control and optimise LV grids and manage incidents through mobility applications, and the Technical Supply Management project, an LV grid planning system, which provides new grid calculation and simulation capabilities.

In Europe, the ATELIER project continued in 2023 with the aim of developing Positive Energy Districts (PEDs) in eight European cities, and where i-DE is participating in the Bilbao pilot project, which is taking place in the Zorrotzaurre area, and where solutions for the smart city of the future will be implemented and tested. On the path towards its new role as a Distribution System Operator (DSO), the company continued leading the BeFlexible project, the main objective of which is to increase the participation of prosumers in order to increase the flexibility of the electricity system. Work also continued on the ONENET project, involving 72 partners and which focuses on developing new customer-centric flexibility tools, with an open, streamlined architecture based on the concept of an interoperable network of platforms with coordinated operation. Furthermore, work has continued on the FLEXENER project, in collaboration with seven other companies, the main objective of which is to research new simulation technologies and models in the areas of renewable generation, storage systems, flexible demand management and operation of the distribution network.

In Spain, work continues on the new smart substation, through the development of a comprehensive substation control system, implementing and developing the international standard together with the manufacturers. Therefore, a sustainable facility is achieved through the reduction of materials, but above all through its design, which takes the ecological footprint into account. In the field of cybersecurity, work also continued on the SEC2GRID project, aimed at developing new smart electronic devices for an electricity distribution grid that is more resilient to cyber-attacks. A macro-project has also been launched to use power electronics and electrical storage, with the aim of improving guaranteed supply in medium-voltage grids. Progress continues on the project for the digital substation model so as to improve efficiency through the automation of monitoring and remote operation, and to increase safety at work through the use of augmented reality. The new processes associated with the Low Voltage Master Plan have been further extended with the aim of making the most of the remote management features implemented through the STAR Project, improving customer service. In addition, several projects have been launched this year: ASTRA-CC, aimed at developing a public direct current

electricity grid architecture for the connection of renewable energies, storage or fast charging; the SensoCeT project, to optimise operations through the incorporation of digitalisation and predictive maintenance technologies based on smart sensors in transformer centres; the AFOROBT project, to develop an expert system for automatically analysing oscillography to detect, identify and classify faults in low-voltage grids.

In the United Kingdom, we have become the only network company to test and implement regional grid management through the Green Recovery Fund. Furthermore, we hit an important milestone with the completion of Distributed Restart (Dist ReStart), an international project aimed at exploring how distributed energy resources (DER) can be used to restore power in the event of a total or partial outage of the National Grid. Combined with our current leadership in Power Electronics and Network Resilience applications, we have made data management and digitalisation our new strategic priorities. Thanks to the ENSIGN project, where we collaborate with four leading academic institutions, we are creating a digital twin of the country's electricity grid to test digital solutions for accommodating increased electricity demand. In addition, through the FITNESS project, we have consolidated our leadership in the digitalisation of electricity transmission substations.

In Brazil, network innovation is focused on developing new technologies and services aimed at transforming the customer experience, as well as contributing to the expansion of smart grids, asset automation and digitalisation of processes. From a network security perspective, projects have been developed to maintain vegetation under control, such as remote-controlled robotic arms or measuring grid impedance without disconnecting the electricity substation. Several initiatives to detect non-technical losses, based on processing asset data by smart integrated management systems, make it possible to generate loss reports and identify faulty installations. Another innovative project is digital transmission line inspection using drones and AI to identify faults, correct them and ensure the ongoing security of the asset. In the area of smart grids, Neoenergia is spearheading the development of a private LTE network for operation in Latin America. The SISCON programme, which seeks to modernise operations centres and field processes based on an information infrastructure and the standardisation of operational processes, stands out among the digital transformation initiatives in distributor operations. Another noteworthy project was the Smart Cutting (MOTE) project, which developed devices to automate customer disconnection and reconnection in an agile way, while maintaining the integrity of field equipment. Lastly, the continuation of the GODEL project is noteworthy of mention, which has led to several products being developed, including the Smart Sensor for fault detection and Conecta for hosting distributed generation and new loads on the grid.

In the United States, a project is underway to open up additional capacity on its renewable energy transmission lines in New York State. The project will deploy advanced overhead line monitoring to reduce grid congestion while giving real-time information on where additional power can safely flow through the existing transmission infrastructure. This critical data and visibility could help hook up more renewable energy resources to the electricity grid. In addition, the impact and estimation of load growth from electric vehicles + distributed energy resources (DERs) is being analysed to improve load prediction and planning. To this end, different scenarios on the impact of introducing electric vehicles, heat pumps and solar panels and existing equipment were developed to understand the need for upgrades under each scenario.

Green hydrogen

Iberdrola has the largest green hydrogen production plant in Europe, the Puertollano plant, with a 20MW electrolyser that will produce up to 3,000 tonnes of green hydrogen for use in ammonia production processes in the manufacture of green fertilisers. We also have the first hydrogen plant for public consumption in Barcelona, Spain, which will supply 24 buses operated by Transports Metropolitans de Barcelona (TMB) with green hydrogen. We have also received the Important Project of Common European Interest (IPCEI) label from the European Commission to build an ambitious project with a total electrolysis capacity of 780 MW, divided into the Puertollano I, Puertollano II, Palos de la Frontera I and Palos de la Frontera II phases.

The GREEN MEIGA project was approved in 2023 to develop a 151MW hydrogen plant in Spain to eventually produce 100,000 tonnes of green methanol per year, reducing CO2 emissions by nearly 3 million tonnes over a 10-year period.

The high level of research activity, both in Spain and in other countries, is also noteworthy. Iberdrola is leading two industrial research projects: the ATMOSPHERE project, which aims to develop new technologies for storage, generation and safety in green hydrogen plants, and the AVOGADRO project, which aims to develop an advanced hydrogen refuelling system for mobility applications. This year also saw the approval of two projects: a 5MW green hydrogen plant in Galicia (H2GALICIA), in collaboration with Foresa, and a 2.5MW green hydrogen plant in Catalonia (H2CATALUÑA), for the decarbonisation of one of the leading producers of hydrogenated fats. Internationally, the FEDECOM projects to develop optimisation tools for the Puertollano and TMB plants are being pursued, as is the AMBHER project, which is focusing on short-term storage systems using MOFs (Metal Organic Frameworks) and long-term storage systems using catalytic membrane reactors for ammonia synthesis. The HyLICAL project, exploring new hydrogen liquefaction technologies, and the ANDREAH project, which is developing an ammonia cracking system to produce high-purity hydrogen, were also launched.

In Brazil, a project is underway to produce green hydrogen using solar photovoltaic energy to supply vehicles. A Hydrogen Calculator has also been developed, a tool for automating calculations required for sizing projects involving green hydrogen and its derivatives, as well as its mobility applications.

Iberdrola Ventures - Perseo

Iberdrola Ventures - PERSEO is the start-up programme created by Iberdrola in 2008 with EUR 200 million in funding in order to encourage the development of a dynamic ecosystem of start-ups and entrepreneurship in the energy sector. The programme focuses on new technologies and business models that allow for improvements to the sustainability of the energy model through greater electrification and decarbonisation of the economy.

Since its creation, the programme has channelled investments of more than **EUR 150 million in start-ups in the energy sector worldwide**. Through PERSEO, Iberdrola offers its investment support and market access experience and capacity to start-ups, particularly in Spain, the United Kingdom, Brazil, Australia and the United States. The investment portfolio currently includes a broad and diversified range of projects under the Perseo umbrella, in addition to other funding programmes.

The major achievements in 2023 include:

- **Pilot projects: Over the course of 2023, there have been 22 pilot projects with start-ups** in technology areas including IoT and artificial intelligence, mainly focused on the grid and renewable asset inspection and maintenance areas, as well as devices to improve customer service. One example is a collaboration with Enline Transmission, a start-up that has developed software tools for designing and optimising electricity transmission and distribution networks.

- **Challenges: Throughout 2023, Iberdrola has launched six challenges for the start-up community** in areas such as just transition or improving electricity grid monitoring and maintenance systems.

- **Investment:** It is worth highlighting the growth of Seaya Andrómeda Sustainable Tech Fund I FCR, a venture capital fund that reached EUR 300 million this year, in partnership with other investors to invest in European technology scale-ups related to sustainability, the energy transition and the electrification of the economy. Another key investment was made in the **Kyoto Group** to promote the production of green heat for industrial customers. In addition, a new investment was made in **GED Tech Seed**, a seed stage venture capital fund in Portugal, which has reached a size of EUR 100 million, with the aim of investing in start-ups with a high R&D component in various sectors.

- **"Venture Builder":** Perseo continued the initiative launched in 2020 for investing in and creating (from scratch) electrification and the circular economy businesses — in areas such as the recycling of photovoltaic modules, wind-turbine blades and batteries — and in sectors resistant to decarbonisation, such as industrial heat production and heavy transport. As part of this initiative, investments were made in 2023 in Exiom Solar, a manufacturer of photovoltaic modules, and LATEM, a company that manufactures recycled aluminium.

For more information on the R&D projects in which the Iberdrola group participates, visit the *Innovation* section of the corporate website.

Our commitment to our customers

Supply quality

■ GRI EU 28 ■ SASB IF-EU-550a.2

Quality of service and its ongoing improvement is one of the fundamental goals of Iberdrola's activity. A quality-evaluation system and the implementation of rigorous internal and external processes enables the achievement of objectives linked to this ongoing improvement. Moreover, all the distribution companies have regulatory incentives or penalties linked to improvement in the quality of supply.

Iberdrola monitors the quality of the service provided in the various countries, measuring it on the basis of the frequency and duration of interruptions in supply. However, the measurements in each country are made according to different standards following the respective legal or regulatory requirements.

Indicators used to measure the frequency of interruptions in supply

Indicators of frequency of interruptions				
		2023	2022	2021
Spain [67]	NIEPI	< 0,7	< 0,9	1
United Kingdom	CI	33.4	32.4	37.3
United States	SAIFI	1.2	1.3	1.4
Brazil	FEC	4.6	4.6	5.1

- NIEPI: Installed Capacity Equivalent Interrupt Number at medium voltage.
- CI: Customer Interruptions per 100 connected customers.
- SIAFI: System Average Interruptions Frequency Index per customer.
- FEC: Equivalent Duration of Interruption per Consumer Unit (*Freqüência Equivalente de Interrupção por Unidade Consumidora*).

GRI EU 29 SASB IF-EU-550a.2

The indicators and the average durations of electrical outages for 2023 are given below:

Indicators of average duration of interruptions				
		2023	2022	2021
Spain [68]	TIEPI	< 36 min	< 38 min	< 39 min
United Kingdom	CML	30.2 min	26.2 min	33.9 min
United States	CAIDI	1.8 h	1.8 h	1.9 h
	SAIDI	2.2 h	2.2 h	2.7 h
Brazil	DEC	9.7 h	10.0 h	10.2 h

- TIEPI: Installed Capacity Equivalent Interrupt Time (tiempo de interrupción equivalente de la potencia instalada) at medium voltage.
- CML: Customer Minutes Lost per connected customer.
- CAIDI: Customer Average Interruption Duration Index.
- The United States also has the System Average Interruption Duration Index (SAIDI).
- DEC: The Equivalent Duration of Interruption per Consumer Unit (*Duração equivalente de interrupção por unidade consumidora*) (DEC) is used in Brazil.

[67] Quality data for Spain (NIEPI and TIEPI) include commercially sensitive information.
[68] Quality data for Spain (NIEPI and TIEPI) include commercially sensitive information.

Customer satisfaction

GRI 2-29

Iberdrola uses various mechanisms to measure customer satisfaction levels and to gather customer opinions, verify compliance with its quality standards within the customer service and sales channels, and implement suggestions for improvement. The most significant studies by country are:

In Spain, in the Electricity Production and Customers Business, there are various indicators for measuring users' satisfaction level, including the Detailed Satisfaction Study. Once a year, it measures overall satisfaction with the service received by the customer and offers detailed information about attributes such as agility, training, and handling of channels, clarity of the invoice, claims management, quality of supply, price competitiveness and electronic billing, whether for large customers, companies, small businesses or residential customers. In 2023, for the eighth consecutive year, overall satisfaction exceeded a score of 7 out of 10.

The company also has a **Voice of the Customer Measurement Programme**, which allows satisfaction surveys to be performed in a transactional manner (immediately following an interaction) at various key times in the customer relationship, while also analysing unstructured information through the use of text analytics and machine learning. All of the foregoing enables more agile detection of customers' opinions and the prioritisation and implementation of improvements. This programme measures and analyses factors in the following principal areas:

- Attention to the Telephone Channel
- Attention to the Customer Service Points
- Attention to the Digital Channels (Web/App)
- Use of products and services.

Most of the studies use the NPS (Net Promoter Score) index, which ranks the recommendations made by Iberdrola's customers. This index highlights points received for customer service and the use of products and services.

Regarding the Networks Business, calls are made periodically to customers who have contacted the company, giving them the opportunity to complete a satisfaction survey about the service that was provided. These results are used for the Customer Satisfaction Index and to detect and resolve problems with the service.

In the United Kingdom, customer satisfaction is measured by a number of internal and external studies conducted by the Customer Insight department. These analyses include various satisfaction surveys that vary in frequency from monthly to annually.

Externally, ScottishPower's customer satisfaction is benchmarked against its competitors by Which?, which conducts annual surveys, and UK-CSI, which is published twice a year. These studies analyse specific areas, such as customer billing, campaign follow-up and complaints. ScottishPower received an overall satisfaction rating of 58 out of 100, an improvement on the previous year. In UK-CSI, its satisfaction indicator was 66.5 out of 100.

Customer satisfaction at ScottishPower is assessed through Pulse, an in-house analysis conducted on a monthly basis, which measures trust, ease of use, value, etc. Actions to improve the overall customer experience are implemented based on this analysis. In addition, the TalkEnergy customer research

panel is used to carry out more detailed analyses (e.g. on billing, Smart Solution, smart grids, etc.). The results are the basis for action plans and improvement plans.

In the regulated business, the scores reported in the Broad Measure of Customer Satisfaction (BMCS) study conducted by Ofgen (the British electricity market regulator) were used as an indicator to set the regulatory incentive. The index is calculated on the basis of a survey that covers all customers who requested customer service, and takes into consideration various aspects of the service that the customers received. The scores received by the distributors SP Manweb, SP Distribution and SP Transmission in 2023 were 9.08, 9.07 and 8.21 out of 10, respectively.

In the United States, the subsidiaries of AVANGRID measure perception of the service and customer satisfaction through telephone surveys. In 2023 the AVANGRID companies obtained an overall score of: RG&E 81.0%; NYSEG 85.2%; CMP 85%; UI 75%; CNG 85%; SCG 76%; and BGC 82%.

In Brazil, the Brazilian Association of Electric Power Distributors (Associação Brasileira de Distribuidores de Energia Elétrica – ABRADEE) carries out a satisfaction study known as the Perceived Service Quality Satisfaction Index (ISQP) based on an evaluation of performance in the following areas:Energy Supply, Information and Communications, Customer Service, Electricity Billing and Image. The ISQP is obtained through evaluations made by customers through the surveys administered by *Instituto Innovare*. Neoenergia received a score of 71.6% for overall satisfaction in 2023.

The ratio of complaints received in the main markets where the company operates is given below:

Complaints received

Number of complaints per 100 customers		2023
Spain	Liberalised market	1.67
	Regulated market	1.26
United Kingdom	Liberalised market	5.68
	Regulated market	0.17
United States	Regulated market	0.05
Brazil	Regulated market	1.28
Other countries	Liberalised market	2.10

The total number of complaints received by the Networks Business (regulated market) in 2023 was 358,849. The average response time was 5.2 days[69]

In the Networks business, complaints are resolved by the deadline established in the legislation in each country. There are also control mechanisms, such as quality audits and the strict reporting requirements established by regulatory entities.

The total number of complaints received by the Electricity Production and Customers Business (deregulated market) was 630,626. The average response time was 8.54 days.

The complaints resolution rate in the Electricity Production and Customers Business in 2023 was 95,17% in Spain, 95.65% in the United Kingdom, and 91.96% in the rest of Europe.

[69] Data weighted by number of complaints per country.

Responsible communication

Marketing communications

GRI 417

Iberdrola goes beyond regulatory compliance in its advertising and marketing communications, and adopts mechanisms and voluntary codes that ensure such communications are transparent and truthful. The *Code of Ethics* also applies in this area for all employees regardless of their area of responsibility.

Iberdrola not only complies with applicable advertising practices codes in all locations, but has also implemented internal approval procedures to ensure that all advertising material presented to society is in accordance with responsible advertising practices.

GRI 417-3

Incidents of non-compliance concerning marketing, advertising, promotion and sponsorship (No.)

	2023	2022	2021
Resulting in a fine	45	41	13
Resulting in a warning	0	0	0
Relating to voluntary codes	0	0	0
Total incidents	**45**	**41**	**13**

The 45reported incidents took place in Spain, representing 0.01% of incoming claims, and were for the most part connected to administrative errors.

Information on and labelling of electricity sold

GRI 417-1

Regarding labelling, Iberdrola informs its customers about the sourcing of the energy placed on the market and its associated environmental impact, generally through its electricity bills and other commercial communications, and always abiding by assurance standards and the format required by the various national agencies (CNMC in Spain, Ofgem in the United Kingdom, ANEEL in Brazil, etc.).

Information on customer complaint mechanisms and communication channels is included in the Stakeholders engagement.

The table below shows the information and labelling incidents that took place in 2023:

GRI 417-2

Information and labelling incidents (no.)			
	2023	2022	2021
Resulting in a fine	1	1	3
Resulting in a warning	0	0	0
Relating to voluntary codes	0	0	0
Total violations	**1**	**1**	**3**

Health and safety of customers and of the general population

GRI 416

Users' safety is of paramount importance to Iberdrola. For this reason, it makes information and training available to the various emergency services and law enforcement services in order to explain the conflicts that they may encounter during the performance of their work and how to act in situations involving electrical risks.

All stages of the life-cycles of electricity and gas (planning, production activities, transmission and distribution, marketing) are closely regulated because these products are essential to the country's economy and improve the quality of people's lives.

At all stages, alignment with each country's environmental and labour regulations is essential to minimise possible operational risks (operation of generation plants, electrical risks and risks associated with the handling of gas, etc.). In addition, in the planning and marketing stages, public participation (through social and political representatives) and communication with consumers are two other key factors for protecting public health and safety.

GRI 416-1

All processes required for the supply of electricity and gas at all stages as described above ensure that these products arrive at the consumer with an appropriate level of assurance for their health and safety. The impact on health and safety of 100% of the significant product and service categories is assessed to improve them.

The following table lists incidents in terms of impacts of products and services on the health and safety of customers. There were 67 incidents leading to fines in 2023 all in the United States, due primarily to alleged violations of federal safety regulations for facilities. A non-monetary penalty was also imposed.

GRI 416-2

Incidents stemming from non-compliance with regulations or voluntary codes regarding health and safety (No.)			
	2023	2022	2021
Resulting in a fine	66	67	42
Resulting in a warning	1	1	6
Relating to voluntary codes	0	0	0
Total incidents	**67**	**68**	**48**

GRI EU25

Furthermore, as described above, the construction, operation and maintenance of electric infrastructure involves certain risks, which may at times give rise to incidents affecting people outside of the company. In most of the cases detected, the incidents are related to third parties working without safety measures in the areas around the distribution facilities, as well as accidental contacts with the network.

The following table shows the accidents of this kind that occurred during 2023. Of these accidents 14 occurred in the United Kingdom (including 1 death), 5 in Spain (0 death) 21 in the United States (4 deaths), 109 in Brazil (21 deaths) and 1 in IEI (0 deaths). Year after year, significant work has continued in the areas of awareness-raising and training for the general public in order to avoid these numbers as much as possible.

Accidents involving persons not belonging to the company (No.)			
	2023	2022	2021
Accident victims	150	139	190
Fatalities	26	36	48

The claims listed in the following table have been filed against companies of the group on these or other similar grounds not involving injuries and have given rise to legal proceedings in the respective jurisdictions. At year-end 2023, 36 legal proceedings had been resolved or were pending in Spain, 71 in the United States and 73 in Brazil.

Annual legal proceedings (No.)			
	2023	2022	2021
Resolved and pending, stemming from these accidents	180	162	234

Electromagnetic fields

Historically, the possible influence of electrical and magnetic fields on human health has been the subject of a certain amount of public debate. However, the various studies performed in this regard have identified no detrimental effects on human health for the maximum emission figures established by applicable law. Iberdrola, following the precautionary principle, applies the rules in this regard and has shown itself willing to work with the public authorities in adopting such preventive or mitigating measures as may be deemed appropriate to avoid risks or harm to health.

No legal complaints about electromagnetic fields (EMF) were registered in 2023. It should be pointed out that electromagnetic field levels of facilities in Spain, be they transformation centres, lines, or power substations, are far below legal limits, which in turn were set, with an extremely wide safety margin, by the Recommendation of the Council of European Communities of 12 July 1999 (1999/519/CE), which was transposed in Spain by RD 1066/01 of 28 September, and was also ratified in Spain by the Ministry of Health and Consumption and by the Royal Academy of Exact, Physical, and Natural Science.

Education on the safe use of electricity

To ensure consumers' health and safety, it is very important to inform them of and educate them on safety guidelines for using electricity.

Iberdrola thus uses the group's websites to provide recommendations and information to consumers on the safe use of electricity and gas, as well as guidelines to follow in case of an electrical accident. It also publishes informational booklets on the potential risks of electricity that affect its proper use and promotes informational and educational campaigns on safety measures and energy savings for the general public.

Depending on the location and its level of exposure to adverse weather conditions or other external contingencies, Iberdrola also provides information and recommendations on actions to take in the event of an emergency.

Competition

GRI 206

As stated in the *Code of Ethics* and the *Competition law compliance policy* the group companies undertake to compete fairly in the market and not to engage in advertising that is misleading or denigrates its competitors or third parties.

The policy also sets out, among other things, the principles for obtaining information from third parties in accordance with regulations, the promotion of free competition for the benefit of consumers and users, transparency and free market practices.

In each country or territory of operation, each of the country subholding companies endeavours to ensure strict compliance with legal provisions on separation of activities and, in many jurisdictions, the applicable internal regulation goes beyond what is required by law, significantly reinforcing measures to prevent any unfair competitive practices stemming from the lack of separation between liberalised and regulated businesses.

The liberalised head of business companies also have specific controls to avoid any type of anti-competitive practices, particularly in areas like advertising campaigns directed towards individuals and price manipulation

Pending cases

- **GRI 206-1**

One case related to monopolistic or anti-competitive practices was recorded in 2023, namely a fine of EUR 2,704,485.51 imposed by the CNMC on AMARA, S.A.U. and IBERDROLA, S.A. for an alleged anti-competitive infringement consisting of project sharing agreements with cable manufacturers. When the National High Court rejected IBERDROLA S.A.'s administrative appeal against the decision, holding it liable for the infringement, the company filed an appeal with the Supreme Court, on which a ruling has yet to be handed down.

No other cases of monopolistic or anti-competitive practices were detected in other Iberdrola Group companies during the year. There were also no open cases recorded from previous years.

Cybersecurity and information privacy

Companies in the energy sector rely on a technological infrastructure, both physical and digital, to support their processes and operations. Growing reliance on technology, highlighted by the COVID-19 pandemic, can expose businesses to a range of risks, which, if exploited, could disrupt operations, harm assets, put people's safety at risk, undermine the organisation's ability to deliver reliable energy services, or expose the company to penalties or third-party liability.

As a leader in innovation and smart grids, Iberdrola attaches strategic importance to cyber-resilience, and in 2015, the Board of Directors approved a *Cybersecurity Risk Policy* pledging to introduce the necessary measures for promoting a robust cybersecurity culture throughout the Group by encouraging the secure use of cyber-assets, and strengthening the capacity to detect, prevent, defend against, and respond to cyberattacks or cybersecurity threats.

Its scope of application includes not only information and communications systems and technologies, but also the protection of industrial control systems and smart grids, whether operated by its own personnel or supported by third-party operations and services.

The Policy builds on a set of cybersecurity rules underpinned by the Global Cybersecurity Framework which, in turn, is further developed by the Global Incident Response Plan and other cybersecurity regulations focused on the different aspects of cybersecurity threat. All these rules are included in a Corporate Security Policy that covers the Group's security in a comprehensive manner, so as to cover physical, cyber and hybrid threats, both external and internal.

To lead the deployment of the Cybersecurity Risk Policy throughout the group, Iberdrola has appointed a Chief Information Security Officer (CISO), who reports to who reports to the global head of comprehensive security and senior management. The CISO is responsible for defining, leading and

supervising the cybersecurity strategy throughout the group, as are the CISOs of the various country subholding companies to ensure that the Policy is implemented in each country, taking into account the regulations and legislation applicable in their territory.

The Iberdrola group's defined cybersecurity risk strategy and global framework are focused on integrating cybersecurity in all strategic and operational decisions of the company and on taking it into account beginning with the design of new projects and processes, and is supported by the following pillars:

Governance: Iberdrola adopts a cybersecurity risk management approach based on the three lines of defence model, which assigns functions and responsibilities in managing cybersecurity risks, ensuring a coordinated approach and proper segregation of duties.

The *Cybersecurity Risk Policy* assigns responsibility for cybersecurity risk management to the businesses and corporate areas (first line of defence) and entrusts the CISO (second line of defence) with establishing the necessary governance, coordination and supervisory mechanisms to ensure adequate treatment of cybersecurity risks throughout the group, taking into account the high interconnectivity of the networks and systems.

In this regard, Business Information Security Officers (BISOs) have been appointed in each business and corporate area, and are responsible for establishing and rolling out the necessary action plans in their respective areas of competence. A Global Cybersecurity Committee has been established to ensure proper coordination and alignment.

It should be noted that the Corporate Security Division regularly reports the comprehensive security risks, including cybersecurity risks, to the Audit and Risk Supervision Committees of their respective Boards of Directors, which are tasked with supervising this risk.

Cybersecurity culture: Iberdrola believes it is essential to promote a strong cybersecurity culture throughout the group, ensuring that all employees at all levels of the organisation have the training and knowledge necessary to minimise exposure to cybersecurity risks, including an understanding of risks and internal regulations and access to tools that allow for proper protection. The cybersecurity training programme covers the entire workforce, and includes annual training initiatives, simulated phishing campaigns and ad-hoc training for technical groups or those exposed to specific risks. The Board of Directors also receives specific cybersecurity training, which is also included in the orientation programme for new directors.

Risk management: The company's various businesses and divisions define, implement and prioritise the necessary technical or organisational measures based on an analysis of cybersecurity risks in their respective areas of responsibility, focusing on systems that support critical infrastructure and essential services, personal data and other sensitive information, as well as other business-critical processes. To this end, there is a global risk methodology and a global framework of capabilities, supported by a governance, risk and compliance (GRC) system, which includes measures for controlling identities and access, the protection of communications, equipment and systems and the secure design and development of new projects, as well as the management of supply chain related cybersecurity threats. All of this is set out in multi-year cybersecurity master plans, specific to each Business and corporate areas, which are approved locally and supervised by the Global Cybersecurity Committee, and whose effectiveness is monitored through a global cybersecurity dashboard. Proactive threat and vulnerability scanning programmes are also in place, including mechanisms such as scheduled and regular vulnerability scanning activities, ad-hoc security reviews (penetration tests, Red Teams, etc.), system audits in the context of auditing financial statements, critical infrastructure or the *Privacy policy* and the review of cybersecurity ratings through specialised market services, allowing potential risks to be anticipated. The cybersecurity measures extend to protecting customers, suppliers and other Stakeholders against possible risks of social engineering attacks that impersonate the Iberdrola brand.

Resilience: With a view to minimising business impact and continuity of essential services, Iberdrola has its own cybersecurity monitoring systems and global and local cybersecurity incident response teams that operate 24/7 and act as a point of contact to ensure proper detection and management of threats, vulnerabilities and incidents. Iberdrola's Global Incident Response Team is a member of FIRST (Forum of Incident Response and Security Teams). Furthermore, operational continuity and recovery procedures for cybersecurity incidents are planned, deployed and tested in the different technological (information technology and industrial) areas. The necessary coordination mechanisms at the global level are outlined in the Global Cybersecurity Incident Response and Crisis Management Plan, which is regularly tested by organising and participating in cyber exercises and crisis simulations. As a complementary measure, the Iberdrola group has a global cyber-insurance programme to mitigate the financial risks of a possible incident or security breach.

Assurance: As a listed company and operator of an essential service, the Iberdrola Group is subject to strict security regulations in the various countries in which it operates and undergoes regular external audits, which include the evaluation of cybersecurity controls on critical systems and assets covered by those regulations. Beside complying with externally imposed obligations, Iberdrola has deployed an enhanced assurance programme for critical systems and assets that support essential operational processes of its businesses at the global level, aimed at identifying potential vulnerabilities and prioritising and focusing protection and supervision measures in the area of cybersecurity.

Partnerships: Iberdrola actively partners with law enforcement agencies, government agencies, product and service providers, other companies and industry expert groups to continuously reinforce and improve its own cybersecurity capabilities and help improve the cyber resilience of the energy ecosystem as a whole. Iberdrola has co-chaired the World Economic Forum's working group on Cyber Resilience in the Electricity Industry since it was established in May 2018.

GRI 418

With regard to information privacy, Iberdrola pays special attention to ensuring the privacy of the personal information of the group's Stakeholders. For this purpose, the company follows a *Personal Data Protection Policy* approved by the Board of Directors and conforming to the European Global Data Protection Regulation (GDPR). Its purpose is to ensure the right to the protection of data of all individuals dealing with companies belonging to the group, ensuring respect for the right to dignity and privacy in processing of the personal data, and particularly to establish the common principles and guidelines to govern the group regarding the protection of data, ensuring compliance with applicable law on this topic in all countries in which the group is present.

Iberdrola has chosen to handle privacy with a holistic focus, the goal of which is to integrate privacy and data protection within the management system and the culture of the company. Responsibility for the protection of personal data lies with the businesses and corporate functions, organisations that process this data, under the coordination and supervision of the Data Protection Officer, with the support of the Legal Services.

During financial years 2018 and 2019 the Iberdrola group developed and implemented a data protection management system in order to ensure systematic compliance over time with the GDPR, the Binding Corporate Rules and the personal data protection laws of each of the EU countries in which the group is present[70]

This management system has been reviewed within the framework of continuous improvement, through the development of an external evaluation plan. This 3-year plan began in the last quarter of 2019 and ended in December 2021, encompassing all European Union countries in which the retail business is present, as well as the United Kingdom, the United States and Mexico. The second cycle of external evaluation began in the first quarter of 2022 and will end in 2024, consolidating the model and its gradual expansion to new geographical areas. The Iberdrola group deals with a large volume of personal data in its day-to-day activities, and given its international nature, international transfers of data among its various companies occur on a daily basis. Recommendations 01/2020 on measures that supplement transfer tools and Recommendations 02/2020 on essential guarantees issued by the European Data Protection Board in mid-2021 have been taken into consideration in adapting the procedures and methodologies on international data transfers, including the new standard contractual clauses, and in developing the methodology for the impact assessment of international data transfers.

In addition, as regards international transfers between group companies, on 15 December 2020 the Spanish Data Protection Agency issued a decision approving the *Binding Corporate Rules (BCR)*, one of the mechanisms established in the GDPR to carry out international transfers of personal data within a group of companies. The approval of these rules has been the culmination of another of the steps implemented by the group to ensure full respect for the fundamental rights to privacy of data subjects in all of the countries in which it operates, not limited to European companies directly subject to the GDPR, but also to all other territories.

The table below shows substantiated complaints regarding breaches of violations of privacy and losses of customer data.

[70] Resolution of the Director of the Spanish Data Protection Agency dated 15 December 2020. Available at www.Iberdrola.com

GRI 418-1

Incidents relating to privacy (No.)			
	2023	2022	2021
From regulatory entities	134	124	115
From other sources, substantiated	3	3	17
Total substantiated complaints	**137**	**127**	**132**

Of the complaints received from regulatory bodies 54 occurred in Spain 55 in the United Kingdom, 23 in Portugal and 2 in Ireland. As regards those of another origin, there were 2 in Spain and 1 in the United States,related to information leaks.

In 2023, there were 3 incidents of information leakage or loss that did not involve sensitive data, all of which were in the United Kingdom.

III.5. Promotion of socially responsible practices in the supply chain

- Description of the supply chain
- Sustainable management of the supply chain

Description of the supply chain

GRI 2-6

The Iberdrola group's supply chain is managed through two different processes:

- The procurement of equipment and materials and the contracting of works and services, which is the responsibility of the Group's Purchasing and Services Division.
- The procurement of fuel, which is handled by the Wholesale and Retail Business.

Both processes are guided by the same principles embodied in the *corporate policies* and the *Code of Ethics*. However, each of them has specific characteristics in their various phases: registration and classification of suppliers, bidding process, execution of contracts, monitoring of contractual terms, and quality control.

Procurement of material and equipment and contracting of works and services

The mission of the Group's Purchasing and Services Division is to establish the strategy and procedures for and to supervise the purchasing of equipment and material (other than fuel), as well as works and services contracts and insurance programmes (other than life and casualty, health and pension insurance) for the entire Iberdrola group, meeting the strategic goals established by the Board of Directors and respecting at all times the company's Governance and sustainability system:

The purchasing process is periodically audited both internally and by external entities, with no non-conformities having been identified during the financial year. Recommendations and opportunities for improvement that arise during these reviews are analysed and put into place in order to maintain continuous improvement in the processes.

Iberdrola placed orders with more than 19,000 suppliers during 2023 . A breakdown of the economic and geographic volume is set out in the following table:

General supply of equipment, materials, works and services (millions of euros)

	2023[71]	2022	2021
Spain	2,602	2,711	2,405
United Kingdom	2,077	1,334	1,225
United States	3,646	3,360	3,031
Brazil	2,160	2,143	1,400
Mexico	362	439	395
IEI	1,737	1,546	967
Total	**12,584**	**11,533**	**9,424**

In 2023, the annual volume of purchases reached a new peak, up by 9% to EUR 12,584million. This reflects the group's investment efforts and is the result of increased volumes invoiced by suppliers related to offshore wind projects in France, Germany, the United Kingdom and the United States, photovoltaic projects in Spain and the United States, onshore wind projects in Brazil, Spain, the United States and Australia, as well as investments in electricity distribution networks in Spain, the United States, the United Kingdom and Brazil.

Procurement of fuel

In 2023, Iberdrola committed more than EUR 4,808 million to fuel purchases, of which EUR 4,707 million corresponds to natural gas. The uranium purchased, for EUR 101 million, is procured in Spain exclusively through the Empresa Nacional del Uranio (Enusa). Natural gas is procured on the domestic and international market, mainly through long-term commercial relationships with approximately 34 large suppliers and wholesale market operators. These purchases are for the production of electricity (mainly in Mexico and Spain).

[71] Volume billed during the financial year. Amount awarded in 2023: EUR 18,111.0 m

Procurement of fuel (millions of euros)			
	2023	2022	2021
Coal	0	0	0
Natural Gas	4,707	6,140	4,639
Uranium	101	93	55
Total	**4,808**	**6,233**	**4,694**

Spending on local suppliers

Iberdrola follows a local supplier strategy for its strategic contracting that has allowed for the creation of indirect employment and the maintenance of a strong industrial fabric in the geographical areas in which it does business.

The table below shows that the percentage of purchases made from local suppliers has reached 88.5%, exceeding the ESG target set for the year:

GRI 204-1

Procurement or contracting of materials, equipment, works and services from local suppliers (%) [72]			
	2023	2022	2021
Spain	91.1	83.8	83.8
United Kingdom	73.9	81.3	89.3
United States	93.5	93.7	96.4
Brazil	99.5	99.6	99.3
Mexico	73.8	59.9	71.2
IEI	80.7	73.9	60.2
Total	**88.5**	**87.1**	**87.9**

[72] Suppliers registered in the same country as the Iberdrola subsidiary for which it does business are considered to be local based on the Tax ID assigned to the supplier.

Sustainable management of the supply chain

■ GRI 2-6 204

Promotion of sustainability and social responsibility

Iberdrola has the responsibility and the ability to motivate its suppliers to improve their environmental, ethical and social performance through actions that promote excellence in their management of sustainability.

Highest level commitment to the sustainability of our supply chain

Iberdrola's commitment to Environmental, Social and Governance (ESG) standards and their expansion to cover its main suppliers is embodied in the ambitious goal of ensuring that at least 85% of the group's main suppliers are subject to sustainable development policies and standards by year-end 2025.

The significance of this goal is reflected by its inclusion in the 2023-2025 Strategic Bonus objective approved by General Shareholders' Meeting in 2022.

Specifically, the objective measures the number of key suppliers covered by sustainable development policies and standards, such as having a human rights strategy, a code of conduct for their suppliers, health and safety standards (SDG 3) and a global environmental sustainability strategy, including strategies on water (SDG 6), energy (SDG 7) and biodiversity (SDGs 14 and 15).

The objective is based on a specific model of evaluation for the supply chain and has been integrated into the systems implemented by the Purchasing Department, both in the supplier classification system and in the purchasing management system itself, with supplier sustainability included in the decision-making process on proposals for awarding contracts.

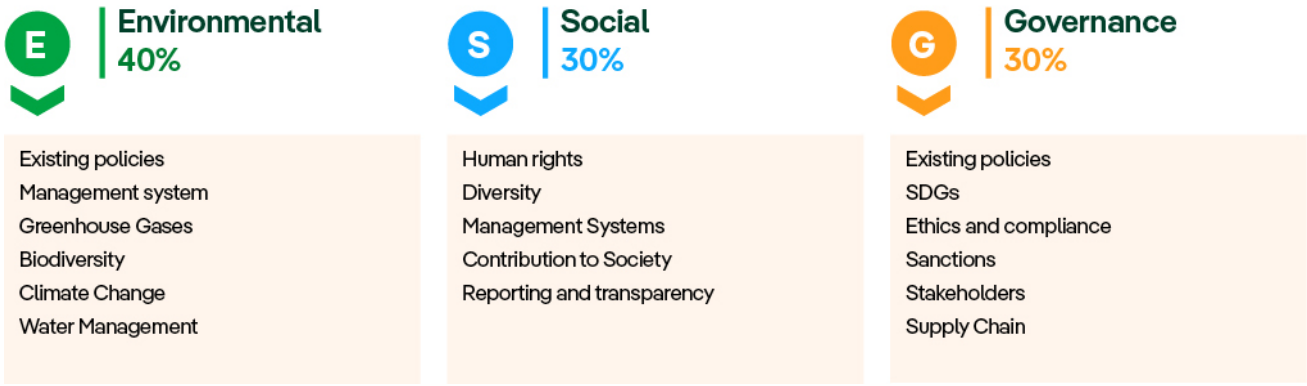
Supplier sustainability evaluation model

In 2022 the Purchasing Division consolidated the use of the *global supplier evaluation model regarding sustainability*, which is in line with the international reality of the Iberdrola group and organised around three core ESG pillars of sustainability.

The evaluation of a supplier measures the supplier's performance in highly significant attributes: identification of objectives linked to the Sustainable Development Goals (SDGs), management of climate change risk, circular economy strategy, human rights due diligence, compliance, good governance and business ethics, etc.

The supplier must provide supporting evidence and documentation for its statements and performance.

The following information is assessed as part of the three dimensions analysed:



After the analysis, the suppliers are rated at two levels: "adequate" if their score exceeds 51 of 100 points (and at least 30% of the points on each of the ESG pillars), and "inadequate" otherwise.

At year-end 2023, more than 85% of the group's main suppliers that awarded contracts in 2023 already met the established criteria and followed sustainable development policies and standards.

Furthermore, in 2023, EUR 17,121 million were allocated to suppliers evaluated on the basis of this ESG model. This amount represents 95% of the total amount awarded to the different suppliers making up the Iberdrola group's supply chain. Of this amount, EUR 16,340 million (90.2% of the total) was awarded to suppliers surpassing the above mentioned level of sustainability, thus exceeding the ESG target for sustainable sourcing set for the year.

It should be noted that in 2023, the objectives relating to the increase in purchases from key suppliers evaluated as "adequate" were met and that improvement plans were introduced and monitored for those suppliers that did not achieve the minimum scores established by Iberdrola when they were awarded the contracts. In the previous 2020-2022 period, 912 improvement plan proposals were sent to Group suppliers, of which 57% improved their sustainability level to "adequate". This initiative was continued in 2023, with a total of 1,082 suppliers receiving a proposal for an improvement plan by the end of the year, and an increase to 64% in the number of suppliers that have achieved the required level of sustainability after the implementation of improvement actions.

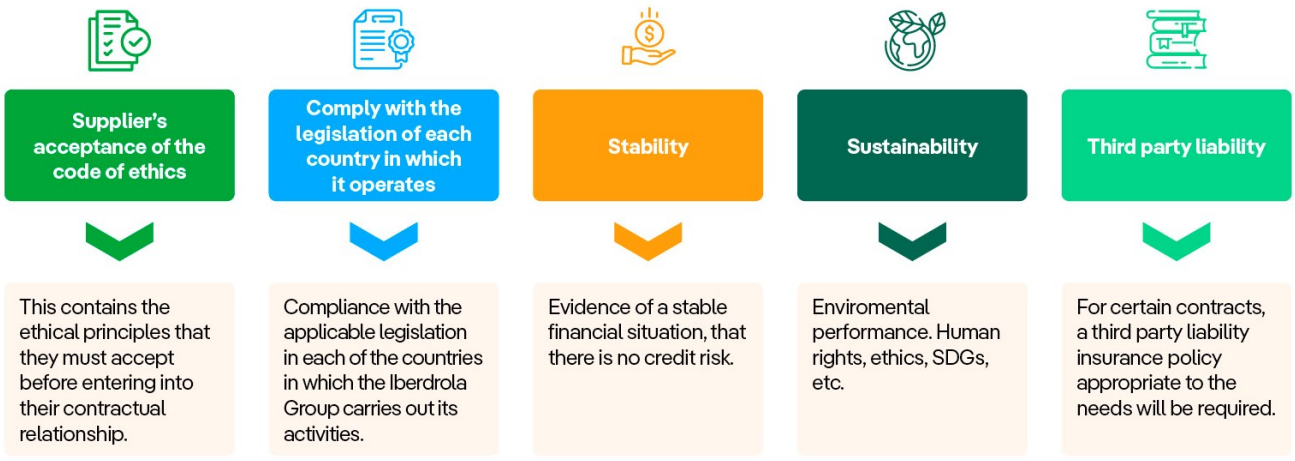
Not only is the supplier motivated by this model to improve its profile by taking actions that promote excellence in business management, but the Purchasing Division team is also incentivised through quantifiable objectives to choose those companies showing good performance in sustainability or making a commitment to improve.

Factors evaluated for supplier classification

Iberdrola verifies that its suppliers' actions are in line with the policies, principles and responsibilities of the group.

The requirements for classifying suppliers are:

Requirements to be qualified as a supplier



Fuel purchasing is also subject to the general principles of Iberdrola's sustainable development policies, which are intended to encourage suppliers to engage in activities that are socially responsible, respectful of the environment and preventive of occupational risks.

Iberdrola carries out an internal evaluation of its main fuel suppliers in accordance with economic, logistical, environmental and social standards. The aspects evaluated include: the existence of an environmental policy, information regarding CO_2 emissions, emission reduction initiatives, energy efficiency, biodiversity conservation, occupational health and safety, equal opportunity, human rights and ethical behaviour (anti-bribery and anti-corruption practices).

Supplier environmental assessment

GRI 308

Alignment in Purchasing and in supplier management with respect to the environment and sustainability

Internal Procurement Mechanisms		External Supplier Mechanisms	
Pruchasing Policy	Sets out principles on the environment that suppliers must follow and sustainable and responsible management in the Iberdrola group's supply chain	Code of Ethics	Includes environmental principles. Must be accpeted by the Group's suppliers and is attached to orders and contracts
Supplier Registration and Classification	Environmental certification weighted in the overall assessment of the supplier. Must accept Iberdrola's Environmental Policy	Specific T&Cs	Environmental clauses that suppliers must comply with during the term of the contract
Bid Process	The environmental assessent of the supplier is included during the ITEO (offer evaluation) phase and in the PA (proposed award) for purposes of the contract	Stimulus Campaigns	As a business driver, we proactively promote the environmental certification of the suppliers, supporting them in the search for excellence and generating a muliplier effect
Annual Improvement Goals	Innovative aspect: annual improvement goals directly relating to imporvement in sustainability of supplier established for the Purchasing team and linked to variable remuneration	*Carbon Footprint Measurement*	Regular supplier greenhouse gas measurement campaign
Global Environmental System	The Procurement Division is part of Iberdrola's Global Environmental System Committee: monitoring of environmental guidelines, established goals and related indicators. Audits	Sustainability Evaluation Model	Specific section to evaluate the supplier's performance in terms of compliance and respect for human rights.
Reporting	Contribution to Sustainability infographic and Annual Procurement and Supplier Management Report published on the corporate website	Supplier of the Year Award	Enviromental category: this promotes the environmental responsibility of suppliers and publicly recognises those who stand out in this area

GRI 308-1

At the end of 2023, the volume billed to the Iberdrola group by suppliers with a documented or certified environmental management system represented around 80.0% of the total volume billed (general suppliers).

Fuel purchasing is subject to the general principles of Iberdrola's social responsibility policies, which require that suppliers be encouraged to engage in conduct that is socially responsible, respectful of the environment and preventive of occupational risks. Fuel suppliers with a certified environmental management system represented 91.2% of those evaluated.

All major suppliers of general goods and equipment (both new and existing) and fuel are assessed in accordance with environmental and sustainability criteria.

GRI 308-2

No supplier with a significant negative environmental impact has been detected. Furthermore, Iberdrola does not have major suppliers located in areas with water stress.

In 2023 no communication was received through the company's ethical mailboxes resulting in the cancellation of any contract or order for reasons related to environmental practices.

Social assessment of suppliers

GRI 414 414-1 414-2 407-1 408-1 409-1

The *group contract conditions* for purchasing equipment, material, works and services, include specific supplier corporate social responsibility clauses based on the UN Universal Declaration of Human Rights, the conventions of the International Labour Organization, the principles of the Global Compact, and compliance with the *Code of Ethics* For fuels, the company aims to include these clauses as new contracts are signed.
During the term of the contract, the supplier must allow Iberdrola to review the level of compliance with the principles established in the contracts, and if non-compliance is detected and corrective plans are not adopted, the company reserves the right to cancel the contracts.

All major suppliers of general goods and equipment and of fuel are assessed under this management approach and considering their material risks in relation to human rights and negative social impacts. These risks are mitigated and managed through the quality processes in place and the regular audits carried out by each business unit. This strategy was reinforced in 2022 with the launch of a global campaign of social audits of 42 key suppliers of general goods to ensure compliance with the Group's ESG criteria and to validate the supplier assessment model. A new edition of this initiative was launched in 2023, targeting a further 46 key suppliers. At year-end, 28 social and sustainability audits had been carried out, with the remainder in progress. The results of these two campaigns were very satisfactory, as the independent auditors were able to verify "in situ" good practices previously declared by suppliers, with minimal deviations. The continuation of this initiative at the global level in coming years is therefore viewed quite positively.

The Iberdrola group's Human Rights Impact Risk Map was updated in 2023 with the support of independent experts.

Taking into consideration the countries of origin and an assessment of their risk of human rights violations, while also accounting for the billings of the suppliers of goods and services from these countries, there may be risks:

- in connection with the risk to freedom of association and collective bargaining, in 0.5% of the volume of purchases made in 2023,
- in connection with child labour, in 0% of the total volume of purchases made in 2023, and
- in connection with forced labour, in 0.4%of the total volume of purchases made.

With regard to fuel supplies, no purchases were made in countries where there is a risk of violation of the rights to freedom of association and collective bargaining, child labour and forced labour.There were no supplier contracts identified in 2023 involving incidents related to the rights of freedom of association, collective bargaining, use of child labour or forced or compulsory labour, nor is there any record of any complaints having been received for the aforementioned reasons, nor any communication through the company's ethics mailboxes that has led to the cancellation of any contract or order for reasons related to human rights or labour practices.

No suppliers with a material negative social impact have been detected, and no incidents were reported through the channels established for this purpose that resulted in the cancellation of orders or of contracts with the group's suppliers due to negative social impacts.

In 2021, a potential risk affecting the entire photovoltaic value chain was identified related to allegations of possible forced labour in the Xinjiang region of China in connection with polysilicon producers supplying polysilicon to solar module manufacturers. Since then, Iberdrola has made additional efforts with all its suppliers potentially exposed to this risk to insist on scrupulous compliance with the *Suppliers' Code of Ethics* of the Iberdrola group. To this end, Iberdrola has successfully required the inclusion of specific clauses to mitigate the risks of forced labour or modern slavery for all affected suppliers with which it has signed supply contracts. Furthermore, the necessary clauses have been included in PV module supply contracts to allow for the right to conduct social, sustainability and traceability audits of both module manufacturers and third parties in their supply chains to ensure the quality and traceability of components. The Iberdrola group also actively participates, along with the manufacturers themselves, in the main industry-led initiatives, such as Solar Power Europe and WindEurope, with the aim of establishing common standards and tools that allow objective evidence to be obtained that human rights have been respected throughout the process of manufacturing the equipment used in these projects.

Evaluation of supplier risks

Iberdrola ensures the evaluation of supplier risk during the procurement process, as set forth in the *Purchasing Policy*. In particular, the following risks are identified: Credit risk, fraud risk, cybersecurity risk, sustainability risk, operational risk, risks related to human resources and tax risk.

Review of the provision of general supplies in countries presenting a risk of corruption

In order to analyse the risk of corruption in procurement, the company uses the Transparency International Corruption Perceptions Index 2022 (TI CPI 2022)[73] as a source to classify countries according to their level of risk.

The volumes of purchasing in countries classified according to said index based on their level of risk of corruption are set out in the following table:

Corruption risk[74]	% of 2023 general supply purchases in countries on the CPI Index 2022
Purchasing in countries classified as low-risk	78.6
Purchasing in countries classified as medium-risk	1.7
Purchasing in countries classified as high-risk	19.7

Brazil and Mexico are the main countries classified by the aforementioned TI CPI 2022 as having a high risk of corruption and in which there have been purchases from registered suppliers. The purchasing volume is directly related to Iberdrola's presence and investment efforts in these countries, and is consistent with its practice of promoting the local industrial fabric.

Iberdrola has not made any significant purchase of general supplies from suppliers located in tax havens.

However, in 2023, an investigation carried out by the Compliance area following a report through the whistleblower channel revealed the existence of corrupt practices between a supplier and two Group employees in Mexico. As a result of the investigation, the contract with the supplier was terminated and the two employees involved were dismissed. Appropriate legal action has also been taken against those responsible for these events.

Review of the provision of fuel supplies in countries presenting a risk of corruption

Review of the provision of fuel supplies in countries presenting a risk of corruption 2023:

Corruption risk[75]	% provisions of fuel in 2023 in countries included in the CPI 2022 index
Provisions of fuel in countries classified as low-risk	97.4
Provisions of fuel in countries classified as medium-risk	0.4
Provisions of fuel in countries classified as high-risk	2.1

According to the aforementioned TI CPI 2022, Mexico and Brazil are the main countries with a high risk of corruption in which fuel has been purchased from registered suppliers. However, the company believes that the calculation should exclude these two countries because these purchases are made in strongly regulated environments that require contracting with state-owned companies. Excluding both countries from the calculation, the percentage of fuel purchasing in at high-risk countries would decrease to 0%.

[73] Latest available at the date of preparation of this report.
[74] Low-risk: country index ≥ 60 / Medium-risk: 59-50 / High-risk: < 50 on a scale from 0 (perception of high levels of corruption) to 100 (perception of low levels of corruption).
[75] Low-risk: country index ≥ 60 / Medium-risk: 59-50 / High-risk: < 50 on a scale from 0 (perception of high levels of corruption) to 100 (perception of low levels of corruption).

III.6. Contribution to the well-being of our communities

- Access to energy
- Support to local communities
- Fiscal responsibility
- Contributions to society
- Foundations
- Iberdrola and the Global Compact

Access to energy

The *General Sustainable Development Policy* approved by the company's Board of Directors embraces the promotion of universal access to the power supply, with environmentally sustainable, economically assumable and socially inclusive models, as a basic principle of conduct in the creation of sustainable value. In addition, it attends to customers who are economically disadvantaged or in any other situation of vulnerability, providing for specific procedures of protection and collaboration in providing ongoing access to electricity and gas supply according to the policies established by the competent government authorities in each case.

Access to energy for off-grid customers

The companies of the Neoenergia group have continued to develop rural electrification programmes, undertaken jointly with government authorities, as an instrument for the social inclusion and development of rural homes not served by electric utilities. In 2023, the funds allocated to these programmes by Neoenergia Coelba totalled EUR 57million (310 million Brazilian reais) in consolidated terms for the group.

Globally, Iberdrola has launched the Electricity for All Programme in response to the call of the international community to ensure universal access to affordable, reliable and modern energy services. Iberdrola has set the ambitious goal of providing electricity to 16 million persons who currently lack it by 2030.

For more information, see the 'Electricity for all' *Programme* section of the corporate website.

Access for vulnerable customers

SASB IF-EU-240a.4.

The companies of the group have procedures to protect customers at risk of exclusion or in vulnerable situations so as to facilitate access for the most disadvantaged groups: Iberdrola's measures in this regard include a lengthening of collection periods and making payment terms more flexible, so as to prevent the suspension of electric and/or gas supply due to non-payment of bills by users who are economically disadvantaged or who have been declared vulnerable due to reasons of age, health, disability or other reasons. In some countries such as Spain (with a subsidised electricity rate, called the B*ono Social de Electricidad*) and Brazil, there is a special, differentiated rate for low-income customers, offering them advantageous prices and special terms.

Initiatives to improve the access of vulnerable customers and communities to electricity

Country	Initiative
Spain	Subsidised Rate (Bono Social), agreements with the regional governments to avoid the suspension of service for vulnerable customers.
United Kingdom	Warm Home Discount
United States	Energy Assistance Programs
Brazil	Subsidised Electricity Rate (Tarifa Social de Energia Elétrica)
Italy	Subsidised Rate (Bonus sociali)

Information regarding disconnections and subsequent reconnections in accordance with the Electric Utilities Sector Supplement of the Global Reporting Initiative (GRI) is shown in the following table:

■ GRI EU27 ■ SASB IF-EU-240a.3

Residential disconnections (no.)

	2023	2022	2021
Paid up to 48 h after disconnection	1,011,719	1,121,446	958,886
Paid between 48 h and one week after disconnection	142,117	150,132	155,758
Paid between one week and one month after disconnection	206,243	210,530	212,944
Paid between one month and one year	173,087	175,311	199,878
Paid after more than one year	66	44	15
Outstanding and unclassified [76]	0	0	5,958
Iberdrola total	**1,533,232**	**1,657,463**	**1,533,439**

Residential reconnections following payment of unpaid bills (No.)

	2023	2022	2021
Less than 24 h after payment	1,317,164	1,415,594	1,213,785
Between 24 h and one week after payment	236,564	185,838	184,014
More than one week after payment	73,305	80,103	89,025
Unclassified [76]	0	0	5,582
Iberdrola total	**1,627,033**	**1,681,535**	**1,492,406**

[76] Data were reclassified in 2022 to adjust the report to the indicator.

Support to local communities

Development programmes for local communities

GRI 413

Iberdrola implements various measures to prevent, mitigate, compensate and, where necessary, remediate the social, economic and environmental impacts that may result from its activities. These are identified through impact assessments and consultation processes with the communities concerned, and shared with various stakeholders and local authorities.

The activities implemented cover different areas, such as the protection of biodiversity and the recovery of spaces; use of the ecosystemic services generated at the facilities; improved communication, water supply, and waste management infrastructure; the implementation of public lighting systems; the creation of direct and indirect jobs; scholarships, training courses for professionals; activities to support entrepreneurs, etc.

Moreover, there are supplementary sponsorship and patronage activities to improve the well-being of the communities in which we have a presence.

Given the size and significance of these local social and economic development programmes, they are carried out by various organisations, subsidiaries, and institutions within the group, on a supplementary basis:

- By subsidiaries or investees, within their respective purviews
- By the group's foundations in the case of sponsorship and patronage activities (Fundación Iberdrola España, ScottishPower Foundation in the United Kingdom, Avangrid Foundation in the United States, Instituto Neoenergia in Brazil, and Fundación Iberdrola México). More information can be found in the "Foundations" section of this chapter.

In addition to the above measures to promote local development, other necessary measures are being taken to redress the human rights impacts that could not be avoided, as described in the sections on "Management of population displacements" and "Social impact assessments".

Social impact assessments

GRI 413-1 413-2

Environmental Impact Assessment studies prior to the construction of facilities, include a Social Impact Assessment in accordance with current law in each of the countries and must be approved by the competent public authorities. In countries with indigenous communities, a social impact study specific to these communities is also included.

These evaluations include an analysis of potential impacts on human rights, such as the right to a safe, clean, healthy and sustainable environment, through an evaluation of the natural environment. In this evaluation, the environmental impacts of such factors as emissions, spills, waste, fires, effects on local biodiversity and recovery of spaces, changes in land use, changes in the aesthetics and quality of the landscape, restricted access to water and forest resources, etc. are assessed. Regarding the fundamental right to enjoy a social order or an adequate standard of living, the analysis includes an evaluation of the social and economic environment, considering demographic aspects such as population changes in nearby municipalities; their historical and cultural heritage; increased demand for jobs in certain sectors; and the deterioration or development of basic infrastructure elements, such as roads or railroad networks, etc.

Applicable law ensures consultation with and the participation of both the interested parties and the government administrations during the performance of these impact studies. Moreover, the project documentation is subject to public review for a period of time that varies according to applicable law in each country.

In addition to these legal requirements, Iberdrola has implemented the *Global engagement model with stakeholders* as well as a specific Recommendations Guide for Conducting Public Consultations. All these mechanisms contribute to ensuring that the viewpoints of the Stakeholders consulted will be taken into account in defining the future project.

Finally, impact studies specify the preventive and corrective or compensatory measures required to mitigate the issues identified.

Almost 100% of the company's main locations of operation are thus subject to these types of activities, focused on meeting the needs of its Stakeholders, especially in local communities.

Consultation processes with local communities

In order to better manage and mitigate the impact on the communities in which the group has a presence, Iberdrola has a Guide for the implementation of good practices in relations with local communities, which ensures that public consultation processes are in line with UNGP recommendations.

To implement this guide, areas have a digital tool that facilitates the management and documentation of consultations with communities. Both tools promote better management of the process, thus making it possible to efficiently monitor the steps set forth in the action, mitigation and remediation plans with respect to any impact in the vicinity of the facilities.

Energy planning (energy sources, technologies and long-term needs) is carried out by the public authorities, and this is the institutional sphere in which the various Stakeholders can engage, according to the mechanisms established in each country. Once the most appropriate infrastructure is selected, the viewpoints of the affected communities are taken into account through consultation processes, which vary depending on the country and the type of facility.

In addition, during the planning development phase of each project, relations are established with local communities, authorities, and any other stakeholders that may be relevant to the project, and dialogue channels are established with them. These channels supplement those available in the Environmental Management System allowing Stakeholders to send their concerns, complaints, requests for information or any other kind of request to minimise impacts in the area.

Management of population displacements

During the planning phase for new projects, Iberdrola evaluates the land that will potentially be occupied, choosing the land that involves the least displacement of people who either reside in the immediate area or whose economic activities will be affected. In the event of displacement, Iberdrola and the relevant government authorities review the economic, environmental and social consequences of the projects, and jointly hold consultations with the local communities to adopt suitable corrective measures. In addition, in the case of indigenous communities, pathways of dialogue are established with the participation of the government and of various organisations representing them, to report on the projects with the required transparency and integrity

GRI EU22

In the construction of the Tâmega hydroelectric complex (Portugal), detailed socio-economic studies have been conducted for several years on the possible affected dwellings. Studies included a prior assessment, taking into account the needs of each of them and examining possible relocations to houses with similar characteristics. A total of 59 dwellings were ultimately identified, of which only 50% were permanent residences. The identification of displacements as necessary and the respective financial compensation were made in accordance with the law on expropriations in Portugal and the methodology implemented regarding the management and definition of displacements and potential economic damages. In addition, in partnership with the Portuguese government and the municipalities, as approved in the Socio-economic Action Plan, financial compensation of EUR 1.4 million was determined in addition to the compensation provided in the expropriation process, making it possible to improve the relocation conditions of the affected families and maintain their customs and traditions. In 2023, the re-housing of the families still to be displaced (15 people in the Upper Tâmega) will be completed. To date, EUR 1.1 million of the EUR 1.4 million approved in the Economic Compensation Plan has been paid.

In the United Kingdom, 98 economic displacements took place in a variety of locations, mainly as a result of geophysical surveys or research studies. These displacements affected 57 fishermen (66 boats) in the East Anglia ONE North and East Anglia 2 projects and 11 fishermen in Machair. In addition, 29 fishermen in Marran and Campion and one landowner on the East Anglia 3 lands were temporarily displaced. These types of economic displacements have also taken place in France, where 68 fishermen were affected in the context of the Saint Brieuc project. All of them received compensation, according to the approved scheme.

In Brazil, two electricity transmission network projects required the physical displacement of six people affected by the easement zone: two people in Morro do Chapéu and four people in Vale do Itajaí, all of whom received the corresponding financial compensation.

Impact on local communities and the rights of indigenous peoples

GRI 411 411-1

Iberdrola and its employees, pursuant to its Governance and Sustainability System, and in particular in accordance with the provisions of its *Code of Ethics* and *Policy on Respect for Human Rights* are committed to respecting both the rights of ethnic minorities and the internationally recognised rights of indigenous peoples, in accordance with applicable law and the obligations established by Convention 169 of the International Labor Organization (ILO).

Presence of the company in indigenous territory, incidents and projects implemented

The company has a presence in four countries where there are indigenous communities (Brazil, Mexico, the United States and Australia). As year-end 2023, the company only has facilities in territories belonging to indigenous communities in two of them (Brazil and Mexico), as shown in the table below. As for Australia, the entire territory is attributed to aboriginal populations, which are distributed across the country, including the states in which Iberdrola operates.

In environments with indigenous communities, Iberdrola encourages business activities to be carried out with respect for different cultural identities, traditions and environmental wealth, as many times these communities depend on natural resources for their subsistence.

Therefore, it has channels of dialogue with these communities and their representatives, as well as for the participation of the government, in order to report on the progress of projects with due transparency and integrity.

Nonetheless, despite the management performed, these communities can at times be directly or indirectly affected at certain facilities. For this reason, the Company promotes ethical practices to prevent conflict and generate mutual benefits. It also has the necessary reparation mechanisms in place in the event of an impact.

During 2023, the Company had the following facilities in territories with the presence of indigenous communities:

Country	Facility	Indigenous community
Mexico	Topolobambo II combined cycle	In the Ahome municipality: El Chalate, Juricahui, Bajada de San Miguel, Nuevo San Miguel, San Miguel Zapotitlan, Zapotillo Uno, Choacahui and La Tea. In the El Fuerte municipality: Téroque Viejo, El Carricito, La Ladrillera, El Bajío, Las Higueras de los Natoches, La Loma, El Ranchito, 2 de Abril, La Cruz, La Línea and Júpare.
	Tamazunchale combined cycle	In the municipality of San Martín Chalchicuautla, the Lalaxo and Ocuiltzapoyo and Bordones communities; in the municipality of Matlapa, the Terrero Colorado, Chalchocoyo and Nexcuayo communities; in the municipality of Tampacán, the El Refugio, Las Vegas, El Ojital, Huexco and Mixcotla communities; in the municipality of Tamazunchale: Palictla, Cuixcuatitla, El Tepetate, and Barrio la Vega Cuixcuatitla.
	Baja California	In the Ensenada Municipality: the Ku'ahles, Pa ipais, Cochimíes, Kiliwas, Cucapás and Kumiais communities
	Dos Arbolitos wind farm	Zapotec community
	Bii Nee Stipa wind farm	Zapotec community
	Mexico Ecological Parks	Zapotec community
Brazil	Subestação de Águas Belas, Estado de Pernambuco	FULNI-Ó community, in the city of Águas Belas
	Coelba Networks in Banzaê	Kiriris, Tuxá and Truká (Bahia)

As regards incidents with these communities, as of the closing date of this report, 3 lawsuits were under way with respect to the Brazilian electricity distribution company Coelba relating to indigenous rights, seeking compensation for the use of the right of way of the electricity grids on community lands of the Kiriris, Tuxá and Truká communities. Of the three ongoing lawsuits, the case concerning the community of the Tuxá indigenous people was heard in 2023. Both this lawsuit and the one involving the Kiriris community, which was heard in 2022, are being appealed. A ruling has yet to be handed down on the lawsuit concerning the Truká indigenous community. Iberdrola also carries out various actions to support indigenous communities, as described below:

In Brazil, in the north of the state of Sao Paulo (Mongaguá), various actions are being carried out in the territory of the Tekoá Mirim indigenous community, which is impacted by the extension of an electricity transmission line. These actions will be identified in the Indigenous Component Study (ICS) prepared by Neoenergia, taking into account the views of the community. This includes various measures to mitigate the identified impacts, including donating land to the community as part of the land regularisation process carried out during the project's licensing phase, along with other environmental measures.

Meanwhile, in the United States, despite the fact that the solar project (Tower Solar) is not located on the reservation of the Confederated Tribes of the Umatilla Indian Reservation, the company has developed a plan to address their cultural heritage claims. This plan was agreed with the Confederated Tribes through a consultation and negotiation process that included an analysis of the potential impacts on the project's area of influence.

Lastly, in Mexico, the “Luces de Esperanza” (Lights of Hope) project is being developed with indigenous communities, offering solar power electrification solutions to rural communities without electricity. In 2023, more than 1,800 persons benefited, and electricity was brought to 81 homes in the state of Puebla. Moreover, the “Huertos Comunitarios” (Community Gardens) project was carried out in a community in the state of San Luis Potosí (Ixteamel) as part of the “Energía por el Campo” (Energy for the Countryside) programme. The project seeks the self-reliance of these communities by growing certain food, equipping families to care for their gardens, promoting the cultivation of healthy food, and supporting the local economy.

Citizen insecurity and labour practices in the hiring of security services

GRI 410

The *Corporate Security Policy* approved by Iberdrola's Board of Directors and the specific procedures adopted by the Corporate Security Division for each situation and country are compatible both with international human rights standards and the laws of the countries where the company is present.

The protocols of conduct are defined and implemented in all activities and services provided by the Corporate Security Division, with a Quality Management System that has been certified since 2003 under ISO 9001 and externally reviewed each year by AENOR in the countries where it has been implemented in order to ensure compliance with the requirements of this standard, as well as with the standards of the management system.

Procurement management of suppliers of security and surveillance services is carried out by the Purchasing Division, through competitive bidding processes in accordance with the applicable procurement policy, model and procedures. The Corporate Security Division is responsible for setting the technical specifications and standards to be met by such suppliers in order to be hired, as reflected in the Global Standard for the Approval of Suppliers, in terms of physical security, resources, training and cybersecurity, as well as the assessment of the suppliers during the performance of their contract. This assessment is performed annually in order to identify areas for improvement.

Both the company's personnel and that of subcontractors are qualified for their duties and enhance their knowledge through a rigorous training plan, which is continually assessed and monitored.

GRI 410-1

Security personnel trained in human rights

		2023	2022	2021
Own personnel	Own personnel (No.)	275	225	194
	Own personnel trained in human rights (No.)	235	187	150
	Own personnel trained in human rights (%)	85.5	83.1	77.3
Subcontracted personnel	Subcontracted personnel (No.)	1,184	1,218	1,166
	Subcontracted personnel trained in human rights (No.)	867	925	850
	Subcontracted personnel trained in human rights (%)	73.2	75.9	72.9

Fiscal responsibility

GRI 207-1 207-2 207-3

Iberdrola has a *Corporate Tax Policy* that sets out the Company's tax strategy, based on ensuring compliance with applicable tax regulations, excellence and the commitment to applying good tax practices and transparency, seeking appropriate coordination of the tax practices followed by the Group's companies to prevent tax risks and inefficiencies in the implementation of business decisions.

The *Corporate Tax Policy* conforms to the corporate and governance structure and applies to all companies of the Group, as well as to investees not forming part of the Group over which Iberdrola has effective control, within the legal limits, without prejudice to the enhanced autonomy of the listed country subholding companies, as provided by the Group's corporate governance.

The Board of Directors of Iberdrola S.A. is tasked with designing, evaluating, approving and permanently reviewing the *Governance and sustainability system* and specifically with approving and updating corporate policies, including the *Corporate Tax Policy*The Board of Directors is also responsible for preparing the tax strategy and approving investments or transactions that area particularly important for tax purposes due to the size or nature thereof.

The *Corporate Tax Policy* is publicly available on the Group's corporate website.

Fiscally responsible behaviour

The Corporate Tax Policy defines the main principles of conduct, including:

- Compliance with tax regulations in the various countries and territories in which the Group companies operate, paying the taxes that are due.
- All tax-related decisions are based on a reasonable interpretation of applicable law in close connection with the Group's activity. The prevention and reduction of significant tax risks, ensuring that taxes bear an appropriate relationship to the structure and location of activities, human and material resources, and the group's business risks.
- The strengthening of the relationship with tax authorities based on respect for the law, fidelity, reliability, professionalism, cooperation, reciprocity and good faith.
- The provision of information to the management decision-making bodies on the main tax implications of the transactions or matters submitted to it for approval, when they are a significant factor in making a decision.
- Envisaging the taxes that the Group companies pay in the countries and territories in which they operate as the principal contribution to sustaining public expenditures, and therefore as one of their contributions to society and to the achievement, among others, of the eighth of the Sustainable Development Goals (SDGs) adopted by the United Nations.

By application of these principles, the companies of the Group assume the following good tax practices, among others:

- Not to use artificial structures unrelated to the Group's business for the sole purpose of reducing its tax burden nor, in particular, enter into transactions with related entities solely to erode the tax basis or to transfer profits to low-tax territories.
- Avoid opaque structures for tax purposes, which are understood as structures calculated to prevent knowledge by the competent tax authorities of the party ultimately responsible for the activities or of the ultimate owner of the assets or rights involved.
- Not to create or acquire companies resident in countries or territories deemed by Spanish law to be tax havens or included on the EU blacklist of non-cooperative jurisdictions, with the sole exception of those cases in which it is obliged to do so in the case of an indirect acquisition in which the company resident in a tax haven is part of a group of companies being acquired, in which case, the provisions of the Procedure for the Creation or Acquisition of Equity Interests in Special Purpose Entities Domiciled in Tax Havens, approved by the Board of Directors of Iberdrola, must be taken into account.
- Follow the recommendations of the good tax practices codes implemented in the countries in which the companies of the Group do business, taking into account the specific needs and circumstances of all the companies making up the Group.
- Cooperate with the competent tax authorities in the detection of and search for solutions regarding fraudulent tax practices of which the Company is aware that may be used in the markets in which the Group's companies have a presence, as well as provide as quickly as possible any significant tax-related information and documentation requested by the Tax Authorities in the exercise of their authority and within the appropriate scope, encouraging agreements and compliance findings during the inspection procedures.
- Make the necessary whistleblower channels available to anyone who wishes to report any conduct that may involve any wrongdoing or conduct contrary to the law or to the Governance and Sustainability System, including the rules of conduct set forth in the Code of Ethics that are also applicable to tax-related activities.

The fiscally responsible behaviour of all companies of the Iberdrola group forms part of the General Sustainable Development Policy, which contemplates basic principles of conduct that must be respected. Iberdrola's tax policy is guided by the Purpose and Values of the Iberdrola group and the Code of Ethics, and is based on a commitment to ethical principles, good corporate governance, transparency and institutional loyalty.

The companies of the group share the principles reflected in the Purpose and Values of the Iberdrola group and the Code of Ethics, and see the social dividend as the contribution of direct, indirect or induced sustainable value that its activities represent for all Stakeholders, in particular, through its contribution to achieving the Sustainable Development Goals adopted by the United Nations and its commitment to best environmental, social and corporate governance (ESG) practices.

Tax governance and risk management

Responsibility

The Board of Directors of Iberdrola, S.A., through its chairman, the chief executive officer and the management team, fosters the monitoring of tax principles and good tax practices. Similarly, in the country subholding companies, the respective boards of directors are responsible for ensuring compliance with the Corporate Tax Policy at the territory or country level.

Control and monitoring

Taxation is not static and is subject to continuous revision, which requires the Corporate Tax Policy to be constantly reviewed in order to reflect the best practices in this area, with the last update taking place in December 2022.

To achieve efficient control and correct compliance with tax governance requirements, the applicable tax laws and the principles of the Corporate Tax Policy are monitored at all levels.

The Company's Global Tax Division approves and periodically reviews guidelines for the evaluation and management of tax risk applicable to all companies of the Group. It is also the body responsible for tax compliance within the Company, in coordination with the Company's Compliance Unit.

Furthermore, the head of business companies report to the country subholding companies regarding the level of compliance with the Corporate Tax Policy, and in turn, the Audit and Compliance Committees of the country subholding companies report to the Audit and Risk Supervision Committee of Iberdrola S.A. Finally, the Audit and Risk Supervision Committee of Iberdrola, S.A. reports its findings to the Board of Directors

Risk management and compliance

Iberdrola proactively seeks to ensures compliance with tax provisions and to prevent and reduce significant tax risks. To this end, it has a robust tax risk prevention model in line with best tax governance practices, which is duly monitored, updated and aligned with applicable legal requirements.

In this regard, in 2019 Iberdrola was the first Spanish company to obtain certification of a tax compliance management system in accordance with the requirements established in the UNE 19602 standard, issued for a period of three years. Iberdrola was also the first company to renew its certification for a new three-year period in 2022. In 2023, the tax compliance system was successfully audited for the fifth consecutive year.

In addition, among other measures, Iberdrola has objective standards applicable to all the Group's companies for classifying transactions based on their tax risk. In this regard, the Group prohibits the creation or acquisition of companies domiciled in countries or territories considered to be tax havens, and therefore its subsidiaries do not include companies domiciled in such countries under Spanish law, nor in territories included in the European Union's blacklist of non-cooperative tax jurisdictions.

Stakeholder engagement in tax matters

Iberdrola, S.A. adheres to the Code of Good Tax Practices approved on 20 July 2010 by the full Forum of Large Businesses (Foro de Grandes Empresas), established on 10 July 2009 at the behest of the National Tax Administration Agency (Agencia Estatal de Administración Tributaria). Iberdrola's commitment to compliance with, further development and implementation of the Code extends to any other good tax practices that stem from the recommendations of the Code in effect at any time, even if not expressly set forth in the Corporate Tax Policy. The Group is also committed to compliance with the OECD Guidelines for Multinational Enterprises in tax matters.

Within the framework of the Code, since financial year 2015 Iberdrola, S.A. has voluntarily submitted to the Spanish tax authorities an Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code, which includes detailed information on the Group's taxation. This report is currently the most important tool for cooperative relations with the Tax Authorities.

Furthermore, Iberdrola has voluntarily prepared its annual Report on Tax Transparency of the Iberdrola Group since 2019. Our commitment to society. This report sets out all significant issues from a tax standpoint and will be prepared again in 2024. The report contains the Country by Country Report for the previous year presented in the same terms as those submitted to the Spanish Tax Authorities. This report is publicly available on the corporate website.

Finally, Iberdrola makes available to its Stakeholders specific ethics mailboxes, which constitute tools to report conduct that could involve improper conduct or conduct contrary to law or to the internal rules or procedures, including those relating to taxes.

The taxes paid are presented in the following table:

Tax contribution (millions of euros)			
	2023	2022	2021
Company contributions	4,417	3,255	3,125
Contributions due to third-party payments	4,864	4,203	4,711
Iberdrola consolidated total	**9,281**	**7,458**	**7,836**

The tax contribution for 2023 is significantly higher than in the previous year, both in terms of own contributions charged to the income statement and contributions for payments by third parties.

The increase in own contributions is mainly centred on corporate income tax and energy taxes.

Income taxes increased across the board in virtually all countries in which the Group operates, mainly as a result of an increase in taxable income, a decrease in refunds received compared to the prior year and an increase in the amount of tax withholdings paid, partly due to the effect of interest rate increases.

Energy taxes also rose, mainly due to the introduction of new taxes in various countries, notably the Temporary Energy Levy in Spain and the Electricity Generator Levy in the United Kingdom.

Lastly, the amount of contributions for payments by third parties increased, mainly in VAT and similar taxes, due to an increase in regulated activity and a decrease in refunds received compared to the previous year, resulting from the tax mechanism itself. The taxes withheld also increased, mainly due to higher dividend distributions, increased labour costs and rising interest rates.

Tax contribution (millions of euros)

Corporate income tax paid	2023	2022	2021
Spain	925	783	404
United Kingdom	157	-27	75
United States	38	14	2
Brazil	143	98	118
Mexico	144	141	169
Germany	64	40	49
Algeria	0	0	0
Canada	0	0	2
Cyprus	0	1	0
Costa Rica	0	2	0
Greece	8	7	5
Hungary	3	1	2
Italy	0	-1	-1
Netherlands	-12	0	0
Poland	3	1	0
Portugal	17	3	8
Romania	2	1	1
Iberdrola consolidated total	**1,492**	**1,064**	**832**

Global tax contribution (millions of euros)

	2023	2022	2021
Spain	3,482	2,585[77]	3,469
Company contributions	2,448	1,740	1,586
Contributions due to third-party payments	1,034	845	1,883
United Kingdom	1,119	674	720
Company contributions	570	197	341
Contributions due to third-party payments	549	477	379
United States	1,261	1,233	1,037
Company contributions	889	870	753
Contributions due to third-party payments	372	363	284
Brazil	2,530	2,270	2,058
Company contributions	235	180	179
Contributions due to third-party payments	2,295	2,090	1,879
Mexico	310	267	266
Company contributions	156	150	177
Contributions due to third-party payments	154	117	89
Other	579	429	286
Company contributions	119	118	89
Contributions due to third-party payments	460	311	197
Iberdrola consolidated total	**9,281**	**7,458**	**7,836**
Company contributions	**4,417**	**3,255**	**3,125**
Contributions due to third-party payments	**4,864**	**4,203**	**4,711**

[77] Exclude extraordinary refunds received in Spain as a result of judgements favourable to Iberdrola in the total amount of EUR 1,028 million in 2022.

GRI 207-4

In December 2023, Spain published the preliminary draft of the law transposing the European Directive to ensure an overall minimum tax rate of 15% for multinational groups and large national groups. This measure is in line with the recommendations of Pillar 2 of the Base Erosion and Profit Shifting Initiative (BEPS) programme agreed by the Organisation for Economic Co-operation and Development (OECD).

As a simplification measure aimed at appropriate and gradual implementation by multinational groups, the Directive proposes a substantive transitional safe harbour system for the period 2024-2026. Country-by-country reporting will be of particular importance as it will be used as a basis for calculating and verifying safe harbour compliance.

In this context, the Iberdrola group has adapted the configuration of its country-by-country report for the financial year 2023 to the requirements of Pillar 2, in order to present a "qualified country-by-country report" for the purposes of applying the new global minimum tax rules.

As a result of the foregoing, the main source of data for the configuration of the country-by-country report presented below is the aggregation of data from the individual IFRS financial statements of the entities that make up the Iberdrola group's consolidation boundary (expressed in millions of euros), and not the consolidated financial statements, which was the method used until 2022. These figures exclude companies consolidated under the equity method.

Total tax contribution by country (millions)

Tax jurisdiction	Income - Third Parties	Income - Related party	Income - Total	Pre-tax profit	Corporate income tax - paid	Corporate income tax - accrued (total)	Corporate income tax - accrued (current)	Stated capital + Undistributed results	Number of professionals (FTEs)
Spain	15,118	23,260	38,378	3,392	925	794	886	89,746	9,890
United Kingdom	13,026	7,445	20,471	2,067	157	529	289	37,554	6,177
United States	7,488	1,082	8,570	322	38	48	32	90,869	7,999
Brazil	10,301	0	10,301	969	143	78	82	12,808	15,707
Mexico	3,369	531	3,901	284	144	162	200	6,715	1,301
Ireland	0	6	6	-3	0	0	0	4	2
Germany	665	435	1,100	203	64	38	29	3,194	182
Algeria	0	0	0	0	0	0	0	0	0
Australia	381	0	381	1	0	-7	0	621	237
Bulgaria	0	0	0	-27	0	0	0	-42	0
Canada	0	0	0	-15	0	0	0	-236	0
Qatar	5	0	5	-1	0	0	0	3	33
Cyprus	4	0	4	3	0	0	0	7	1
France	105	90	195	-13	0	-3	7	1,794	153
Greece	68	0	68	33	8	8	8	181	111
Honduras	0	0	0	0	0	0	0	0	0
Hungary	33	8	41	28	3	3	4	105	10
Italy	517	358	874	-17	0	-5	0	29	115
Japan	0	1	1	-6	0	0	0	26	13
South Korea	0	0	0	-2	0	0	0	1	1
Latvia	14	0	14	6	0	0	0	6	1
Luxembourg	0	3	3	11	0	3	0	83	0
Morocco	0	0	0	0	0	0	0	0	0
Montenegro	0	0	0	0	0	0	0	0	0
Norway	0	0	0	-1	0	0	0	4	0
Netherlands	0	358	358	0	-12	-19	-19	11	0
Poland	54	5	58	-4	3	5	4	137	39
Portugal	758	904	1,662	223	17	65	68	446	189
Romania	23	5	28	18	2	4	2	193	5
Singapore	0	0	0	0	0	0	0	-1	1
South Africa	0	0	0	0	0	0	0	-3	0
Sweden	0	0	0	-23	0	0	0	5	1
Taiwan	0	0	0	-7	0	0	0	-14	12
Vietnam	0	0	0	-1	0	0	0	-1	5
Total	**51,930**	**34,491**	**86,421**	**7,439**	**1,492**	**1,703**	**1,594**	**244,245**	**42,186**

Spain. No significant deviations between nominal rate and effective rate were recorded in 2023.
United Kingdom. The spread between the nominal and effective tax rates is mainly due to the impact of the change in the rate applicable to deferred tax balances following the change in the tax rate to 25% from April 2023, as well as certain differences between accounting and taxation arising in 2023.
United States of America. The effective rate is very similar to the nominal rate (federal plus state). The deviation in the nominal rate is due (i) on the one hand, to tax credits associated with the renewables business ("PTCs") as well as investment credits ("ITCs"); and (ii) on the other hand, to the restatement of deferred tax balances to the prior year-end state tax rate ("DT true-up") as well as the restatement of the valuation according to the potential future application of tax credits ("valuation allowance").
Brazil. The effective rate is below the nominal rate mainly due to the (optional) application of the presumptive profit regime in the taxation of some of the companies, the payment of interest on equity and the existence of the SUDENE tax incentive.
Mexico. Changes in exchange rates, considering that dollarised accounts are presented, and the existence of certain accounting and tax differences (provisions, deferred income, inflationary effect, valuation of derivatives and recognition differences in fixed assets and the depreciation rates thereof) justify the difference between the nominal and effective rate.
Other countries. The main differences compared to the nominal rates are due to accounting criteria for the capitalisation of tax losses in Australia, additional surcharges for the increase in the tax base in Portugal, and the existence of certain differences between accounting and taxation (provision) at the marketing entity in France.

Contributions to society

Iberdrola has selected the *Business for Societal Impact* B4SI model to measure and assess business contributions to the community due to its broad international recognition. It is considered the most highly valued standard for measuring the results and impacts of social programmes, both for the company and for the community. This standard only recognises projects that involve voluntary contributions for social or environmental protection ends, for non-profit purposes, and that are not restricted to groups related to the company.

Iberdrola has used the model as a basis to report its contributions to society in 2023

Contribution to the community in 2023 (thousands of EUR)	
By category	
Specific contributions	7,515
Community investment	33,083
Initiative aligned with the business	7,610
Management costs	3,453
By type of contribution	
Cash contributions [78]	46,377
Staff time	931
In-kind contributions	900
Management costs	3,453
By area of contribution	
Socioeconomic development of the community	6,493
Energy sustainability	4,713
Art and Culture	4,176
Education and training	6,077
Cooperation and community service	18,539
Other	8,211
Management costs	3,453
Total	**51,661**

This amount is equal to 1.1% of net profits for the year.

[78] Contributions made mostly to non-profit organisations and foundations but also to universities, government administrations, etc., provided that they meet the aforementioned B4SI Model standards.

Foundations

ScottishPower Foundation, AVANGRID Foundation, Fundación Iberdrola México, Instituto Neoenergia y Fundación Iberdrola España represent Iberdrola's commitment to the sustainable the development of the countries in which it does business. Pursuant to the Master Plan, the foundations have updated their mission, vision and values to include the contribution to the SDGs among their purposes and principles.

Iberdrola uses various indicators to measure the results achieved through its community support programmes.

Training and research area

This work area focuses on young students, supporting their undergraduate, technical or language studies and providing opportunities for those with fewer resources and/or disabilities. It also includes calls for assistance for research, most notably including the first year of the Energy for Future programme, an international programme in collaboration with the European Commission led by postdoctoral researchers in the energy sector. There are also research grants and scholarships in restoration and conservation in partnership with prestigious museums, such as the Museo del Prado and the Bilbao Fine Arts Museum. These initiatives contribute to the attainment of specific objectives of SDG 4: Quality Education.

The INSPIRA III Green Economy training programme was held in December 2023 in Castilla-La Mancha with the aim of helping young people at risk of exclusion between ages 16 and 30 rejoin the education system and/or obtain training in various areas of the electricity sector.

In addition, in partnership with various universities, Iberdrola is promoting the representation of women in STEM careers in all of the countries where it is present. This is the case of the STEM Women Chair of *Fundación Iberdrola España* together with the Pontificia de Comillas University and *Empresa Municipal de Transportes de Madrid (EMT)*, which has been renewed for another year. The *Empieza por Educar* scholarships, which seek to help five young graduates in the STEM field to have a positive impact on the education system.

The Generation Science programme of the Scottish Power Foundation aims to fund 100 science workshops for children in Scotland's most disadvantaged areas. The Avangrid Foundation has awarded more than 10 scholarships to women to promote STEM careers. The *Balcao de Ideias e Prácticas Educativas* project consolidates a network for the dissemination of innovative ideas and practices in education through ongoing teacher training. To date, the Fundación Iberdrola México has awarded 21 scholarships at the *Instituto Tecnológico de Monterrey* to students with limited resources.

Biodiversity and climate change area: conservation of birds, habitats and ecosystems

This work area partners with public institutions and entities devoted to the protection of the environment and birdlife, contributing to the achievement of the specific objectives of SDG 13: Climate Action, and 15: Life on Land. Among other initiatives, Iberdrola supports the conservation of habitats, such as its reforestation programme for military firing ranges in Spain, called "Iberdrola Defence Forest" (Bosque Defensa Iberdrola), which has already reforested more than 167 hectares and will absorb more than 12,000 tonnes of CO2. Other notable projects include multi-year collaborations with SEO Birdlife and support for terrestrial and marine habitats through projects developed within the foundations, such as the Scottish Foundation with WWF (World Wildlife Foundation) to restore seagrass and oyster beds, the AVANGRID project, in collaboration with the National Fish & Wildlife Foundation, for the conservation of birds (bats and freshwater birds in New England) and habitats; the conservation of the Fernandez Canyon and mangroves by the Iberdrola Mexico Foundation; and the CORALIZAR project (coral restoration) and Flyways Brazil (conservation and monitoring of wading birds) by the Neoenergia Institute.

Art and culture area: programmes for lighting, restoration and support to museums

This area partners with cultural entities, prestigious museums, public institutions and religious entities to promote culture, as well as to restore and preserve the artistic heritage, favouring local development. These actions directly impact Goals 8: Economic growth, and 11: Sustainable cities and communities.

There at two very important sections within this area. Through the lighting programme, lighting interventions are carried out with respect to important historic-artistic heritage sites in order to foster local development and sustainable tourism. Some lighting projects in Spain include the CESEDEN, the Capitanía General de Sevilla, the church of the Colegio de Monforte de Lemos and Guadalajara's Arab bridge. In addition, many lighting projects are currently underway and are due to be inaugurated in 2024, such as Lisbon's City Hall. In Brazil, the Neoenergia Institute has engaged in the illumination of the Senhora Santana Church (Rio de Contas - Bahia). As far as exhibitions are concerned, the travelling exhibitions "El Prado en las Calles" in Andalusia and another new exhibition in collaboration with the Junta de Castilla-La Mancha called "Museorum" stand out.

Numerous restorations have also been carried out with the Prado Museum and the Museum of Fine Arts of Bilbao.

At all of the foundations, workshops, programmes and free visits are also provided with the aim of outreach to promote culture, highlight cultural heritage and create new and exciting learning opportunities.

Social action area

This work area partners with non-profit organisations, foundations and development agencies to promote social and humanitarian projects aimed at the most vulnerable people and that contribute to achieving the specific objectives of SDGs 1: End poverty; 3: Good health and well-being; 5: Gender equality; 7: Affordable and clean energy; and 10: Reduced inequalities.

The **Social Programme of the Foundations** is implemented in five countries with the support of projects that promote overcoming child poverty, supporting the inclusion of people with disabilities, improving the quality of life of persons who are seriously ill and supporting women, always prioritising attention to the most vulnerable groups.

In addition to the social programmes, Fundación Iberdrola México is carrying out a multi-year project known as "Urological Brigades" to contribute to the well-being of low-income women who have complex urological problems by providing them with surgery and "Luces de Esperanza" (Lights of Hope), a project that brings basic electricity service to rural communities in Mexico that do not have access to electricity (through solar systems).

The ScottishPower Foundation, in addition to its various projects aimed at health and well-being, is engaging in a project to secure and equip a space dedicated to a community food centre throughout the year, offering free, healthy food to the local community.

Iberdrola and the Global Compact

Iberdrola has been a member of the Global Compact since 2002, making commitments to support, promote and disseminate its ten principles regarding human rights, labour practices, the environment and the fight against corruption, both internally and within its area of influence, and to contribute to achieving the Sustainable Development Goals. The company has continued to further develop the policies proposed by the Compact, which it has made public through its Statement of Non-Financial Information, *Integrated report* and *ESG+F information* and its *web page*.
Since 2004, the company has belonged to the Red Española del Pacto Mundial (Spanish Global Compact Network) as a founding member, and has prepared annual progress reports on compliance with the principles of the Compact, which are publicly available on the website of the *Spanish Network of Global Compact* and on the website of the *UN Global Compact*.

Iberdrola engaged in the following activities in connection with the Global Compact during 2023:

- Attendance at the 2023 General Assembly of the Red Española.
- Active participation in the main platforms and initiatives at the global level, including:
  - Adoption of the Caring For Climate commitment to promote the adoption climate change solutions and help shape public policy, of which Iberdrola has been a leading partner since its inception.
  - The Business Ambition for 1.5°C in support of the goal of net-zero emissions by 2050.
  - Presentation of the accelerated Climate Transition Plan to achieve the carbon neutrality of the power plants, its electricity distribution activity and its own consumption (scopes 1 and 2) by 2030 and net zero emissions in the entire value chain by 2040.
  - The CEO Water Mandate initiative to encourage sustainable practices in the use of water.
  - Iberdrola is a signatory to the Women's Empowerment Principles, which aim to promote gender equality and women's empowerment in the workplace, marketplace and community.
  - Iberdrola is a signatory to the Sustainable Ocean Principles to preserve the sustainability of the oceans and participates in the activities of the Ocean Stewardship Coalition to promote them.

- In 2023 we joined the United Nations Global Compact Programme to further promote the sustainability of our suppliers.
- Neoenergia signed an agreement with UNICEF to support educational and environmental actions in public schools in Bahia, Pernambuco, Rio Grande do Norte and Distrito Federal.

In 2023 the Global Compact created a new platform for submitting the annual Communication on Progress and extended the deadline for submitting the reports from 2022 to March 2024.

In addition, within the framework of the milestones of the multilateral agenda, the following activities should be noted:

- Very active involvement in the discussions and in developing activities and materials of the Think lab on Just Transition, including activities and documentation linking this topic to the business sector, financing, climate change mitigation and adaptation.
- Participation in the High-Level Political Forum on Sustainable Development (HLPF) Summit held in New York to promote climate action and the achievement of the Sustainable Development Goals.
- Participation in activities and meetings linked to the United Nations General Assembly and Climate Week NYC, most notably including the UN Private Sector Forum 2023.
- Participation in the SDG Summit held in New York in September 2023.
- Participation at the highest level in the United Nations Climate Ambition Summit in New York within the framework of the General Assembly, where Iberdrola was one of the companies with the greatest leadership for its Climate Transition Plan, which is fully in line with the recommendations of the report of the High-level Expert Group on the Net Zero Emissions Commitments of Non-State Entities established by the United Nations Secretary-General.
- Participation in the United Nations Climate Change Conference, better known as COP28, held in Dubai.

In 2024 Iberdrola will continue to actively participate in the activities of the *Red Española del Pacto Mundial* in a manner similar to the past years, and sponsor climate action activities at a global level.

IV. Governance

IV.1. Good governance, transparency and Stakeholder engagement

- Corporate governance
- Ethics and integrity
- Public policies

Corporate governance

Iberdrola's *Governance and sustainability system* is a defining feature of the Company's comprehensive and institutional nature. It is the Company's own internal organisation that ensures the preservation of its identity, the realisation of its purpose and values, and the achievement of its corporate objectives, while exercising the corporate autonomy protected by law. Its rules on corporate governance, in particular, are in line with international best practices and standards in the areas of good governance, compliance and transparency, making Iberdrola a benchmark for its peers in this field.

An independent and plural Board of Directors

The Board of Directors focuses its activities on approving strategic objectives at the group level, defining the organisational model and monitoring compliance with and development thereof.

GRI 2-16

For more information regarding the composition, operation and activities of the Company's governance bodies, see the *Activities Report of the Board of Directors and of the Committees* .The Report describes the main issues dealt with by each of the governance bodies during the year.

Similarly, section C.2.1. of the *Annual Corporate Governance Report* contains a brief description of the composition and activities of the committees of the Board of Directors.

Selection and nomination of the members of the highest governance body

GRI 2-10

The appointment, ratification, re-election and removal of directors is within the purview of the shareholders at the General Shareholders' Meeting.

Vacancies that occur may be filled by the Board of Directors on an interim basis until the next General Shareholders' Meeting, at which the shareholders will confirm the appointments or elect the persons who should replace directors who are not ratified, or the vacant positions will be withdrawn.

To this end, the *Boards of Directors Diversity and Member Selection Policy*,ensures that proposals for the appointment of directors are based on a prior and objective analysis of the needs of the Board of Directors. The *Equality, Diversity and Inclusion Policy* also includes principles and guidelines that must be taken into account for these purposes at all Iberdrola group companies.

> **The Board of Directors has a diverse and balanced composition in terms of the gender, nationalities, skills and professional profiles of its members**

The *Appointments Committee* advises the Board of Directors regarding the most appropriate configuration of such body and on aspects like the size of and balance among the various classes of directors existing at any time and the personal and professional requirements that the candidates must fulfil. For such purpose, the Committee reviews the structure of each body on a regular basis. Independent directors are appointed on the basis of a proposal of the Appointments Committee, while the other appointments require a report of such Committee.

In any event, the Board of Directors, and the Appointments Committee within the scope of its powers, will endeavour to ensure that the candidates submitted to the shareholders at a General Shareholders' Meeting for appointment or re-election as directors, as well as the directors appointed directly to fill vacancies in the exercise of the power of the Board of Directors to make interim appointments, are respectable and qualified persons, widely recognised for their expertise, competence, experience, qualifications, training, availability and commitment to their duties.

The members of the Board of Directors must be irreproachable professionals, whose professional conduct and background are aligned with the principles set forth in the *Code of Ethics* and with the corporate values contained in the *Purpose and Values* of the Iberdrola Group.If the Board of Directors deviates from the proposals and reports of the Appointments Committee, it shall give reasons for so acting and shall record such reasons in the minutes.

In addition, the selection of candidates shall endeavour to ensure that the composition of the Board of Directors is diverse in the broadest sense and balanced as a whole, such that decision-making is enriched and multiple viewpoints are contributed to the discussion of the matters within its purview. To this end, the selection process shall promote a search for diverse candidates with knowledge and experience in the various countries in which the group does or will engage in activities. The directors must also have sufficient knowledge of the Spanish and English languages to be able to perform their duties.

In turn, the Board has entrusted to the Appointments Committee the responsibility of ensuring that when new vacancies are filled or new directors are appointed, the selection procedures are free from any implied bias entailing any kind of discrimination, particularly due to gender.

Collective knowledge of highest governance body

GRI 2-12 2-17

The Company has a programme to provide directors with training and updates in response to the need for professionalisation, diversification and qualification of the Board of Directors.

In addition to training materials and sessions for all directors, the members of each of the committees have specific training plans in the areas within their purview.

First, an orientation programme covering aspects such as the business and organisational model of the Company and its group, the corporate governance structure and its ownership, and the *Governance and sustainability system* is made available to new members of the Board of Directors.

Directors also receive continuous training regarding significant issues relating to the Iberdrola Group and its businesses, as well as the environment in which they operate, which are supplemented by reports, articles and other information of interest, all of which are made available to the directors through the directors' website, which has a specific section and a blog dedicated to training.

This website also facilities the performance of the directors' duties, incorporating documents deemed appropriate to prepare for meetings of the Board of Directors and its committees based on the agenda, as well as presentations shown during the meetings.

In this regard, a space is used at Board meetings to present geopolitical, financial, regulatory and current topics considered to be of interest to the Iberdrola directors.

In addition to training materials and sessions for all directors, the members of each of the committees have specific training plans in the area of their competencies. In particular, the Sustainable Development Committee has a regular training plan that ensures that knowledge is updated with the latest trends in sustainable development, ESG requirements and corporate social responsibility, the main compliance risks, as well as best practices in corporate governance in international markets.

Training and informational sessions during 2023	
Board of Directors	Status and outlook for green hydrogen and derivative products
	Artificial intelligence and cybersecurity
	Asset rotation plan: developments and next steps
	Market situation and financial policy of the Iberdrola Group
Audit and Risk Supervision Committee	Political, reputational and corruption-related risks and alert mechanisms for these types of risks
	Activities regarding cybersecurity and data protection risks in 2022
	Statement of Non-Financial Information
	Related environmental and social risks and warning mechanisms for these types of risks.
	Current risks of the Customers Business
	Review of the risk map and holistic risk management of these risks
	Risks associated with the Finance, Control and Corporate Development Division
	Current risks of the Renewables Business
	Four training sessions on cybersecurity
	New accounting developments
	Transparency on the evolution of tax payments prepared by the Global Tax Division
	Current risks of the Networks Business
	Information on the statutory auditor's work plan and strategy.
	Technological risks of the Iberdrola Group's businesses
	Review of risk policies
	Activities carried out regarding cybersecurity and data protection risks in 2023
Appointments Committee	Analysis of the results of the general shareholders' meetings on matters within the remit of the Appointments Committee
	International best practices in development plans for senior management and other key positions in listed companies
	Best practices in the recruitment, retention, management and promotion of talent
	Implementation of measures at the Iberdrola group to attract, retain, manage and promote talent and, in particular, training and monitoring programmes for the management team
Remuneration Committee	Trends and benchmarks in remuneration committees of listed companies
	Remuneration policies and best practices in remuneration of the US market

Training and informational sessions during 2023	
Sustainable Development Committee	Purpose and values
	ESG report
	International climate events
	CONVIVE Programme
	Circular economy and climate governance Analysis of environmental elements in the non-financial information
Training documents on the directors' website	European legislation on artificial intelligence and digital services (regulatory trends, main obligations and impact for Iberdrola)
	Analysis of measures adopted by the EU taken in response to the gas price crisis and their impact on electricity prices
	The temporary energy levy
	The International Criminal Court and the UN Security Council
	Analysis of the results of the general shareholders' meetings on matters within the remit of the Appointments Committee
	Analysis of the effects of the Iberian exception
	Trends in cybersecurity governance: cyber risk management
	Corporate purpose
	The new regime for authorising foreign direct investment in Spain
	Companies, human rights and the environment: the proposed European Directive on corporate sustainability due diligence
	New securities market legislation
	New virtual worlds and their legal implications for corporations
	Class actions for damages: the new regulation in the draft bill on representative actions and its potential impact on litigation risk for Spanish companies
	ESG developments in the US
	The EU's new regulations on foreign subsidies
	Regulations and trends on equality, diversity and inclusion
	Biodiversity: creating value through natural capital
	Criminal liability of legal persons in Spain and internal compliance systems

GRI 2-18

Pursuant to the *Regulations of the Appointments Committee,* this Committee coordinates the evaluation of the Board of Directors and its committees and submits the results of this evaluation to the full Board together with a proposed plan of action.

Within the framework of the evaluation process for financial year 2023, Iberdrola has decided to draw on the help of *PricewaterhouseCoopers Asesores de Negocios, S.L.*

This process is based on the review of a large number of quantifiable and measurable indicators that are objectively updated every year based on the latest trends. As a result of this process, the company develops and adopts ongoing improvement plans designed to implement the specific measures that contribute to continue perfecting corporate governance practices. A summary of this process can be found in section C.1.17 of the *Annual Corporate Governance Report 2023.*

Identifying, managing and evaluating economic, environmental and social impacts

GRI 2-12

The Board of Directors of Iberdrola is structured as described in chapter I.1 *"Conoce Iberdrola*", and its consultative committees assist it in its task of supervising the management of the company's economic, social and environmental performance. This includes both the supervision of the impacts, risks and opportunities generated by the group's activities and compliance with international principles, codes and standards applicable to the tasks for which it is responsible. The Board of Directors and its consultative committees routinely assess the group's performance in the aforementioned aspects, drawing both on external information of interest to them –provided by independent external consultants– and on information provided by the organisation itself, mainly through regular appearances by senior managers of Group companies.

These appearances are reported in the *Activities Report of the Board of Directors and of the Committees*

GRI 2-13 2-17

The Sustainable Development Committee supervises the company's conduct in the area of sustainability, corporate reputation, corporate governance and compliance. The general secretary and secretary of the Board of Directors, the Chief Compliance Officer, the Innovation, Sustainability and Quality Officer, and the ESG Officer appear before this Committee on a regular basis. The heads of the various areas are also invited to make presentations at meetings during which issues within their purview are discussed.

Pursuant to the corporate and governance structure specified in the *Governance and sustainability system,* and particularly in the *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation,* the implementation, monitoring and supervisions of the group's sustainable development strategy is the responsibility of its various companies, and is performed by the various committees handling sustainable development and reputational duties, while respecting the principles of subsidiary and decentralised management.

Remuneration policies

GRI 2-17 2-19 2-20

As provided in the *Code of Ethics* and the *Regulations of the Board of Directors*, the Board of Directors, at the proposal of the Remuneration Committee, is the body with power to set the remuneration of directors within the overall limit set by the By-Laws and in accordance with law, except for remuneration that consists of the delivery of shares or share options or that is tied to the price of the shares, which must be submitted to the shareholders for approval at the General Shareholders' Meeting. The Remuneration Committee is a consultive committee chaired by an independent director (the first vice-chair and lead independent director) and made up mostly of independent directors.

The Remuneration Committee is responsible for evaluating the level of achievement of the targets to which variable annual and multi-annual remuneration is linked and for submitting it to the Board of Directors for approval.

Pursuant to the *By-Laws* the Company will annually allocate as an expense an amount equal to a maximum of two percent of the group's consolidated profit during the preceding financial year for the following purposes:

- To remunerate the directors both for their status as such and for any executive duties, based on the positions held, dedication and attendance at meetings of the corporate decision-making bodies.
- To maintain a fund to cover the obligations incurred by the Company with respect to pensions, the payment of life insurance premiums and the making of severance payments to former and current directors.

The allocation, with a maximum limit of two percent, can only accrue if the profit from the preceding financial year is sufficient to cover the requirements of the legal reserve and other mandatory reserves and if the shareholders are entitled to receive a dividend of at least four per cent of the share capital with a charge to said financial year.

Regardless of the provisions of the preceding sections, the remuneration of the directors may consist of the delivery of shares or options thereon, as well as remuneration linked to the value of the Company's shares, subject always to the approval of the shareholders acting at a General Shareholders' Meeting.

Since 2008, the shareholders at the Company's General Shareholders' Meeting have approved successive long-term incentive plans in shares ("Strategic Bonuses"), linked to Iberdrola's performance in relation to its strategic objectives and aimed at executive directors, members of senior management and professionals who, based on their position or responsibilities, are deemed to make a decisive contribution to the creation of sustainable value. At the end of 2023, the 2020-2022 Strategic Bonus (in the settlement phase) and the 2023-2025 Strategic Bonus (in the evaluation phase) were in force, with objectives that outline an ambitious and challenging scenario for a company that not only seeks to continue its profitable growth, which is financially sound and firmly committed to the Sustainable Development Goals ("SDGs"), but also to further strengthen its leading position in the electricity sector towards the energy transition and decarbonisation.

To this end, the 2023-2025 Strategic Bonus, approved by shareholders at the 2023 General Shareholders' Meeting, integrates financial, business and sustainable development objectives, including the following: reducing the intensity of CO2 emissions specific to the Iberdrola group, as a reference linked to SDG 7 (Affordable and Clean Energy) and SDG1 3 (Climate Action); increasing the number of suppliers subject to standard sustainable development policies; and increasing the number of women in positions of importance in the Iberdrola group, corresponding to management positions, in line with SDG 5 (Gender Equality) and SDG 10 (Reducing Inequalities).

Stakeholders' engagement in remuneration

GRI 2-20

The *Annual Director Remuneration Report* for 2022 was approved in a consultive vote by the shareholders at the General Shareholders' Meeting held on 28 June 2023, with 88.57% of votes in favour out of the total votes cast.

The *Annual Director Remuneration Report* for 2023 will be submitted to a consultative vote of the shareholders at the General Shareholders' Meeting to be held in 2024.

Shareholder engagement

Iberdrola is a pioneer in encouraging shareholder engagement as one of the fundamental pillars of its corporate governance strategy, with the General Shareholders' Meeting being the shareholders' main channel for participation in corporate life.

The 2023 General Shareholders' Meeting was held physically at the corporate headquarters, with shareholders and their proxy representatives having the ability to attend remotely, and initiatives to continue fostering participation include:

- Proactive delivery of proxy and remote voting cards to shareholder registered with OLA Shareholders' Club or who provided their email address for this purpose.Inclusion of a QR code in the proxy and absentee voting cards sent by Iberdrola to facilitate electronic participation.
- Expansion of accreditation facilities for OLA Shareholders' Club members in the participation channels.
- Prize draw for 20 electric bicycles among shareholders voting or granting proxies through the corporate website's participation portal or the telephone channel.
- Commemorative gifts at shareholder information desks opened by Iberdrola to facilitate participation before the General Shareholders' Meeting.
- Second distribution of the participation dividend (EUR 0.005 gross per share), paid to all entitled shareholders having reached the quorum of at least 70% of the share capital.

As a result of these measures, a quorum of 71.97% of the share capital (31.23% present and 40.74% represented) was achieved at the 2023 General Shareholders' Meeting and all the proposals put forwards by the Board of Directors were approved by a large majority, with an average of more than 98% of the total votes cast.

Since 2016 the Basque Government (through the state-owned company Ihobe) and AENOR certify that the management of Iberdrola's General Shareholders' Meeting meets the standards for the environmental sustainability of events in the Basque Country (Erronka Garbia) and the ISO 20121 standard on sustainable event management, respectively.

In order to facilitate accessibility, understanding of information and, in short, shareholder engagement, the company has established several specific communication channels, in addition to the corporate website and the official filings with the Spanish National Securities Market Commission (CNMV), which are generally required of all listed companies. These specific channels include:

- Shareholder's Office: a permanent channel of communication between the Company and all its shareholders, especially for those who have difficulty using new technologies or prefer to continue to interact through traditional channels, with the possibility of receiving personal attention by telephone, e-mail or post.
- OLA Shareholders' Club: an interactive system of permanent and bilateral communication between the Company and shareholders who voluntarily register to ask questions and receive clarifications, review questions raised by other shareholders and the information provided by the Company to all shareholders, as well as to submit complaints or information in accordance with the provisions of the Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors, among other tools.
- Investor Relations App: multi-device communication channel to access all relevant information about the Company, with the possibility to follow results presentations, consult share price charts, financial documentation, press releases and communications of inside information or other relevant information.

- Investor Relations Office: responds regularly and individually to enquiries from analysts and qualified institutional investors in equities, fixed income and socially responsible investments, as well as rating agencies, via e-mail at investor.relations@iberdrola.es. It is also responsible for liaising with proxy advisors, dealing with their queries regarding the proposed resolutions to be submitted to the General Shareholders' Meeting and providing them with any clarification it deems appropriate.

In addition, the Company organises briefings on the performance of the Group companies or other aspects of interest to institutional investors and analysts so as to provide them with adequate information in this respect, while the Company strictly respects the principle of equal treatment of all shareholders, who are placed on an equal footing and not subject to conflicts of competition or interest.

Shareholder associations and institutional shareholders are invited to request meetings with representatives of the Company through the Investor Relations Division. The *Governance and Sustainability System* provides that the Board of Directors or its chairman or the Executive Committee may authorise the first vice-chair and lead independent director or other directors to engage in dialogue with specific shareholders on matters relating to corporate governance and sustainable development.

The *Shareholder Engagement Policy* is one of the main pillars in the corporate governance strategy.

Annual total compensation ratio and annual total compensation percentage increase ratio

Iberdrola's Corporate Governance Model provides for the existence of a holding company, Iberdrola S.A., and for country subholding companies in the main countries in which it does business, as shown in the "Corporate and governance structure, ownership and legal form" section of the chapter and described on the Company's *website*.

The main countries in which the Iberdrola group does business are Spain, the United Kingdom, the United States, Brazil and Mexico, where the compensation remuneration ratios are set forth in the table below.

GRI 2-21

Country[79]	Highest level of remuneration	Annual total compensation ratio[80]			Total compensation percentage increase ratio		
		2023	2022	2021	2023	2022	2021
Spain	Director	23.63	23.34	23.85	-1.97	0.12	-4.20
United Kingdom	CEO	20.07	19.94	22.18	0.80	-1.23	7.31
United States	CEO[81]	19.42	11.14	12.53	10.84	N/A	11.16
Brazil	Director	31.57	29.02	28.57	1.73	0.9	N/A
Mexico	CEO	18.98	23.84	29.08	-0.32	-0.89	-31.77

[79] Spain: Iberdrola, S.A.; Iberdrola España; Iberdrola Energía Internacional.
United Kingdom: ScottishPower. United States: AVANGRID. Brazil: Neoenergia. Mexico: Iberdrola México.
[80] Annual total compensation includes fixed salary, cash salary supplements and variable remuneration. Does not include long-term incentives or benefits.
[81] In the United States, total compensation in 2022 did not include variable compensation due to the date of taking up the position.

At the consolidated level, the total annual remuneration ratio for the highest-paid employee in the organisation with respect to the median total annual compensation of all employees (excluding the highest-paid employee) was 45.67[82] in 2023.

Ethics and integrity

Policies and protocols

GRI 205 2-23

The Compliance System of the group companies is structured around: (i) certain regulations approved by the Board of Directors of Iberdrola, S.A., which form part of the *Governance and sustainability system*; and (ii) supplementary regulations developed and approved by the Compliance Unit, pursuant to the powers vested therein by the *Regulations of the Compliance Unit*, which prepares and approves supplementary regulations that are also binding for all of the group's employees.

Regulations approved by the Board of Directors

- *Code of Ethics*
- Regulations of the Compliance Unit
- Compliance and Internal Reporting and Whistleblower Protection System Policy
- *Anti-Corruption and Anti-Fraud Policy*
- Internal Regulations for Conduct in the Securities Markets
- Internal Rules for the Processing of Inside Information
- Procedure for Related-Party Transactions with Members of Senior Management, Delegated Related-Party Transactions and Lines of Related-Party Transactions

Regulations approved by the Unit

- General Coordination, Collaboration and Information Protocol
- Protocol for Management of the Risk of Third-Party Fraud and Corruption
- Corporate Transactions Protocol
- Protocol for Conduct in Professional Relations with Government Administrations
- Protocol for Social Contributions, Donations and Sponsorships
- Competition Protocol
- Gifts and Hospitality Protocol
- Action Protocol in the Event of Notification of Court and Administrative Sanctioning Procedures
- Risk Assessment Guide
- Third-Party Risk Assessment Guide
- Guide for conducting a background check prior to the assumption of management duties

[82] For 2023, the highest paid employee in the organisation has changed compared to 2022.

Evaluation of risks

GRI 205-1

One of the main elements of the Compliance System is the existence of a process of regular and continuous identification and evaluation of the compliance-related risks of each of the corporate functions and in the businesses of the group.

Thus, in terms of risk assessments, two types of evaluations are carried out, which include the risk of corruption:

- To implement the Compliance and Internal Reporting and Whistleblower Protection System Policy, the Group companies, through the Compliance Unit, have implemented a specific and effective crime prevention programme (understood as a group of measures intended to prevent and mitigate the risk of committing potential crimes and to detect and react to any crimes committed).

  Likewise, the other Group companies implement programmes to prevent similar crimes from being committed through their respective compliance units (or compliance bodies or functions), which have full responsibility and autonomy for the management thereof.

  To implement these Crime Prevention Programmes, there is a regular evaluation of the risks of committing criminal acts that might ultimately be alleged against the various companies of the group based on their activities, as well as an identification of existing controls and the establishment of new controls for the prevention thereof.

- The compliance units regularly update the compliance risk map following the guidelines established in the Compliance Risk Evaluation Guide established by the Compliance Unit, whereby this assessment includes identifying the likelihood of each risk occurring and the impact thereof.

These risk maps are drawn up based on an inventory of homogeneous risks for the boundary of the group using a common methodology, as shown in the table below:

Compliance Risks	
Corruption and fraud	Data prevention
Money laundering and terrorist financing	Cybercrime
Sanctions	Business secrecy
Scams	Occupational risk prevention
Permits, licences and authorisations	Workers' rights
Fraud against public authorities and social security	Obstructing external monitoring
Punishable insolvencies	Harassment
Intellectual and industrial property	Discrimination
Smuggling	Safety at facilities, the environment and public health
Market abuse	Supply chain
Unfair trade practices	Consumer protection
Distortion of public information	

Each compliance unit analyses whether there are signs of these risks in their respective country subholding companies, head of business companies and in each of the corporate and business areas. With the information obtained, a compliance risk map is prepared for each entity, which is updated on a regular basis, identifying the main controls in the scope of the group to mitigate such risks and, if necessary, proposing improvement actions to strengthen the effectiveness of these controls.

Although Iberdrola, S.A. and the other Spanish companies are not subject to Law 10/2010 on anti-money laundering and counter terrorist financing (the "Money Laundering Act") and, therefore, this Act and the formal and administrative obligations imposed thereunder on certain groups do not apply to them, the risk of perpetration of money laundering offences is contemplated as part of the Crime Prevention Programme of such companies.

However, Iberdrola Inmobiliaria, S.A.U. is subject to the Money Laundering Act due to the nature of it activities, and therefore, in addition to the aforementioned preventive controls, this company has implemented additional specific controls primarily aimed at preventing this type of crime. By way of example, the company has approved rules like the Procedure to Prevent Money-Laundering and Terrorist Financing, Contract Approval Endorsements, the Leased Assets Billing Procedure and Payment Order Validation monitoring

Communication and training related to anti-corruption rules

Training and communication are two fundamental pillars of the Compliance System to ensure that all of its professionals are aware of and comply with the *Code of Ethics*.

Within this context, the compliance units plan their training and communication activities on an annual basis in collaboration with the corresponding human resources and communications divisions.

Corporate policies, including the *Compliance policy and internal information and whistleblower protection system and anti-corruption and fraud policy,* as well as the *Code of Ethics* are available on the *corporate website* and on the employee portal.

The protocols and other procedures approved by the Compliance Unit are available on the employee portal and are circulated by email to all departments where these procedures may be applicable.

GRI 205-2

The table below shows the training hours associated with the various training activities carried out in 2023.

Employee training on anti-corruption

		2023		2022		2021	
		Number of employees trained	Percentage of total workforce	Number of employees trained	Percentage of total workforce	Number of employees trained	Percentage of total workforce
Spain	Leadership	79	7.4	680	68.3	508	43.6
	Qualified Technicians	1,491	31.1	4,209	90.6	1,409	32.1
	Skilled workers and support personnel	764	19.0	3,407	83.9	1,214	29.1
	Total	**2,334**	**23.6**	**8,296**	**85.5**	**3,131**	**32.2**
United Kingdom	Leadership	338	86.2	8	2.3	14	1.7
	Qualified Technicians	3,913	89.4	300	7.7	87	2.7
	Skilled workers and support personnel	1,163	77.7	75	5.0	68	4.2
	Total	**5,414**	**86.4**	**383**	**6.7**	**169**	**3.0**
United States	Leadership	341	97.2	352	100.0	330	N/Av.
	Qualified Technicians	3,251	98.9	3,149	100.0	2,861	N/Av.
	Skilled workers and support personnel	4,480	100.0	4,323	100.0	4,244	N/Av.
	Total	**8,072**	**100**	**7,824**	**100**	**7,435**	**100**
Brazil	Leadership	406	95.5	407	100.0	379	97.7
	Qualified Technicians	1,659	47.0	2,025	58.2	3,062	96.6
	Skilled workers and support personnel	9,873	84.1	7,437	64.6	10,714	93.2
	Total	**11,938**	**76.1**	**9,869**	**64.1**	**14,155**	**94.0**
Mexico	Leadership	37	33.3	12	12.0	38	40.4
	Qualified Technicians	313	42.5	130	17.4	373	50.2
	Skilled workers and support personnel	101	22.2	94	20.5	135	29.4
	Total	**451**	**34.7**	**236**	**18.1**	**546**	**42.1**
IEI	Leadership	45	41.7	86	91.5	44	50.0
	Qualified Technicians	383	43.5	561	72.1	284	44.9
	Skilled workers and support personnel	51	38.3	31	30.4	25	25.8
	Total	**479**	**42.7**	**678**	**69.6**	**353**	**43.2**
Iberdrola total	**Leadership**	**1,246**	**50.8**	**1,545**	**67.8**	**1,313**	**45.3**
	Qualified Technicians	**11,010**	**62.5**	**10,374**	**62.5**	**8,076**	**53.9**
	Skilled workers and support personnel	**16,432**	**74.0**	**15,367**	**70.4**	**16,400**	**74.3**
	Total	**28,688**	**67.9**	**27,286**	**67.0**	**25,789**	**64.5**

Monitoring

Grievance mailboxes of the group

GRI 2-26

One of the basic elements of the Compliance System are the detection or monitoring mechanisms allowing for verification of the effectiveness of the controls and prevention activities carried out at the group. These mechanisms include the internal reporting channels, which are tools that can be used to submit queries or report conduct that may involve the commission of any improper conduct or any act contrary to law or the rules.

The Company has set up internal reporting channels that allow shareholders, directors, professionals, suppliers and other third parties, as determined by law, to report any improper conduct or potential unlawful acts or acts contrary to law or to the Governance and Sustainability System with an impact on the Company, its contractual relationship with its suppliers, or the interests and image of the Company.

Reports can be filed through the corresponding form available on the Company's corporate website, or by any other means established by the Company, all without prejudice to the fact that they may send their grievances or reports to the Independent Whistleblower Protection Authority (*Autoridad Independiente de Protección del Informante*) or to any other competent institution, body or entity.

Communications through the internal reporting channels may be made anonymously. As provided by law, the Company and the other Group companies undertake not to take (and to ensure that their professionals do not take) any form of direct or indirect retaliation

Response and remediation plans

A total of 3,096 communications were received through the ethics mailboxes in 2023, of which 1,723 were queries and 1,373 were complaints. Of the 1,373 complaints received, 824 were accepted for processing. In 9% of the cases of complaints allowed to proceed, some type of disciplinary measure was taken upon showing that there had been improper conduct or conduct contrary to the *Code of Ethics*. Of the total of 824 complaints that were accepted for processing, 289 were classified as having a potential impact on human rights.

GRI 205-3

Information regarding the existence of cases of corruption during the financial year

After the relevant internal investigations, the group has confirmed 10 cases of corruption reported through the ethics mailboxes in 2023:

- It was found that two employees of group companies and seven employees of suppliers had solicited financial consideration from third parties in exchange for providing improper preferential treatment in the contractual terms. These investigations resulted in seven dismissals, one temporary suspension and one supplier penalty.

- Irregular practices were found in the award of orders involving one supplier and two employees of the group in Mexico. In this case, the contract with the supplier was terminated and the two employees involved were dismissed. Appropriate legal action has also been taken against those responsible for these events.

Regarding potential cases reported to Legal Services during the financial year, on 19 May 2023, following the conclusion of the investigation carried out by the Court of First Instance and Preliminary Examining Court No. 1 of Llerena, an order was received to initiate the trial in which, in addition to formalising the accusations against the main defendants, it was also requested that the company "PROYECTO NUÑEZ DE BALBOA SLU" be declared vicariously liable, without specifying the amount of such liability.

On 15 December 2023, the statement of defence for the Núñez de Balboa Project was filed. The pre-trial phase has been completed and the case will be transferred to the Provincial Court for trial in a few months' time.

Proceedings from prior years with an impact on the financial year

In 2022, the company learned of a complaint filed with the Romanian Organised Crime and Terrorism Investigation Department (DIICOT) pursuant to which it was confirmed that an investigation had commenced based on a complaint filed by Eolica Dobrogea SRL, C-Tech SRL, Corneliu Dica and Ms Ceausescu against Iberdrola, S.A., Iberdrola Renovables Energía, Iberdrola Renovables Internacional, Iberdrola Renovables Rumanía, and ED1.

DIICOT is a division of the Romanian public prosecutor's office in charge of investigating organised crime. This decision from DIICOT only confirms that the complaint was filed and that the work of investigation will commence. It is important to bear in mind that, at this point, no formal accusation has been made against any company personnel or any of Iberdrola's companies.

On 4 September 2023, a decision was received to partially close the investigation opened before the DIICOT regarding some of the criminal charges, and to transfer the case for further investigation to another prosecutor's office (Public Prosecutor's Office attached to the Court of Appeal of Bucharest). The remaining possible offences have been referred to the relevant prosecutor for prosecution, although it is expected that they will ultimately follow the same course as these, i.e. be closed.

The decision to partially close the case was challenged by Mr Dica before the Chief Prosecutor of the DIICOT, who rejected it. Mr Dica then appealed directly to the Bucharest Court. After a first hearing, which took place on 15 November 2023, the judge decided, at the request of the prosecutor, to summon all interested parties in the case to the next hearing, scheduled for 25 January 2024. After the hearing, and given that two persons were not represented before the Court, it was decided to summon them all again for a further hearing on 22 February 2024.

In the Castile and León Wind Farm matter, arising from the claim filed by the Anti-Corruption Division of the Public Prosecutor's office for alleged crimes committed in obtaining approvals for the building of wind farms in Castile and León between 2004 and 2009, Examining Court no. 4 of Valladolid issued an order to initiate the trial in November 2021, pursuant to which:

- It ordered the commencement of the trial against, among other individuals and as pertains to Iberdrola, three executives of the group, two of whom are no longer with the company, for allegedly committing the continuing offence of bribery, requiring each to provide a EUR 130 million bond. Iberdrola Renovables Energía provided three corporate guarantees, each in the amount of EUR 130 million, as a personal bond payable upon demand, to cover the monetary

penalties that might apply, thus lifting the freeze on the accused officers' assets. On 5 December 2023, we were notified of the orders to cancel the bonds posted to cover the fine in relation to the defendants linked to Iberdrola.

- It orders the commencement of oral proceedings against Iberdrola Renovables Castilla y León (IBERCYL) for subsidiary civil liability, in the amount of EUR 11,257,500, jointly and severally with the Castile and Leon Government. IBERCYL initially challenged the measure imposed, which was denied by Order of 18/11/2022. with respect to which IBERCYL filed an appeal for reconsideration (recurso de reforma), which has not yet been decided. As of today, no security has yet been provided.

Public policies

In the area of public affairs, and beyond the disclosures of this chapter, Iberdrola has made significant efforts throughout 2023 to improve its transparency regarding the activities it carries out in this area. To this end, a special section has been created on the corporate website (Public Affairs - Iberdrola) where this information can be found.

Relations with regulatory entities and social institutions

GRI 415

Iberdrola has two kinds of relationships with regulatory entities:

- Relationships geared towards contributing to the enactment of efficient regulatory provisions allowing for the development of a competitive market in activities that are not subject to a natural monopoly, and sufficient remuneration for regulated businesses. To that end, there is a continuous and constructive dialogue where information, knowledge and positions are exchanged. Iberdrola is thus acquainted with the concerns and proposals of regulatory entities and provides them with its own positions in the legitimate defence of its interests and those of its shareholders and customers. The company also actively participates in "public hearings" held by regulatory entities in order to ascertain the opinions of the players involved in the processes prior to the revision of regulations or the determination of domestic and European energy policies. It also participates in the official processes of enactment of laws and regulations and in monitoring the application thereof.
- Provision of all information required by regulatory entities, whether in connection with the normal conduct of its business or as a result of any transitory issue.

In addition to its direct relationships with regulatory entities, Iberdrola and the companies in its group participate in the regulatory process through the various domestic and international trade associations of which they are members.

GRI 2-28

Principal domestic and international associations		
Global	World Energy Council	WindEurope - The voice of the wind energy industry
	European Association for the Promotion of Cogeneration (COGEN Europa).	European Distribution System Operators (EDSO)
	Solar Power Europe	Global Wind Energy Council (GWEC)
	Union of the Electricity Industry EURELECTRIC	Nuclear Industry Association (NIA)
	International Emissions Trading Association (IETA)	World Association of Nuclear Operators (WANO)
	European Utilities Telecom Council-EUTC	PRIME Alliance (PoweRline Intelligent Metering Evolution)
	European Technology and Innovation Platform on Wind Energy (ETIP Wind)	European Association for The Streamlining of Energy Exchange
	European Round Table for Industry (ERT)	European Association for Storage of Energy (EASE)
	European Cybersecurity Network (ENCS)	
Spain	Asociación para el desimpacto ambiental de los Purines (ADAP)	Unión Española Fotovoltaica (UNEF)
	UNICEF	Gestión Técnica Hidráulica: Electric Power Research Institute (EPRI)
	Plataforma Española de Redes Eléctricas (FUTURED)	Confederación Española de Organizaciones empresariales (CEOE)
	Asociación Española de la Industria Eléctrica (AELEC)	Círculo de empresarios
	Instituto Tecnológico de la Energía (ITE)	UNE Normalización Española
	Asociación Española de Normalización (AENOR)	Asociación de Directivos de Responsabilidad Social Empresarial (DIRSE)
	Fundación COTEC para la Innovación	Club Español de la Energía
	AEDIVE - Asociación Empresarial para el Desarrollo e Impulso de la Movilidad Eléctrica	Asociación empresarial Eólica (AEE)
	Asociación Española para la Promoción de la Cogeneración (COGEN)	Club de Excelencia en Sostenibilidad
	Asociación Española del Hidrógeno	Asociación de fabricantes de equipos de climatización
	Cogen España	EDSO for Smart Grids
	Centro de ciberseguridad industrial	National Energy Action
United Kingdom	Scottish Fuel Poverty	Business Disability Forum
	The Scottish Renewables Forum	Energy Institute
	Offshore Wind Accelerator	Edinburgh Chamber of Commerce
	Energy Networks Association	Confederation of British Industries (CBI)
	Renewables UK	University of Strathclyde (Technology Innovation Centre)
	The Scottish Offshore Wind Energy Council (SOWEC)	Offshore Renewable Energy Catapult
	Energy UK - Energy Efficiency Group	Institute of Engineering & Technology

Principal domestic and international associations

United States	Regional Wildlife Science Collaborative for Offshore Wind (RWSC)	Business Network for Offshore Wind
	North Carolina Sustainable Energy Association (NCSEA)	Pacific Ocean Energy Trust
	Alliance for Clean Energy - New York, Inc.	Clean Grid Alliance
	American Clean Power Association - Offshore Wind Council	American Gas Association (AGA)
	Mid-Atlantic Renewable Energy Coalition	Interwest Energy Alliance
	RENEW Northeast	National Offshore Industries Association
	Edison Electric Institute (EEI)	Responsible Offshore Science Alliance
	Boston College for Corporate Citizenship	MIT - Massachusetts Institute of Technology
Brasil	Responsible Offshore Science Alliance (ROSA)	Comitê Nacional Brasileiro de Produção e Transmissão de Energia Elétrica (CIGRE Brasil)
	Associação Brasileira de Distribuidoras de Energia Elétrica (ABRADEE)	Associação Brasileira da Infraestrutura e Indústrias de Base (ABDIB)
	Associação Brasileira dos Comercializadores de Energia (ABRACEEL)	Federação das Indústrias do Estado da Bahia (FIEB)
	Associação Brasileira dos Contadores do Setor de Energia Elétrica (ABRACONE)	Associação Brasileira das Empresas Geradoras de Energia Elétrica (ABRAGE)
	Associação Brasileira de Energia Solar (ABSOLAR)	Câmara Americana de Comèrcio (AMCHAM)
	Associação Brasileira de Geradoras Termelétricas (ABRAGET)	Associação Brasileira de Energia Eólica (ABEEOLICA)
	Associação Brasileira das Empresas de Transmissão de Energia Elétrica (ABRATE)	Associação Brasileira de Relações Institucionais e Governamentais (ABRIG)
	Instituto Abradee da Energia	Centro de Pesquisas de Energia Elétrica (CEPEL)
	Associação brasileira de Comunicação Empresarial (ABERJE)	Associação Brasileira dos Produtores Independentes de Energia Elétrica (APINE)
	Associação Brasileira das Companhias Abertas (ABRASCA)	American Chamber of Commerce (AMCHAM)
	Instituto Acende Brasil (ACENDE)	Utilities Telecom e Technology Council América Latina
	Centro Brasileiro de Relações Internacionales (CEBRI)	Associação da Indústria de Cogeração de Energia (COGEN)
	Instituto ETHOS	Experience Club
	Brazil Eventos LTDA (GRI)	Instituto Abradee da Energia
	Movimiento Pernambuco Empresarial (LIDE)	
México	Asociación Mexicana de Energía, A.C (AME)	Consejo Coordinador empresarial A.C
	Confederación Patronal de la República Mexicana (Coparmex)	Cámara de la Industria de Transformación Ensenada
	Consejo Ejecutivo de empresas Globales, AC	Centro Mexicano para la filantropía (CEMEFI)
	AMPIP-Asociación Mexicana de Parques Industriales Privados	
IEI	Associazione Italiana Energia Libera	L'Associazione Italiana per l'Idrogeno e Celle a Combustibile (H2IT)
	Associazione Italiana di Grossisti di Energia e Trade (AIGET)	United National Global Compact (UNGC)
	Committee for Economic Development of Australia (CEDA), en Australia	Australian Financial Markets Association (AFMA)
	Agencia para a Energia (ADENE) en Portugal	Clean Energy Council (CEC)
	EFET Deutschland - European Federation of Energy Traders Deutschland	Spanish-Australian Chamber of Commerce
	Australian Energy Council	

With regard to its participation in external associations and initiatives (see the following section), Iberdrola also carried out various analyses throughout 2023 on the alignment of this participation with the company's commitment to sustainable development, respect for and defence of human rights, and the fight against climate change.

In particular, in this last area –climate change– the company has expanded this analysis further by developing a specific methodology to assess the extent to which the main organisations in which it participates align their activities with the implementation of the Paris Agreement and the promotion of energy transition. This methodology and the assessment have also been accompanied by an internal framework for managing any potential misalignments that may occur.

For more information, see the public affairs section of the company's website.

External initiatives to which the organisation subscribes or which it endorses

GRI 2-23

The company has subscribed to or endorsed external initiatives aligned with sustainable development and encouraged its investees to adhere to them. In turn, the company is fully aligned with the Sustainable Development Goals (SDGs), including them in its business strategy and its Sustainable Management Policy.

The following list shows the main external initiatives to which Iberdrola is adhered to or supports:

- *UN Global Compact* (member since 2002)
- *Accelerating to Zero Coalition*
- *Bruegel*
- Grupo Español de Crecimiento Verde
- *Carbon Pricing Leadership Coalition*
- *CleanACTION*
- *Coalition for Climate Resilent Investment*
- Comunidad por el Clima
- Corporate Leaders Group
- *CSR Europe*
- *Decarbonizing Transport (International Transport Forum)*
- *Drive to Zero*
- *Economics for Energy*
- *Electric Vehicle Initiative*
- *Emerging Markets Network (OECD)*
- *Energy Transition Commission*
- *European Climate Foundation*
- *European Roundtable on Climate Change and Sustainable Transition*
- *EV100 (The Climate Group)*
- *Global Commission on Adaptation*
- Grupo Español de Crecimiento Verde
- *International Association of Public Transport*

- *International Energy Agency*
- *IRENA Coalition for Action*
- *Marrakech Partnership for Global Climate Action*
- *Mission Possible Partnership*
- *Powering Past Coal Alliance*
- *Renewable Hydrogen Coalition*
- *The B Team*
- *We Mean Business*
- *World Business Council of Sustainable Development (WBCSD)*
- *World Economic Forum (WEF) –CEO Climate Leaders*

In each country, Iberdrola also supports and collaborates with the initiatives it considers most relevant due to their importance at local level, Sociedad Española de Ornitología (SEO Bird Life), Asociación Española para la Economía Energética, BC3 Basque Center for Climate Change, Real Instituto Elcano in Spain, the Cancer Research in the United Kingdom, and the Conselho Empresarial Brasileiro para o Desenvolvimento Sustantável (CEBDS) in Brazil, among others.

Lobbying activities and contributions to political parties or to related institutions

As regards lobbying activities, Iberdrola is registered with the Transparency Register created by European institutions to provide adequate transparency to the relations of such institutions with companies, NGOs, citizens' associations, think tanks, etc. The register was created by the European Parliament and the European Commission, and the Council of the European Union supports the initiative. *Iberdrola's record* in such register can be found on the EU's website. *(Public Affairs - Iberdrola)*

Iberdrola has a neutral position from a political standpoint. In 2023, none of the group companies, with the exception of those in the United Kingdom, the United States and Australia, made financial contributions to political parties.

GRI 415-1

Contribution to political parties (EUR)			
	2023	2022	2021
United Kingdom	32,761	35,882	16,285
United States	482,073	559,550	45,011
IEI	2,702	11,807	0
Total	**517,535**	**607,239**	**61,296**

In the United Kingdom, ScottishPower contributed a total of EUR 32,761 distributed among different parties across the political spectrum, for the sponsorship of conferences and events, in accordance with the Political Parties, Elections and Referendums Act (2000). These events are an important opportunity for the group to present its views to representatives across all political camps on a non-partisan basis. This contribution does not signal support for any specific party.

In the United States, AVANGRID contributed a total of EUR 482,073 (USD 521,000) to candidates and political parties, reporting these contributions in accordance with applicable law, although this figure is less than that reported last year. These represent the contributions made by the company and do not include additional voluntary contributions from employees.

In Australia, IBERDROLA Australia contributed a total of EUR 2,702 (AUS 4,400) for the annual membership to sponsor conferences and events, reporting it to the Australian electoral commission.

V. Financial

V.1. Sustainable economic growth

- Economic/financial impact
- Compliance with laws and regulations
- Finanzas ESG
- Taxonomy

Economic/financial impact

GRI 201

The electricity industry is and will be a significant driver of the economy, to which it contributes by means of high investments and the creation of both direct and indirect high-quality jobs. An example of this, Iberdrola's strategic commitment to a sustainable, safe and competitive energy model that makes it possible to fight climate change has resulted in more than EUR 150,000 million of investments over the last 20 years. This activity, measured for financial year 2022, has generated a total annual employment impact of some 500,000 direct, indirect and induced jobs worldwide, contributing more than EUR 47,500 million to global GDP annually, and making a total annual tax contribution, including direct and indirect taxes, of more than EUR 17,600 million[83]

GRI 201-1

Direct economic value generated, distributed and retained (millions of euros)				
Iberdrola consolidated total	**2023**	**2022**	**Reference to Financial Statements**	
Revenue (+)	49,335	53,949	Note 38[84]	Revenue
Other operating income (+)	512	602	P&L	Other operating income (excluding subsidies + ICAs)
Results from equity accounted investees (+)	246	261	Note 15a	Positive results from equity accounted companies
Finance income (+)	1,134	1,009	Note 43	Finance income (without including capitalised finance expenses and income (excluding capitalised interest expense and discounting of provisions to present value)
Direct economic value generated (+)	**51,227**	**55,821**		
Supplies (-)	26,033	33,750	Note 39	Supplies
External services (-)	3,948	3,550	P&L	External services (excluding donations)
Losses from equity accounted investees (-)	6	115	Note 15a	Negative results from equity accounted investees
Shareholders (-)	1,879	1,295	SCF[85]	Dividends paid
Minority interests (-)	591	721	P&L	Non-controlling interests
Interest on subordinated debt (-)	193	169	EFE	Subordinated perpetual bonds
Finance expenses from lease liabilities (-)	3,529	2,928	Note 44	Financial expense (excluding Financial Restatement of Provisions)
Employee remuneration (excluding company social security costs) (-)	3,424	2,995	Note 40	Staff costs (excluding employer's social security and activated staff costs)
Payments to government administrations (-)	4,417	3,255	SNFI-SR	Fiscal responsibility
Community investments (verified according to the LBG Model) (-)	52	52	SNFI-SR	Contributions to society
Distributed economic value (-)	**44,071**	**48,830**		
Economic value retained (-)	**7,156**	**6,991**		

[83] PwC study "Economic, social and environmental impact of Iberdrola worldwide" (based on 2022 data).
[84] Consolidated income statement.
[85] Consolidated statement of cash flows.

Financial assistance received

Financial assistance received by the Iberdrola group is shown in the following table on a consolidated basis:

GRI 201-4

Financial assistance (millions of euros)			
	2023	2022	2021
Capital subsidies	9	1	8
Operating subsidies	5	18	6
Investment tax credits [86]	0	0	0
Production tax credits [87]	234	209	164
Assistance for other items included in the GRI Protocol	0	0	0
Iberdrola total	**248**	**228**	**178**

Indirect economic impacts

GRI 203

In addition to the direct economic impacts that occur as a result of the cash flows that are generated, the Iberdrola group also induces additional effects or indirect economic impacts such as those described below:

GRI 203-2

From an economic standpoint, the expansion of electricity systems drives the regional economy in the region where it occurs and creates employment opportunities, contributing to economic and social enhancement.

The positive effects at the local level include, among others, the improvement of the economy and employment (direct and indirect), the revitalisation and repopulation of depopulated rural areas, the generation of fees, levies and taxes at different times and in different areas of activity, the training of professionals, the support of local communities through different forms of sponsorship or through social entrepreneurship projects, such as the "Programa Síkuli, Laboratorio de Diseño de Emprendimiento Sociales" [Síkuli Programme, Social Entrepreneurship Design Laboratory] in Mexico, which has completed its development this year, or support for entrepreneurs, where in 2023 Iberdrola increased the contracting of suppliers who have been in business for less than five years, promoting economic development and improving quality of life through electrification, energy efficiency projects and reuse of waste, etc. Also noteworthy of mention is the promotion of the largest European wind blade recycling plant in Spain, located in the municipality of Cortes, in the Ribera Navarra region, which is contributing to the development of the value chain with an investment approaching EUR 10 million and the creation of approximately 100 jobs.

[86] Investment tax credits.
[87] Production tax credits.

Similarly, at a more general level, renewable energy projects help to reduce the overall CO_2 emissions of the energy mix of the country in which they are located, helping to decarbonise not only the region where they are located, but also the country and the planet as a whole, contributing to the mitigation of global warming and supporting the decarbonisation targets of different countries. Iberdrola is also committed to the harmonious coexistence of renewable energies, the environment and the communities with which it interacts, as demonstrated by the pilot project for mushroom cultivation promoted at the Revilla-Vallejera photovoltaic plant, the alliance with the Exiom business group for the creation of the first large photovoltaic panel manufacturing plant in Spain, located in the Asturian municipality of Langreo, whereby this initiative reinforces the commitment to the economic reactivation of mining areas and will promote the industrialisation associated with the energy transition.

Potentially negative effects, which the company seeks to avoid, can be considered to include the following:

- Environmental risks, which may give rise to undesirable consequences for the environment, such as spills and improper emissions, or waste management.
- The impact on terrain of the facilities, especially large ones, and the possible negative effects (during construction or operation) on traditional activities, particularly in the rural environment, such as ranching, hunting or fishing.

Investments in infrastructure and services for local communities

GRI 203-1

During the construction and operation of its facilities, Iberdrola also carries out certain infrastructure activities that are unrelated to its facilities, but rather that are intended to meet the needs of the social environment, resolving existing shortcomings in the local communities.

A summary of these projects with strong social impact during 2023 is provided below:

- In Spain, the first solar community has been set up to cover an entire village in the Extremadura region. With the launch of the Solar Village in Cedillo, the project is contributing to the development of this town of 450 inhabitants and helping to combat depopulation by attracting new residents to the community.
- In the United States, the creation of the Nantucket Offshore Wind Energy Community Fund is noteworthy of mention, which aims to establish a long-term relationship between Vineyard Wind (a company owned by Avangrid and CIP) and the Nantucket community to support and promote renewable energy development, combat the effects of climate change, improve coastal resilience, and protect, restore and preserve cultural and historic resources.
- In the United Kingdom, there are continuing activities to improve various infrastructure and to make landscape improvements for the enjoyment of people near the various production centres. In addition, the Networks business continues to support the campaign through the Net Zero Transport Fund, which provides advice and support to vulnerable local communities on their journey to Net Zero.

- In Brazil, the Social Communication and Environmental Education Programme (PCSEA) stands out, which aims to involve local communities by encouraging their participation and involvement in environmental actions and concerns at the local level.
- In Mexico, an annual social contribution is made to the communities surrounding the projects. This contribution is based on the following criteria: culture, sport, health, education and social development. In response to the needs identified in various communities, restoration works have been carried out in the municipality of El Espinal, Oaxaca, including the maintenance of recreational areas and the refurbishment of public lighting. Also of note is the complete electrical installation supplied to the Science and Technology Study Centre in Chalchocoyo (Tamazunchale).
- Finally, there is the partnership with Hydrographic Confederations and other entities in Spain, especially those focused on environmental issues, to enable various activities near hydroelectric reservoirs by adjusting flows at certain times, and the contributions to communities through grants and agreements with local councils to implement works and provide them with assistance.

Compliance with laws and regulations

GRI 2-27

Information on significant non-monetary sanctions and fines due to non-compliance with laws or regulations is presented below:

Significant instances of non-compliance with laws and regulations

	2023	2022	2021
Significant instances for which non-monetary sanctions were incurred (no.)	11	22	24
Significant instances for which fines were incurred (no.)	338	261	N/Av.
Total	**349**	**283**	N/Av.

Out of the total significant incidents for which non-monetary sanctions were incurred (11 incidents), 3 took place in Spain, 6 in Brazil and 2 in the United States Of those resulting in fines, 71 took place in Spain, 67 in the United States, 199 in Brazil and 1 in Mexico.

Fines for instances of non-compliance with laws and regulations

	2023	
	No.	Monetary value (EUR)
Fines paid, imposed during the financial year	210	2,642,608
Fines paid, imposed in previous financial years	69	433,433
Total	**279**	**3,076,040**

Of the fines paid in the year corresponding to fines imposed during that same year, 137fines were issued in Spain in the amount of EUR 1.49. These relate mainly to the networks and renewables businesses, and primarily to incidents involving birdlife and regulatory breaches.

In the United States, 32 fines totalling EUR 1.01 million were paid in the Networks business, mainly related to fines imposed by the Connecticut Public Utility Regulatory Authority in connection with safety assessments.

The remainder is made up of 40 fines from Brazil and 1 from Mexico, totalling EUR 0.14 million, mainly stemming from administrative infractions.

Of the fines paid in the year corresponding to fines imposed during the previous year, EUR 147,712 were paid in Brazil (54 fines), EUR 93,369 in Spain (10fines), EUR 27,851 in the United States (3 fines) and EUR 164,500 in the other countries (2 fines).

Note 45 of the Consolidated Annual Financial Report 2023 provides detailed information on the significant contingent assets and liabilities of the Iberdrola group relating to litigation and out-of-court disputes arising from the ordinary course of business (which may include disputes with suppliers, customers, administrative or fiscal authorities, private parties, environmental activities or employees). The opinion of the Iberdrola group's legal advisors is that the outcome of these disputes will not significantly affect its financial situation.

ESG Finances

In keeping with its sustainable business model, Iberdrola is positioned as one of the world's leading and pioneering business groups in terms of ESG financing. This has the threefold objective of (i) aligning its financial strategy with its purpose, values and investment strategy, (ii) optimising the cost of its debt, and (iii) diversifying its sources of financing, transforming sustainability into both an end and a means to the financial strength it pursues and which characterises it.

Iberdrola demonstrates this commitment to ESG financing in the various regions in which it operates and through the different instruments and formats it uses to finance itself.

The ESG financing subscribed by the Iberdrola group in 2023 amounts to EUR 12,643[88]million, with the group's ESG Financing portfolio totalling EUR 54,449[89] million. The breakdown by product is as follows:

ESG Financing of the group 2023

	New financing 2023	Portfolio at year-end 2023
Green	**7,343**	**33,071**
Bonds	3,637	20,239
Bank loans	28	390
Multilateral loans	1,655	4,517
Loans with development banks and ECAs	930	3,563
Structured financing	1.094 [88]	4.362 [89]
Sustainable	**5,300**	**21,377**
Credit facilities	5,300	15,132
Loans	—	1,245
Commercial paper programmes	—	5,000
ESG total	**12.643 [88]**	**54.449 [89]**

Green finance transactions

The group has signed new green finance transactions in 2023 in the total amount of EUR 7.343[88] million. This brings the total amount of green finance at the end of 2023 to EUR 33.071[89] million.

The differentiating feature of this financing is the commitment to use the funds obtained for projects with a positive impact on the environment, including renewable energy, expansion and digitalisation of electricity transmission and distribution grids, researching new, more efficient generation technologies, and the smart mobility projects in which Iberdrola invests. The company also commits to provide annual reports, through various indicators, on the environmental return generated by these projects, so that investors can be aware of their level of contribution to the environmental improvement achieved.

[88]Includes financing agreement under the form of Green Tax Equity Investment obtained by the company Vineyard Wind 1, in the participation method, for an amount of USD 1,210 million (EUR 1,094).
[89]Includes financing agreement under the form of Green Tax Equity Investment and Project Finance of the company Vineyard Wind 1, in the participation method, formalised for a total amount of USD 3,554 million (EUR 3,212).

The funds secured through all of these operations have gone towards financing or refinancing investments in projects that meet certain environmental and sustainable development criteria, as described in the relevant Green Financing Frameworks[90] of Iberdrola, AVANGRID or NEOENERGIA. These Frameworks are aligned, inter alia, with the Green Bond Principles ("GBPs") established by the International Capital Markets Association (ICMA) and have the Second Party Opinion of a renowned international expert regarding their alignment with the GBPs in all cases.

Green bonds

In the capital markets, Iberdrola is the world's leading group in terms of outstanding green bonds. The company issued its first green bond in 2014, and since then has intensified its financing through this type of instrument, with many more issues and in various areas: both public and private issues, involving senior and subordinated debt (hybrid bonds) issued by the Corporation or other subsidiaries (AVANGRID green bonds and NEOENERGIA green debentures and all other companies under these sub-groups).

As a Corporation, Iberdrola engaged in two new green bond issues in 2023, one of them for senior debt and the other subordinated:

- In January, a EUR 1,000 million perpetual hybrid bond, redeemable at par after six years, was issued to finance the buy-back (in May) of another green hybrid bond of the same amount, which was used to finance the following renewable onshore wind farms in the United Kingdom: Whitelee (commissioned in 2008), Harestanes (2014), Kilgallioch (2017) and Glen App (2017).
- A EUR 850 million 10-year senior bond issue was completed in July. The proceeds were used to refinance onshore wind assets in the United States and to partially fund the 2021-2023 Networks investment plan in Spain.

At Avangrid, its subsidiaries issued four green bonds in the combined amount of USD 1,315 million (EUR 1,188 million). The funds obtained were allocated to Networks projects.

At Neoenergia, its subsidiaries issued five green bonds in the combined amount of BRL 3,200 million (EUR 598 million). The funds obtained were allocated to Networks projects.

At year-end 2023, Iberdrola has a total of 20 current green bonds issued by the Corporation in the total amount of EUR 15,045 million (including EUR 5,250 million of hybrid bonds).The *Green financing returns report* contains information and details on all outstanding green financing during 2023.

In addition, Iberdrola, through its subsidiary AVANGRID and several of its subsidiaries, has green bonds outstanding in the US market in the combined amount of USD 4,165 million (EUR 3,764 million) aimed at financing renewable and electricity distribution projects in the United States. Information and details on this financing is described in the AVANGRID 2023 *Sustainability Report.*

Neoenergia and its subsidiaries also have green financing outstanding in the Brazilian capital markets totalling BRL 7,645 million (EUR 1,430 million) earmarked for financing renewable energy and electricity transmission or distribution projects in Brazil. Information and details on this financing is described in the Neoenergia 2023 *Sustainability Report.*

[90] Iberdrola Framework for Green Financing, AVANGRID Framework for Green Financing y Green Finance Framework do grupo Neoenergia .

Bank loans

In the banking market, Iberdrola received the first green loan obtained by an energy company in 2017, which was followed by other green transactions. In 2018 Iberdrola México, a wholly-owned subsidiary of Iberdrola, executed the first green corporate loan in Latin America for USD 400 million (EUR 362 million), which was used to refinance the company's renewables assets in Mexico. In May 2022 Iberdrola México extended the maturity of this green loan for an additional year, until May 2024.

In 2023, Neoenergia Brasilia signed a green bank loan of BRL 150 million (EUR 28 million) maturing in 2026 for the construction of distribution networks and automation projects.

Multilateral loans

With regard to green loans with multilateral institutions, in May 2019, Iberdrola obtained its first green loan from the European Investment Bank (EIB) and has since continued to expand this type of instrument and the range of lenders. These public institutions have their own criteria for evaluating projects and allocating green instruments, which are in any case compatible with the Green Bond Principles, market standards and commitments of Iberdrola and its subsidiaries under their Green finance frameworks.

In 2023 Iberdrola signed two green loans with the EIB for a total of EUR 1,150 million:

- EUR 1,000 million, to develop a portfolio of wind and solar photovoltaic projects located in Spain, Portugal and Germany (signed in June).
- EUR 150 million to partially finance small-scale solar and wind projects in Italy (signed in February).

On 23 February 2023 RENOVABLES DE BUNIEL SL, 75%-owned by Iberdrola, signed a EUR 55 million loan with the European Investment Bank (EIB) to build a 100 MW wind farm located in Burgos (Spain).

Of particular importance is the approval by the International Finance Corporation (IFC)-World Bank Group of EUR 300 million in development financing in emerging markets in 2023. Based on this approval, on 20 December 2023 Iberdrola signed a first green loan of EUR 170 million, the proceeds of which will be used to install wind turbines in Poland. This loan has a dual "green" and "sustainable" label (KPI-linked), combining compliance with the Green Bond Principles with a set of sustainable objectives that, if met, will allow Iberdrola to benefit from a cost improvement.

The loan's objectives are linked to the following two Key Performance Indicators (KPIs), both of which are environmental in nature:

- KPI 1 (environmental): Scope 1, 2 and 3 carbon emissions measured in million tonnes of CO2 equivalent.
- KPI 2 (environmental): renewable capacity installed by the group.

This is the first loan that Iberdrola has signed with the International Finance Corporation (IFC) at a corporate level (having previously signed through NEOENERGIA, a Brazilian subsidiary).

In 2023, Elektro (a subsidiary of Neoenergia) increased its green financing with IFC by signing a new BRL 800 million (EUR 150 million) Super Green Loan, the proceeds of which will be used to finance the modernisation, digitalisation and expansion of a number of electricity transmission networks.

Further details on these green operations and their sustainability returns can be found in the Report on *Green financing returns report* for transactions carried out by the Corporation), and the *Neoenergia Sustainability Report* (for transactions carried out by Neoenergia and subsidiaries).

Loans with development banks and Export Credit Agencies (ECAs)

In 2022 Iberdrola signed its first corporate-level green loans with an Export Credit Agency (ECA) underwriting policy.

In June 2022 the Danish export credit agency Export and Investment Fund of Denmark (EIFO, formerly EKF) issued a EUR 1,000 million credit risk coverage policy to Banco Santander to finance a number of onshore and offshore wind farms in Europe. Similarly, in October 2022 the Spanish export credit agency CESCE issued a EUR 500 million credit risk coverage policy to CAIXA Bank and BNP Paribas for European projects that contribute to climate change mitigation.

These ECA-backed financings allow Iberdrola to diversify its funding sources, reduce the risk thresholds of commercial banks and thus opening up access to further financing in the future.

In 2023 Iberdrola continued to establish new commercial relationships with the ECAs.

On 25 July 2023 Iberdrola signed a EUR 500 million loan with the international bank Citi, backed by the Norwegian Export Credit Agency EKSPORTFINANSIERING NORGE (ESKFIN), to finance the East Anglia III offshore wind farm in the United Kingdom.

All of the assets financed by these institutions are included as projects capable of green financing within the Framework of Iberdrola's green financing.

Further details on these green financings and their sustainability returns can be found in the Report on *Green financing returns report* (for financings by the Corporation), and the *Neoenergia Sustainability Report* (for financings by Neoenergia and subsidiaries).

Structured finance

In 2020 Iberdrola signed its first green Project Financing through its 63.55%-owned subsidiary Iberdrola Renovables de la Rioja, S.A., provided by BBVA in the amount of EUR 23.3 million, to refinance 12 wind farms in La Rioja, which was repaid in 2022.

In 2021 Iberdrola signed two green Project Finance agreements through its subsidiaries Parques Eólicos Alto Layna, S.L.U and Energías Renovables Ibermap, S.L., 51% owned subsidiaries of Iberdrola, provided by BBVA in the amount of EUR 106[91] million, and by BBVA, Banco Santander and BNP in the amount of EUR 191,8[92] million, respectively, to refinance wind farms in Spain.

More details on these green loans and their sustainability returns can be found in the *Green financing returns report*.

In 2023, the financing agreement under the form of Green Tax Equity Investment was formalised by the company Vineyard Wind 1, in the participation method, for an amount of USD 1,210 million (EUR 1,094). Information and details of these transactions will be described in Avangrid's *Sustainability report 2023*.

Financial transactions linked to the achievement of sustainable objectives

In addition, the Group has entered into other ESG finance contracts, as they are financings that link their cost or some of their structural aspects to meeting a set of sustainable objectives, one of which is always related to the environment. These are so-called KPI-linked financings, such as the credit lines taken out by Iberdrola and the commercial paper programme that the group has in place to manage and optimise its liquidity.

As with green finance transactions, KPI-linked loans are certified by an independent expert on the selected sustainability indicators and their compliance with the corresponding Sustainability-Linked Loan Principles (SLLP) of the LTSA or Sustainability-Linked Bond Principles (SLBP) of the ICMA.

Credit facilities linked to sustainable objectives

At year-end 2023, Iberdrola has KPI-linked credit facilities totalling EUR 15,132 million, including financings signed at the level of both the Corporation and AVANGRID. The main objectives established in these credit facilities are associated with environmental KPIs (and sometimes also social ones):

- EUR 2,500 million sustainable syndicated credit facility signed in July 2022:
- KPI 1 (environmental): amount of water consumed by the group in its own or controlled production facilities and not returned to the environment, measured in cubic metres per gigawatt hour (m^3/GWh) of energy produced.
- KPI 2 (environmental): rating assigned to Iberdrola by the independent agency CDP Water.
- EUR 2,500 million sustainable syndicated credit facility signed in April 2021 and JPY 16,000 million (EUR 101 million) bilateral credit facility signed in June 2021, the maturities of which were extended in 2023 by an additional year until 2028:
- KPI 1 (environmental): intensity of CO2 emissions, measured in grams per kilowatt hour produced (g/kWh).
- KPI 2 (social): percentage of women in leadership positions.

[91] Outstanding balance of the Alto de Layna loan at 31/12/2023: EUR 77 million. The Parques Eólicos Alto de Layna loan had a Second Party Opinion from G-Advisory. Parques Eólicos Alto de Layna is a company in which Iberdrola owns a 51% interest.
[92] Outstanding balance of the Energías Renovables Ibermap loan at 31/12/2023: EUR 105 million. The Energías Renovables Ibermap loan had a Second Party Opinion from G-Advisory. Energías Renovables Ibermap is a company in which Iberdrola owns a 51% interest.

- EUR 1,500 million sustainable syndicated credit facility signed in March 2019:
- KPI 1 (environmental): renewable capacity installed within the group.
- KPI 2 (social): number of people in developing countries benefiting from electricity access.

In 2023, two sustainable syndicated KPI-linked credit lines in the total amount of EUR 5,300 million were refinanced in a single transaction for the same amount, for a term of five years with an option to extend for a further two years, and introducing for the first time a CO2 emissions reduction indicator measured by the three Scopes (1, 2 and 3) and a social indicator:

- KPI 1 (environmental): Scope 1, 2 and 3 carbon emissions measured in million tonnes of CO2 equivalent.
- KPI 2 (social): women in leadership positions.

Furthermore, in 2021 AVANGRID extended the maturity and limit of the syndicated credit facility signed in 2018 until 2026 and up to USD 3,575 million (EUR 3,231 million) respectively, maintaining the initial indicator that requires reducing CO_2 emissions.

Bank loans linked to sustainable objectives

In 2022 Iberdrola signed bilateral bank loans with various commercial financial institutions in the aggregate amount of EUR 995 million, linked to the following indicator relating to water management:

- KPI 1 (environmental): amount of water consumed by the group in its own or controlled production facilities and not returned to the environment, measured in cubic metres per gigawatt hour (m^3/GWh) of energy produced.

In addition, in 2021 Iberdrola formalised what was then the first loan in the European energy sector linked to a reduction in water consumption, in the amount of EUR 250 million.

ESG commercial paper

On 15 April 2021 Iberdrola formalised the renewal of its commercial paper programme in the Euromarket (ECP), including as new developments an increase in the maximum outstanding limit to EUR 5,000 million (from the previous figure of EUR 3,000 million) and incorporating the sustainable label by committing to the achievement of three objectives included in the group's ESG strategy, associated with the following indicators:

- Environmental: intensity of CO_2 emissions, measured in grams per kilowatt hour produced (gr/kWh) (contribution to SDGs 7, 13).
- Social: percentage of women in positions of leadership in the company (contribution to SDG 5).
- Governance: implementation of the eleven recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") (contribution to SDG 16).

European Taxonomy of Environmentally Sustainable Activities

This section fulfils the reporting requirements of Article 8 of *EU Regulation 2020/852* on the establishment of a framework to facilitate sustainable investment. This regulation has been subsequently implemented by *Delegated Regulation 2021/2139* which determines the eligible activities with respect to climate change mitigation and adaptation objectives; *Delegated Regulation 2023/2485* which amends the previous regulation by changing certain criteria and adding new economic activities; *Delegated Regulation 2021/2178* which develops the reporting methodology; Delegated Regulation 2022/1214 as regards economic activities in certain energy sectors; and by *Delegated Regulation 2023/2486*, which supplements *Regulation 2020/852* establishing criteria for the objectives for the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems, and also amending *Delegated Regulation 2021/2178* by extending the information to be reported by financial and non-financial actors.

Under this regulatory framework, companies are required to report their eligibility and alignment through three economic indicators; as a percentage of turnover, investment and operating expenditure.

Description of the activities of the Iberdrola group

The Iberdrola group operates in the electricity sector through a series of activities diversified in terms of sub-sectors, technology and geographical areas.

As described in the "Main products and services" section of this report, the main activities are the generation of electricity from mainly renewable and non-emitting sources, the transmission and distribution of electricity, large-scale electricity storage, and smart and innovative solutions for its customers. It also has gas distribution and marketing businesses, although these only account for a small proportion of its turnover. The activities and the main operational indicators used to assess the size, location and weight of each activity are described in the "Key operating figures" section of this report.

Assessment of eligibility, compliance with substantial contribution criteria, does not significant harm and existence of social safeguards

Pursuant to Article 8 of EU Regulation 852/2020, companies required to disclose non-financial information must include information on the extent to which their activities are consistent with environmentally sustainable management in accordance with the sustainability criteria set out in Articles 3 and 9 of the same Regulation. Eligible activities are described and defined in EU Regulations 2021/2139, 2022/1214, 2023/2485 and 2023/2486.

On the basis of the above Regulations, the **first step** is to determine which of the Iberdrola group's activities are eligible for regulatory purposes. Eligible activities are those that could potentially contribute to the one or more of the European Union' environmental goals.

For the purpose of identifying which of the eligible economic activities defined by the regulations are undertaken by the Iberdrola group, the definition of economic activity established in the Taxonomy - Eligibility Reporting (Part 2) FAQ is applied, according to which an economic activity takes place when financial, human and material resources are used to produce goods or services. According to this

approach, any activity which is an intermediate or necessary step in the production of a final product or service, which is not sold to third parties and therefore does not generate turnover, is not considered to be an economic activity. In applying this criterion, the corporate purpose of the group companies and their accounting records have been analysed.

This year, Iberdrola has carried out an analysis to assess whether the economic activities described in Delegated Regulation C(2023)3851 are economic activities carried out by the Iberdrola group, and to conclude on their eligibility in relation to the objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, and protecting and restoring biodiversity and ecosystems.

The analysis showed that the OpEx and CapEx related to these intermediate tasks are already included in the Iberdrola group's eligible activities, which are those already reported by the Iberdrola group since 2021, related to the objectives of climate change mitigation and adaptation, and that the amount thereof is immaterial.

Therefore, during this year, the activities carried out by the companies of the Iberdrola group have been evaluated with regard to climate change mitigation and adaptation objectives for purposes of eligibility and alignment.

Thus, after reviewing the activities included in EU Regulations 2021/2139, 2022/1214 and 2023/2485, the list of eligible activities carried out by the Iberdrola group is as follows: 3.10 Manufacture of hydrogen; 4.1 Electricity generation using solar photovoltaic technology; 4.3 Electricity generation from wind power; 4.5 Electricity generation from hydropower; 4.9 Transmission and distribution of electricity; 4.10 Storage of electricity; 4.29 Electricity generation from gaseous fossil fuels; 7.3, 7.4, 7.5 and 7.6 Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulating and controlling the energy efficiency of buildings and renewable energy technologies[93]

It should be noted that, according to the definitions set out in Delegated Regulation 2022/1214, the generation of electricity at nuclear plants is not an eligible activity for the Iberdrola Group. Similarly, the distribution of gas and the sale of electricity or gas to final customers are defined in the Regulation as non-eligible activities.

The **second step** is to analyse how each eligible activity does or does not meet the requirements of the technical selection criteria and whether it can be considered aligned. The activity must meet the technical criteria of making a significant contribution to at least one of the six environmental objectives.

For these purposes, Iberdrola has assessed compliance with these criteria for each head of business company, and their subsidiaries, which has been documented in the company's records. A first check of the technical selection criteria for eligible activities has shown that if one of these criteria is not met, an in-depth analysis of the remaining criteria is ruled out, given that the activity would not be aligned anyway.

[93] This heading includes the following products that are sold:
Smart Home: control of the energy consumption of each household appliance, changes in consumption and advice on how to save on bills.
Smart Mobility: solution for charging electric vehicles with 100% renewable energy. Installation of a charging point, electric contract with zero CO_2 emissions and control from mobile phone with the Smart Mobility Home App.
Smart Solar: complete solar solution, with installation and maintenance of solar panels so that customers can generate their own electricity.

The **third step** is to assess how each eligible economic activity that contributes substantially to one of the environmental objectives does or does not meet the criteria of not harming the other objectives. The design of these criteria established by the delegated regulation is generally based on compliance with European regulations and/or standards for different environmental aspects.

In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, by country and technology, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

The **fourth and final step** is the assessment of the existence of sufficient social safeguards in the context of performing the activities. The existence of social safeguards was satisfactorily documented through a similar approach to the no harm assessment, which involved the analysis of a questionnaire and the group's existing human rights due diligence mechanisms or compliance system.

In the Iberdrola group, regular assessments are carried out through internal monitoring of all relevant human rights information, independent experts are consulted, and quantitative and qualitative indicators are used to specify potential improvement actions. This monitoring is based on internal and external sources of information, including ethical mailboxes and channels for complaints and grievances, among others.

In this regard, the publication in 2022 of the first *group report regarding Human Rights* which provides extensive explanations on this issue together with the *Compliance System Transparency Report*.

Finally, in order to ensure consistency between the assessment of criteria and actual performance, an analysis of the disclosure of the following indicators has been carried out: **GRI 2-27** Compliance with laws and regulations; **GRI 205-3** Confirmed incidents of corruption and actions taken; **GRI 406-1** Incidents of discrimination and corrective actions taken; **GRI 418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data; **GRI 416-2** Incidents of non-compliance concerning the health and safety impacts of products and service (fines or penalties); **GRI 417-2** Non-compliance cases related to product and service information and labelling (fines or penalties); and **GRI 417-3** Incidents of non-compliance concerning marketing communications (fines or penalties).

The conclusion is that no inconsistencies can be deduced between the content of these indicators and the assessment of the do not significant harm or the minimum safeguards criteria.

The criteria applied to calculate the eligibility and alignment percentages are described below.

Calculation of eligibility percentage and alignment

The basis to calculate alignment percentages with the climate change mitigation and adaptation objective is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of *Delegated Regulation 2021/2139*. However, the sale of electricity to end customers is not considered eligible.

Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

Iberdrola believes that, in order to most accurately reflect the alignment of its operations with the EU sustainable activities Taxonomy, the numerator in the income ratio should include sales from the renewable production business. Otherwise, the ratios would describe a company that, despite demonstrating an extremely high percentage of its investments and operational expenses in line with the taxonomy, would have an extremely low percentage of income alignment on a permanent basis.

Revenue from the generation of electricity from renewable sources is considered in the numerator, and corresponds to that indicated in Note 38-Revenue, included in the Annual financial information of Iberdrola SA and its subsidiaries.

Considering all the above, to ensure the consistency between the reality described by the income ratio and that described by the investment ratio and the operating expenses ratio, the information given in this section has been provided as follows:

Calculation of the percentage of eligible and aligned turnover

The proportion of eligible Turnover referred to in Article 8(2a) of Regulation (EU) 2020/852 is calculated as the share of net turnover resulting from products or services, including intangibles, associated with economic activities that are eligible according to the taxonomy (numerator), divided by the net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU.

Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008

It should be noted that to calculate the eligibility and alignment percentages corresponding to the consolidated Iberdrola group:

- The denominator of the turnover ratio is made up of 100% of the amounts included under “Revenue”, which are detailed in the consolidated financial statements of the Iberdrola group and the breakdown of which is shown in Note 38. The sum of all activities included in the numerator represents 100% of the denominator.

In this turnover ratio, the company includes all the income associated with the main activity, considering that it contributes to the turnover.

Calculation of the percentage of eligible and aligned CapEx

The eligible CapEx ratio referred to in Article 8(2b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations.

For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx should cover costs that are recognised according to:

- IAS 16 Property, plant and equipment, paragraph 73(e)(i) and (iii);
- IAS 38 Intangible Assets, paragraph 118(e)(i);
- IAS 40 Investment Property, paragraph 79(d)(i) and (ii) (for the cost model);
- IFRS 16 Leases, paragraph 53(h).

Leases that do not give rise to the recognition of a right to use the asset are not accounted for as CapEx.

The numerator, on the other hand, includes the part of the fixed asset investments included in the denominator that:

- Relates to assets or processes that are associated with eligible economic activities;
- Forms part of a plan to expand the economic activities aligned with the taxonomy or to enable economic activities eligible under the taxonomy to be brought into line with the taxonomy in the future ("CapEx plan") under the conditions specified in the second paragraph of this point 1.1.2.2 (relating to the "CapEx plan");
- Relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low-carbon or achieve greenhouse gas reductions, in particular the activities listed in points 7.3 to 7.6 of Annex I of the Annexes to the Delegated Act, as well as other economic activities listed in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

It should be noted that to calculate the eligibility and alignment percentages corresponding to the consolidated Iberdrola group:

- The numerator includes only the aggregation of CapEx of the eligible activities of the companies, accrued investments with current or future disbursements, work carried out by the company on its fixed assets and capitalised financial expenses. These amounts essentially form part of the additions included in intangible assets, property, plant and equipment, rights of use, financial investments and inventories, as disclosed in notes 10, 11, 12, 15 and 19 to the consolidated financial statements of the Iberdrola group; and

- The denominator corresponds to the Iberdrola group's total CapEx, which includes investments (on an accrual basis with current or future disbursement) in intangible assets, investments in property, plant and equipment, investments in rights-of-use assets, and investments. CapEx includes the work carried out by the company for its fixed assets and capitalised financial expenses.
- Therefore, part of the numerator is made up of the companies' amounts based on the eligibility and sustainability criteria. The sum of all activities included in the numerator represents 100% of the denominator.

For the purpose of reporting the CapEx and OpEx ratio, purchases of assets necessary to carry out a particular eligible aligned, eligible and non-eligible activity have been included.

Finally, it should be noted that it is not possible to relate the figure used in the denominator for the calculation of the CapEx ratio to the information contained in the consolidated financial statements, since this information includes items such as decommissioning provisions, additions to inventories, additions to assets due to subsidies or transferred assets, which are not taken into account in the calculation of the taxonomic denominator of CapEx as they do not represent cash outflows related to the investment process.

In some cases, these items do not involve a disbursement and are therefore not an effective indicator of the activities to which the Iberdrola group allocates the cash flows generated or the financing received from its shareholders or financing entities.

Calculation of the percentage of eligible and aligned OpEx

The eligible OpEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the latter including non-capitalised direct costs associated with research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of tangible fixed assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continuous and efficient operation of those assets.

In addition, non-financial companies that apply national GAAP and do not capitalise right-of-use assets are required to include leasing costs in OpEx.

The numerator, on the other hand, includes the part of the operating expenses included in the denominator that:

- Relates to assets or processes associated with eligible economic activities including training and other human resource adaptation needs, and non-capitalised direct costs representing research and development;
- Forms part of the CapEx plan to expand the economic activities that are eligible in accordance with the taxonomy or to enable economic activities eligible under the taxonomy to be aligned with the taxonomy within a pre-defined timeframe, as set out in the second paragraph of this point 1.1.3.2 (relating to the “CapEx plan”);
- Relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low-carbon or achieve greenhouse gas reductions, as well as individual building renovations, as identified in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

It should be noted that when calculating the eligibility and alignment percentages corresponding to the consolidated Iberdrola group, the denominator includes the OpEx accounts that meet the criteria defined in the regulations. More specifically:

The denominator of the OpEx ratio includes non-capitalised direct costs related to research and development, building refurbishment, maintenance and repair of equipment, short-term rentals and direct expenses evidencing work carried out by the company or by third parties necessary to ensure the continued efficient operation of the asset. Capitalised expenses included in the CapEx ratio, such as indirect and direct costs of operating assets, are therefore excluded from the denominator.

It should also be noted that in the section on Annual financial information. Iberdrola, S.A. and dependent companies, corresponding to "Financial information by segment", there is only reference to one of the indicators included in the Taxonomy. Therefore, for the Turnover Ratio indicator, no exact correlation can be made between the euro values of Eligibility/Alignment shown in the "Proportion of turnover" table of this document and those of the Renewables and Sustainable Generation, Networks, Customers and Other Businesses segments. This is mainly due to the elimination of inter-group transactions. In summary, it could be considered that:

- 83% of the activities of the Renewables and Sustainable Generation segment correspond to Eligible Activities, as energy is produced using renewable technologies.
- More than 92% of the activities of the Networks segment correspond to Eligible Activities through the distribution and transmission of electricity.
- More than 90% of the activities of the Liberalised segment correspond to Non-Eligible Activities related to the sale of electricity and gas to end customers.
- More than 95% of the activities of the Other and Disposals segment corresponds to Non-Eligible Activities

Finally, the controls that ensure the homogeneity of currencies, accounting criteria and the avoidance of duplicate amounts or intercompany balances are the controls carried out during the process of preparing the audited consolidated financial statements of the Iberdrola group. In addition, Registration and Presentation controls have been included in the files prepared to obtain the data referring to the Taxonomy.

Results

Degree of eligibility and alignment of turnover

Eligible activities are defined by regulations and the eligibility percentage determines the ceiling of the possible alignment percentage. As a result of the mix of the Group's economic activities, the percentage of eligible activities is 56.3of turnover and the percentage of revenue alignment is 40.4%, which in the company's opinion is not an accurate reflection of the sustainability of its operations.

In addition, in the electricity sector, the unrestricted sale of electricity means that customers are charged for the full cost of the service, including energy, network access, fees, levies and taxes. In accordance with the accounting rules, the total amount invoiced to free customers represents the Company's turnover. Paradoxically, in the case of integrated companies carrying out regulated distribution and unrestricted sales activities at the same time, the part of the charges to unrestricted customers corresponding to network access costs is ineligible, and arithmetically neutralises the eligible and aligned amounts of the distribution activities.

The company believes that it may be of great interest to users of the information reported in this chapter to have several alternative metrics that calculate the degree of alignment with respect to the eligible activities and that describe the effect mentioned in the previous paragraph. The following table summarises the result of this analysis and shows, in addition to what is required by the regulations, the percentage of revenue equalisation in relation to eligible revenue; and adjusted values which exclude from the denominator the amount paid by the unrestricted activity in Spain and the United Kingdom in relation to the cost of access to the electricity networks:

It can be seen, for example, that the degree of alignment of revenues with the consolidated total is 40.4 while adjusted for the effect of network access costs it would be 43.6%. In both cases, the proportion of taxonomy-aligned turnover in relation to the taxonomy-eligible turnover remains at 71.7%.

	Proportion of taxonomy-aligned turnover/total turnover		Proportion of taxonomy-aligned turnover/turnover of eligible activities
	Reported (A.1.) (%)	Adjusted (A.1.*) (%)	(A.1.) / (A.1. + A.2.) (%)
Turnover	40.4	43.6	71.7

These alternative indicators are useful for understanding the paradox that, despite a high degree of alignment in terms of investments, the proportion of aligned turnover is much lower, and will remain so structurally, due to the fact that the methodology established by the Delegated Regulation does not take into account the specificities of the electricity sector.

The activities of the Iberdrola group that are considered eligible in relation to turnover and that do not comply with the technical criteria currently defined in the regulations are: a very limited number of wind power plants; the transmission and distribution of electricity in the states of New York and Connecticut; and the generation of electricity from gaseous fossil fuels.

OpEx as a factor for alignment with the adaptation objective

In 2023 the contribution of operating expenses to the adaptation objective was analysed for the distribution business in the states of New York and Connecticut.

Part of the operational expenditure of these activities in these states falls under climate change adaptation and therefore contributes to the adaptation objective. Therefore, a thorough review of the public accounts presented last year was undertaken, which served to extrapolate the order of magnitude for 2023, including a total amount of EUR 149 million of OpEx aligned with the adaptation objective, which explains the increase.

CapEx ratio as an indicator of the sustainability of the group's operations

The company believes that the indicator that best reflects the group's level of sustainability is the degree of alignment of CapEx, which represents 88.8% of the total, thanks to its growth strategy based on smart grids and renewable generation, activities on which it focuses almost all its investments. Despite the already high degree of alignment of the CapEx financial indicator in previous years, in 2023 the alignment ratio has been increased by more than 2.28 percentage points as a result of the strategy of growth in sustainable activities. With regard to the New York and Connecticut distribution business, it should be noted that although it does not currently meet the criteria for substantial contribution to the

mitigation objective, as the CapEx is part of a transition plan that will enable it to meet the criteria, it is classified as CapEx aligned with the mitigation objective.

Nuclear and fossil gas related activities

Nuclear and fossil gas related activities		
Row	**Nuclear energy related activities**	**YES / NO**
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES[94]
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

[94] As described in Annex II of DELEGATED REGULATION (EU) 2022/1214, Iberdrola does not carry out any of the activities referred to in section "4.28 Electricity generation from nuclear energy in existing installations".

Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover

Row	Economic activities	Proportion of taxonomy-eligible but not taxonomy-aligned turnover					
		(CCM + CCA)		Climate Change Mitigation		Climate Change Adaptation	
		Amount (EUR thousands)	%	Amount (EUR thousands)	%	Amount (EUR thousands)	%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to EU Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,803,023	9.7	4,803,023	9.7	0	0.0
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,049,054	6.2	3,049,054	6.2	0	0.0
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	7,852,077	15.9	7,852,077	15.9	0	0.0

Taxonomy-eligible but not taxonomy-aligned economic activities - OpEx

Row	Economic activities	Proportion of taxonomy-eligible but not taxonomy-aligned OpEx					
		(CCM + CCA)		Climate Change Mitigation		Climate Change Adaptation	
		Amount (EUR thousands)	%	Amount (EUR thousands)	%	Amount (EUR thousands)	%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to EU Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-195,545	10.0	-195,545	10.0	0	0.0
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-353,816	18.2	-353,816	18.2	0	0.0
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	-549,361	28.2	-549,361	28.2	0	0.0

Taxonomy-eligible but not taxonomy-aligned economic activities - CapEx

Row	Economic activities	Proportion of taxonomy-eligible but not taxonomy-aligned CapEx					
		(CCM + CCA)		Climate Change Mitigation		Climate Change Adaptation	
		Amount (EUR thousands)	%	Amount (EUR thousands)	%	Amount (EUR thousands)	%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to EU Delegated Regulation 2021/2139 in the denominator of the applicable KPI	154,736	1.4	154,736	1.4	0	0.0
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0	0	0.0	0	0.0
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	154,736	1.4	154,736	1.4	0	0.0

Taxonomy non-eligible economic activities - Turnover

Row	Economic activities	Proportion of taxonomy-eligible but not taxonomy-aligned turnover	
		Amount (EUR thousands)	%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,599,679	3.2
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	19,971,173	40.5
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	21,570,852	43.7

Taxonomy non-eligible economic activities - OpEx

Row	Economic activities	Proportion of taxonomy-eligible but not taxonomy-aligned OpEx	
		Amount (EUR thousands)	%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-79,297	4.1
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-71,396	3.6
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	-150,693	7.7

Taxonomy non-eligible economic activities - CapEx

Row	Economic activities	Proportion of taxonomy-eligible but not taxonomy-aligned CapEx	
		Amount (EUR thousands)	%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	147,626	1.3
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	973,342	8.5
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	1,120,968	9.8

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	Turnover (thousands of euros)	Proportion of Turnover2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
A. Taxonomy Eligible Activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of hydrogen	**CCM 3.10.**/CCA 3.10.	8,924	0.0	Y	N/EL					Y	Y	Y		Y	Y	Y	0		
Electricity generation using solar photovoltaic technology	**CCM 4.1.**/CCA 4.1.	272,746	0.6	Y	N/EL						Y		Y		Y	Y	0.3		
Electricity generation from wind power	**CCM 4.3.**/CCA 4.3.	4,347,245	8.8	Y	N/EL						Y	Y	Y		Y	Y	10.5		
Electricity generation from hydropower	**CCM 4.5.**/CCA 4.5.	1,612,432	3.3	Y	N/EL					Y	Y	Y	Y		Y	Y	1.7		
Transmission and distribution of electricity	**CCM 4.9.**/CCA 4.9.	13,454,568	27.3	Y	N/EL					Y	Y		Y	Y	Y	Y	23.7	E	
Storage of electricity	**CCM 4.10.**/CCA 4.10.	13,437	0.0	Y	N/EL						Y		Y		Y	Y	0.0	E	
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3.**/CCA 7.3.	17,254	0.0	Y	N/EL						Y			Y	Y	Y	0	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4.**/CCA 7.4.	29,778	0.1	Y	N/EL						Y			Y	Y	Y	0	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.5.**/CCA 7.5.	2	0.0	Y	N/EL						Y			Y	Y	Y	0.2	E	

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	Turnover (thousands of euros)	Proportion of Turnover2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6.**/CCA 7.6.	155,586	0.3	Y	N/EL						Y			Y	Y	Y	0.1	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		19,911,972	40.4	40.4	0.0					Y	Y	Y	Y	Y	Y	Y	36.5		
Of which enabling		13,670,624	27.7	27.7	0.0					Y	Y		Y	Y	Y	Y	24.0		
Of which transitional		0	0.0														0.0		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																			
Electricity generation from wind power	**CCM 4.3.**/CCA 4.3.	19,150	0.0	N	N												0.1		
Transmission and distribution of electricity	**CCM 4.9.**/CCA 4.9.	3,029,903	6.1	N	Y												6.9		
Electricity generation from fossil gaseous fuels	**CCM 4.29.**/CCA 4.29.	4,803,023	9.7	N	N/EL												12.8		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,852,077	15.9	15.9	0.0												19.8		
A. .Turnover of Taxonomy-eligible activities (A.1+A.2)		27,764,049	56.3	56.3	0.0												56.3		

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	Turnover (thousands of euros)	Proportion of Turnover2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
B. Taxonomy non eligible activities																			
Turnover of Taxonomy-non-eligible activities		21,570,852	43.7																
Total		**49,334,901**	**100**																

(*) CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular economy PPC: Pollution Prevention and Control; BIO: Biodiversity and ecosystems.
(**) S: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
(***) "N/EL" indicates that, although it is an activity eligible for the adaptation objective, the revenue generated by an activity adapted to climate change cannot be included in the numerator of the turnover KPI according to Annex I, section 1.1.1., second paragraph of Delegated Regulation (EU) 2021/2178. The use of "N/EL" is, in this case, equivalent to "not applicable".

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	OpEx (thousands of euros)	Proportion of OpEx 2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of hydrogen	**CCM 3.10.**/CCA 3.10.	-193	0.0	Y	Y					Y	Y	Y		Y	Y	Y	0.1		
Electricity generation using solar photovoltaic technology	**CCM 4.1.**/CCA 4.1.	-14,369	0.7	Y	Y						Y		Y		Y	Y	0.6		
Electricity generation from wind power	**CCM 4.3.**/CCA 4.3.	-392,699	20.2	Y	Y						Y	Y	Y		Y	Y	19.6		
Electricity generation from hydropower	**CCM 4.5.**/CCA 4.5.	-25,637	1.3	Y	Y					Y	Y	Y			Y	Y	1.1		
Transmission and distribution of electricity	**CCM 4.9.**/CCA 4.9.	-659,174	33.9	Y	Y					Y	Y		Y	Y	Y	Y	30.5	E	
Transmission and distribution of electricity	**CCA 4.9.**	-148,923	7.6	N	Y					Y			Y	Y	Y	Y	0.0		
Storage of electricity	**CCM 4.10.**/CCA 4.10.	-1,430	0.1	Y	Y						Y		Y		Y	Y	0.1	E	
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3.**/CCA 7.3.	-373	0.0	Y	N/EL						Y			Y	Y	Y	0.1	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4.**/CCA 7.4.	-644	0.0	Y	N/EL						Y			Y	Y	Y	0.1	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.5.**/CCA 7.5.	0	0.0	Y	N/EL						Y			Y	Y	Y	0.0	E	
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6.**/CCA 7.6.	-3,563	0.2	Y	N/EL						Y			Y	Y	Y	0.0	E	

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	OpEx (thousands of euros)	Proportion of OpEx 2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-1,247,005	64.0	56.4	7.6					Y	Y	Y	Y	Y	Y	Y	52.2		
Of which enabling		-665,184	34.2	34.2	0.0					Y	Y		Y	Y	Y	Y	30.7		
Of which transitional		0	0.0														0.0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Electricity generation from wind power	**CCM 4.3.**/CCA 4.3.	-3,500	0.2	N	N												0.2		
Electricity generation from hydropower	**CCM 4.5.**/CCA 4.5.	0	0.0	N	N												-0.0		
Transmission and distribution of electricity	**CCM 4.9.**	-350,316	18.0	N	N/EL												29.5		
Electricity generation from fossil gaseous fuels	**CCM 4.29.**/CCA 4.29.	-195,545	10.0	N	N/EL												11.2		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-549,361	28.2	28.2	0.0												40.9		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		-1,796,366	92.3	84.6	7.6												93.2		
B. Taxonomy non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		-150,693	7.7																
Total		**-1,947,060**	**100**																

(*) CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular economy PPC: Pollution Prevention and Control; BIO: Biodiversity and ecosystems.
(**) S: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
(***) "S" indicates that the activity is eligible and meets the requirements for substantial contribution to the adaptation objective. In accordance with Annex II of Delegated Regulation (EU) 2021/2178, an activity may be aligned with several environmental objectives for which it is eligible. The most relevant environmental objective for the purpose of calculating the KPIs is indicated in bold. To avoid double counting, a percentage of CapEx or OpEx has only been allocated to activities aligned with the adaptation objective when they are not aligned with the mitigation objective.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	CapEx (thousands of euros)	Proportion of CapEx 2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of hydrogen	**CCM 3.10.**/CCA 3.10.	27,875	0.2	Y	Y					Y	Y	Y		Y	Y	Y	0.3		
Electricity generation using solar photovoltaic technology	**CCM 4.1.**/CCA 4.1.	1,536,042	13.5	Y	Y						Y		Y		Y	Y	15.6		
Electricity generation from wind power	**CCM 4.3.**/CCA 4.3.	3,494,017	30.7	Y	Y						Y	S	Y		Y	Y	27.0		
Electricity generation from hydropower	**CCM 4.5.**/CCA 4.5.	140,417	1.2	Y	Y					Y	Y	S	Y		Y	Y	2.1		
Transmission and distribution of electricity	**CCM 4.9.**/CCA 4.9.	4,841,249	42.5	Y	Y					Y	Y		Y	Y	Y	Y	40.3	E	
Storage of electricity	**CCM 4.10.**/CCA 4.10.	10,404	0.1	Y	Y						Y		Y		Y	Y	0.8	E	
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3.**/CCA 7.3.	0	0.0	Y	N/EL						Y			Y		Y	0.0	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4.**/CCA 7.4.	36,912	0.3	Y	N/EL						Y			Y		Y	0.4	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.5.**/CCA 7.5.	0	0.0	Y	N/EL						Y			Y		Y	0.0	E	
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6.**/CCA 7.6.	19,586	0.2	Y	N/EL						Y			Y		Y	0.0	E	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code*	CapEx (thousands of euros)	Proportion of CapEx 2023 (%)	Climate Change Mitigation (Y;N;N/EL)	Climate Change Adaptation (Y;N;N/EL)***	Water (Y;N;N/EL)	Pollution (Y;N;N/EL)	Circular Economy (Y;N;N/EL)	Biodiversity (Y;N;N/EL)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Circular Economy (Y/N)	Pollution (Y/N)	Biodiversity (Y/N)	Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (%)	Category enabling activity (E)	Category transitional activity (T)
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		10,106,505	88.8	88.8	0.0					Y	Y	Y	Y	Y	Y	Y	86.5		
Of which enabling		4,908,151	43.1	43.1	0.0					Y	Y		Y	Y	Y	Y	41.5		
Of which transitional		0	0.0														0.0		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																			
Electricity generation from fossil gaseous fuels	**CCM 4.29.**/CCA 4.29.	154,736	1.4	N	N/EL												3.2		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		154,736	1.4	1.4	0.0												3.2		
A.CapEx of Taxonomy-eligible activities (A.1+A.2)		10,261,241	90.2	90.2	0.0												89.7		
B. Taxonomy non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		1,120,968	9.8																
Total		**11,382,210**	**100**																

(*) CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular economy PPC: Pollution Prevention and Control; BIO: Biodiversity and ecosystems.
(**) S: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
(***) "S" indicates that the activity is eligible and meets the requirements for substantial contribution to the adaptation objective. In accordance with Annex II of Delegated Regulation (EU) 2021/2178, an activity may be aligned with several environmental objectives for which it is eligible. The most relevant environmental objective for the purpose of calculating the KPIs is indicated in bold. To avoid double counting, a percentage of CapEx or OpEx has only been allocated to activities aligned with the adaptation objective when they are not aligned with the mitigation objective.

	Proportion of turnover/total turnover	
	taxonomy-aligned by objective	taxonomy-eligible by objective
CCM	40.4	56.3
CCA	0.0	0.0
WTR	0.0	0.0
CE	0.0	0.0
PPC	0.0	0.0
BIO	0.0	0.0

	Proportion of OpEx/total OpEx	
	taxonomy-aligned by objective	taxonomy-eligible by objective
CCM	56.4	84.6
CCA	7.6	7.6
WTR	0.0	0.0
CE	0.0	0.0
PPC	0.0	0.0
BIO	0.0	0.0

	Proportion of CapEx/total CapEx	
	taxonomy-aligned by objective	taxonomy-eligible by objective
CCM	88.8	90.2
CCA	0.0	0.0
WTR	0.0	0.0
CE	0.0	0.0
PPC	0.0	0.0
BIO	0.0	0.0

VI. About this report

Iberdrola has been a world leader in transparency and in its commitment to a sustainable and environmentally-friendly growth model since 2004, the year in which the company prepared its first Sustainability Report. Continuing with this commitment, Iberdrola once again submits its *Statement of Non-Financial Information. Sustainability Report 2023*, authorised for issuance by its Board of Directors on 20 February 2024.

Iberdrola publishes this report so as to allow its Stakeholders to see the company's performance in the area of sustainability in 2023. The report contains relevant information on the social dividend provided by the group and on its contribution to the Sustainable Development Goals of the 2030 Agenda of the United Nations, pursuant to the commitments made in the Company's *By-Laws* and in its *General Sustainable Development Policy.*

Iberdrola thus satisfies the growing demand by society in general, and shareholders and investors in particular, for companies to provide a detailed report of their non-financial performance in the environmental, social and corporate governance (ESG) areas, considered to be essential factors for the long-term success of the companies.

This document forms part of the *Management report of Iberdrola, S.A.*and of the *Management report of Iberdrola, S.A. consolidated* with its subsidiaries for financial year 2023, and is subject to the same approval, deposit and publication standards as said reports. By issuing this report, Iberdrola, S.A. complies with the provisions of Section 262 of the Companies Act (*Ley de Sociedades de Capital*) and Article 49 of the Code of Commerce (*Código de Comercio*) as amended by Law 11/2018 of 28 December on non-financial and diversity information, which transposes into the Spanish legal system Directive 2014/95/EU, reporting with the detail required by these laws on environmental and social aspects, the management of people, diversity, respect for human rights, and the fight against corruption and bribery, particularly describing the risks, policies and results connected to all of these issues.

The report also fulfils the reporting requirements of Article 8 of EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment. This regulation has been subsequently implemented by Delegated Regulation 2021/2139 which determines the eligible activities with respect to climate change mitigation and adaptation objectives; Delegated Regulation 2023/2485 which amends the previous regulation by changing certain criteria and adding new economic activities; Delegated Regulation 2021/2178 which develops the reporting methodology; Delegated Regulation 2022/1214 as regards economic activities in certain energy sectors; and by Delegated Regulation 2023/2486, which supplements Regulation 2020/852 establishing criteria for the objectives for the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems, and also amending Delegated Regulation 2021/2178 by extending the information to be reported by financial and non-financial actors.

This report has been prepared in accordance with the reporting requirements and recommendations of the Global Reporting Initiative (GRI) standards for preparing sustainability reports[95] The document also complies with the information requirements of the GRI *Electric Utilities Sector Supplement*.

The company has also reported on the reporting requirements and recommendations of the Sustainability Accounting Standards Board (SASB) in its specific standard for Electric Utilities & Power Generators.

References to the GRI and SASB indicators covered in each section have been added in the texts (e.g.: **GRI 2-6 SASB IF-EU-000.B**).

[95] The most recent version of these standards is now available and, similarly, this report is in line with and updated according to the guidelines and reporting principles of the new GRI Universal Standards 2021.

The document also follows the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), under the auspices of the Financial Stability Board (FSB), the table of contents of which can be found at *VI.7. Content index in relation to the TCFD*.

It also complies with UN Global Compact Principles, the table of contents of which can be found at *VI.7. Content index in relation to the principles of the Global Compact*.

The document also outlines how the company implements the Guiding Principles on Business and Human Rights, which put into practice the UN framework to "protect, respect and remedy", as well as the AA1000 Accountability Principles 2018 (AA1000AP, 2018) and its four principles of inclusiveness, relevance, responsiveness and impact.

Anyone reading the Statement of Non-Financial Information. Sustainability Report 2023 may also access the Annual financial report 2023 and the Annual Corporate Governance Report 2023, and the Integrated Report and ESG+F Information 2024, which will be available in its online version, all of which can be accessed in the Annual reports section of the website, which contains additional useful information for better understanding Iberdrola's performance during the year and its future outlook, based on the principles of transparency and communication set out in the Stakeholder Engagement Policy.

Finally, to facilitate maximum access to other available information, direct links are included throughout this report to both the corporate website (www.iberdrola.com) and to other pages of the group, as well as to official documents published thereon in PDF format. To open these links, click with the left button of your mouse directly on texts identified with the following format: example link.

Notes:

- The report boundary is described in this document in chapter *"VI.1. About this report"*
- The figures included in this translation follow the customary English convention, with figures in thousands separated by a comma (,) and decimals indicated by a full stop (.).
- Slight variations may appear in the 2022 and 2021 data with regard to those published in last year's report due to rounding of figures. Those cases in which recalculations have been performed are indicated with a footnote. As the percentage interests in certain companies may not be 100%, sums may not correspond to the total presented due to rounding.

VI.1. Scope of information

Introduction on the scope of information

Iberdrola has followed the GRI recommendations for defining the boundary of this report, taking into account the entities over which it has control, those over which it has significant influence, and those activities that are significant for the group from the economic, environmental and social standpoint.

For purposes of this report, the following terms have the meanings set forth below:

- "Iberdrola" or the "company": the Spanish company Iberdrola, S.A., parent company of the Iberdrola group.
- "Iberdrola Group" or the "group": Iberdrola (as parent company) and the group of subsidiaries over which Iberdrola has the power of control or joint control.
- "Minority-owned companies" (or "investees"): the group of companies in which Iberdrola has a percentage interest but not the power to exercise control. At these minority-owned companies Iberdrola promotes the policies approved within the group through the governance bodies of such companies and includes information on those considered significant in terms of sustainability.

The document *Consolidated Financial Statements, Consolidated Management Report, and Audit Report* for financial year 2023 lists all of the companies in which Iberdrola has direct or indirect ownership interests.

Information boundaries of this report

Time scope

GRI 2-3

2023. The report is published on an annual basis and covers a 12-month calendar year, corresponding to the financial year running from 01/01/2023 to 31/12/2023. This document is published on 23/02/2023 following the preparation hereof by the Board of Directors of Iberdrola, S.A. on 20/02/2024.

Organisational scope

GRI 2-2 2-6

The preparation of this report considers the following frames of reference, which determine its structure, scope and contents:

- The financial information published in this report must be consistent with the financial statements and, therefore, comply with the relevant Spanish and European legal provisions.
- Sustainability, or ESG, information is prepared by applying a reporting standard or framework pursuant to Spanish legislation. Iberdrola has opted to use the GRI Standards, in its "in accordance GRI" option, taking into account the scope of this standard, its recognition and universality, and over a decade of experience in its application.

To reconcile these frames of reference, Iberdrola has established two quantitative reporting boundaries for the report: global boundary and report boundary.

Global boundary (Iberdrola consolidated total)

Relates to all group companies, their subsidiaries and investees.

The financial information included in this Statement of Non-Financial Information. Sustainability Report 2023 is based on the *Annual financial report* for financial year 2023. It therefore corresponds to the global boundary defined above.

Report boundary (Iberdrola total)

This Consolidated Statement of Non-Financial Information 2023 covers the companies forming part of the Iberdrola Group, listed in Appendix I of the *Annual financial report 2023* of Iberdrola, S.A. and its subsidiaries. [96]

Significant countries and activities for the Iberdrola group in terms of sustainability(1) and included in the 2022 reporting boundary

	Group office	Electricity production		Transmission and/or Distribution of electricity or gas	Electricity and/or gas supply(2) (3)		Gas storage	Real estate
		Conventional	Renewable (3)		Wholesale market	Retail market		
Spain(4)	X	X	X	X	LIB	LIB /REG		X
United Kingdom	X		X	X	LIB	LIB		
UNITED STATES	X	X	X	X	LIB	REG		
Brazil (6)	X	X	X	X	LIB	REG/LIB		
Mexico	X	X	X		LIB	LIB		X
Portugal	X		X		LIB	LIB		
Australia	X	X	X		LIB	LIB		
Germany	X		X		LIB	LIB		
Greece	X		X(5)					
Hungary	X		X					
France	X		X		LIB	LIB		
Poland	X		X					
Romania	X		X					
Italy	X		X		LIB	LIB		
Ireland	X		X		LIB			
Canada	X						X(6)	
Other countries (9)	X							X

1. The countries set out herein are those in which the company does business, with facilities and employees. Countries in which the company makes purchases of general supplies and procures fuel are not included. The workforce reported is as at year-end.
2. Types of sales activities:
    - LIB: activities in liberalised markets, independent of distribution activities.

[96] With regard to co-controlled subsidiaries, such as companies owning nuclear generation assets, in addition to installed capacity and production indicators, other indicators are reported where considered relevant.

- REG: activities in regulated markets, together with distribution activities. The supply to these markets has not been considered as an activity in the wholesale market.

3. Includes hydroelectric, wind, solar and battery storage activities. Environmental information on construction projects is not included. No information on photovoltaics is included for Italy, the United Kingdom and Brazil, except for EU1, EU2 and European Taxonomy.
4. Any reference to the 7th Collective Bargaining Agreement includes the following companies at 31 December 2023: Iberdrola, S.A., Iberdrola España, S.A.U., Iberdrola Generación, S.A.U., Iberdrola Generación España, S.A.U., Iberdrola Generación Nuclear, S.A.U., Iberdrola Clientes, S.A.U., Iberdrola Operación y Mantenimiento, S.A.U., i-DE Redes Eléctricas Inteligentes, S.A. (Sociedad Unipersonal), Iberdrola Infraestructuras y Servicios de Redes, S.A.U., Iberdrola Renovables Energía, S.A.U. and Iberdrola Ingeniería y Construcción, S.A.U.
5. Renewables activities in Cyprus are included in Greece.
6. Activities are not significant from the environmental standpoint. Labour information is included in the information for the United States.
7. In the employment-related social information (excluding remuneration data), Qatar, South Korea, Japan, Singapore, Sweden, Taiwan and Vietnam are reported.

   Other countries: Belgium, Bulgaria, Luxembourg, Malta, Morocco, Norway, Netherlands, South Africa. These countries are not included in the environmental information or the other social information as the activities are not considered relevant in terms of sustainability.

At affiliate nuclear plants, the percentage interest held by Iberdrola in each of them is used to consolidate environmental performance data: Vandellós (28%); Almaraz (52.69%); Trillo (49%) and Ascó (15%). For social information, on the other hand, because of the structure of the available information systems, nuclear plants are consolidated according to the percentage interest held by Iberdrola in the economic interest grouping created for that purpose; such interest is 51.44% in the case of Trillo-Almaraz and 14.59% in the case of Ascó-Vandellós. A 50% share of the environmental and social data corresponding to the activities of Nuclenor, S.A. is applied according to the participation method.

Limitations on the scope of information

Iberdrola believes that this report reflects the economic, environmental and social performance of the company in a reasonable and balanced manner, on the understanding that the exceptions to the scope of the report described in the table *"Significant countries and activities for the Iberdrola group in terms of sustainability and included in the 2022 reporting boundary"* do not significantly alter the consolidated indicators and therefore do not affect the reader's assessment of the company's performance.

Explanatory footnotes are added in case a particular indicator could not be compiled in accordance with the reporting boundary.

Significant changes to the organisation and its supply chain

GRI 2-3 2-6

Changes in activities and/or in operations

In the course of their business, the various subsidiaries and affiliates of Iberdrola have engaged in transactions that change the composition of their assets in 2023, including the following:

- In the Electricity Generation and Customers Business, the alliance between Iberdrola and bp pulse was launched in Spain and Portugal, and began operations on 1 December. Its goal is to facilitate universal access to a reliable, high-speed charging infrastructure and thus help to remove one of the main barriers to the successful transition to electric vehicles. To this end, the company plans to invest EUR 1,000 million and deploy 5,000 fast and ultra-fast public charging points by 2025 and 11,700 by 2030. All with 100% renewable energy, through guaranteed certificates of origin.
- In the Renewables Business, the group's dominant position in offshore wind energy was strengthened with the completion of the Saint Brieuc wind farm, the first wind farm built by the group in France, which has progressively entered into operation since the month of July. In the United States, Avangrid began commissioning the Vineyard Wind I offshore wind farm, the first large-scale project using this technology in the country. With 806 MW of capacity, the facility will begin supplying green power to Massachusetts in January 2024. Meanwhile, construction is underway on the Baltic Eagle offshore wind farm in Germany and East Anglia Three in the United Kingdom, where it will form part of the East Anglia Hub macro-complex.
- The following notable operations were also carried out during the year:
    - In the United States, AVANGRID Renewables has put the Lund Hill PV power plant in Klickitat, Washington, into operation. With an installed capacity of 194 MW, the new plant is the largest solar facility in the state. Also of note is the commercial operation and commissioning of the 205 MW Pachwáywit Fields photovoltaic plant in the state of Oregon.
    - In Brazil, Neoenergia completed an asset swap with Eletrobras in September, allowing it to consolidate 100% of the Dardanelos hydroelectric plant, in which it has acquired 49% of the capital, with an installed capacity of 261 MW. In turn, it has divested its interests in the Teles Pires (51%) and Baguari (51%) hydroelectric plants.
    - In Spain, last March, Iberdrola and Mapfre added 150 MW of photovoltaic capacity to Energías Renovables Ibermap, the company they set up together two years ago, bringing the total to 445 MW (295 MW wind and 150 MW photovoltaic). The assets transferred are operating photovoltaic plants in Spain and, following the transaction, Iberdrola will become the majority shareholder (51%).
    - In January 2023, Iberdrola Renovables Energía, S.A. signed a framework agreement with its subsidiary Iberenova Promociones, S.A. to co-invest in renewable energy plants in Spain, helping to accelerate the country's decarbonisation. The agreement includes the acquisition by NBIM Iberian Reinfra AS (NBIM Iberian), a member of the group headed by Norges Bank, of a 49% share in the capital of several Iberdrola group companies that own onshore wind and photovoltaic solar projects in Spain. The total project portfolio of these companies totals 1,265 MW (137 MW of which are already operating and 1,128 MW of

which are under development). Once NBIM Iberian acquires these shares, Iberenova Promociones and NBIM Iberian will contribute their respective shares in the project owners to a holding in which each company will also hold respectively a 51% and 49% capital share.

- Iberdrola Renovables Energía will continue to retain indirect control over the project owners and manage the development of non-operational projects until they commence commercial operation and, and the Iberdrola group will continue to provide the operation and maintenance services required for the operation thereof. This deal was finalised in May 2023.
- A new agreement was signed in January 2024 within the context of the parties' collaboration. The agreement, which was signed by Iberdrola Renovables Energía, S.A. (Sole-Shareholder Company) ("Iberdrola Renovables Energía"), Iberenova Promociones, S.A. (Sole-Shareholder Company) ("Iberenova Promociones") and Iberdrola Renewables Portugal S.A. ("Iberdrola Renewables Portugal") includes the acquisition by NBIM Iberian of a 49% interest in the capital of several Iberdrola group companies that own onshore wind and photovoltaic solar projects in Spain. The total project portfolio of these companies amounts to 673.6 MW of projects under development in a first phase (40% of which are wind and the remaining 60% solar photovoltaic), with the possibility of including (in subsequent phases) an operational project of 327.5 MW and another project under development of 316 MW, reaching an operation of 1,316 MW upon full implementation.
- In Germany, Iberdrola signed an agreement with Masdar Baltic Eagle Germany GmbH, a company owned by the Abu Dhabi Future Energy Company group, for the sale of 49% of the Baltic Eagle offshore wind farm (476 MW), currently under construction. Under the agreement, the Iberdrola group will continue to provide construction supervision, operation and maintenance, and management services for the wind farm.
- In Poland, two 50 MW onshore wind farms were acquired and have been in operation since August 2023.

Changes in capital structure

The shareholders acting at the General Shareholders' Meeting of Iberdrola held on 28 April 2023 approved two increases in capital by means of scrip issues in order to once again implement the *Iberdrola Flexible Remuneration,* optional dividend system, implementing the first increase in capital in July 2023 and the second in January 2024. To offset the dilutive effect of the capital increases and to maintain earnings per share, a capital reduction was implemented in July 2023 under the terms approved at the aforementioned Shareholders' Meeting.

Changes in supply chain

In 2022, both the fuel chain and the prices for the acquisition of new equipment, materials and works were affected by the war in Ukraine, which led to a significant increase in raw material costs. As a result, the number of contracted suppliers was increased during 2022 in order to mitigate the continuing rise in commodity prices. This form of procurement has continued to be applied throughout 2023.

VI.2. Defining report content. Materiality Analysis

GRI 3-1

Iberdrola directly identifies material aspects for its Stakeholders and for the company itself, by preparing its own materiality study, with the advice of an independent outside firm, based on in-house and outside sources.

As there have been no significant changes to the Group or its operational, regulatory or socio-economic context in the current financial year, the results of the dual materiality analysis defined in 2022 remain in force, in accordance with the criteria used to identify and prioritise material issues in the GRI Universal Standards 2021.

The methodology applied, which is described below, considers the nature of the industry in which the company operates, the activities it performs, the policies that it applies in the field of sustainable development, long-term objectives, particularly ESG objectives, and its engagement with its Stakeholders. It is described in three phases: identification of material issues, evaluation of external impacts, and evaluation of internal impacts.

1. Identification of material issues

During this phase, different sources of information were analysed to obtain a list of potential issues, e.g. issues that might pose a risk to the company (negative impact) or constitute an opportunity (positive impact), both for stakeholders (external impact) and for the Company (internal impact) over a time period of one to three years. The sources of information used included:

- Internal sources of information including documents like the *Statement of Non-financial Information-Sustainability Report 2023*, the *Integrated report, Iberdrola´s corporate policies*, the *corporate website, etc.*
- External sources of information included the latest public reports from major influencers, including the European Commission, the World Economic Forum, and the International Energy Agency.

The issues identified as significant in the Iberdrola global stakeholder engagement model were later analysed, cross-comparing these issues with the sustainability aspects already identified.

These sources have led to a list that brings together the results of the sources of information used (internal, external, and Global Stakeholder Engagement Model).

2. Evaluation of external potential impacts (non-financial materiality)

To evaluate external potential impact, external and internal sources were used, as in the identification phase, and the following steps were taken:

- The potential impacts and opportunities for each of the previously identified material issues were identified, considering at this point the main Stakeholders affected.
- An impact assessment scale was defined, based on EFRAG recommendations as well as on the GRI standards, considering the potential severity and associated likelihood.
- To calculate severity and likelihood, preferentially qualitative judgments based on the sources used were applied.

3. Evaluation of internal potential impacts (financial materiality)

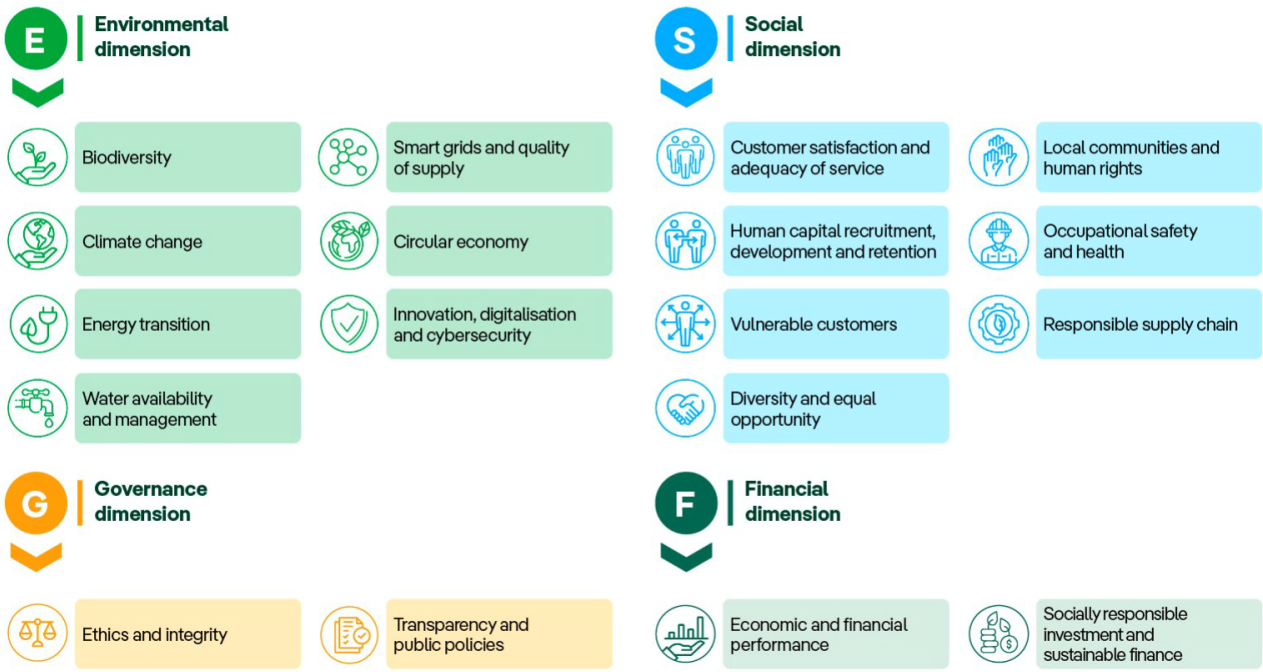
To evaluate internal potential impact, preferential internal sources were used, and the following steps were taken:

- The potential impacts (risks and opportunities) for each of the previously identified material issues were identified.
- An impact assessment scale was defined, based on EFRAG recommendations as well as on the GRI standards. The same negative impact and opportunities scale was used as in the analysis of external impact.
- The organisations in charge of managing the risks and opportunities identified analysed them, documenting their conclusions by means of structured surveys.
- Finally, the results of all the above were consolidated and standardised. This consolidation included, as additional information, the evaluation in the Global Stakeholder Engagement Model, which is widely deployed in the group and is informed by areas and businesses.

As a result of all the above, it is concluded that the material issues continue to be those identified in previous years, namely the following 18 issues:

GRI 3-2

SNFI 2023 Material Topics



All material issues identified are listed in the GRI content index section of this chapter, and the information presented on each material issue can be found in the corresponding chapter of this report.

GRI 2-12

The Board's Sustainable Development Committee oversees the process and results of the materiality study of which this report is part, and informs the Board of Directors, which prepares this Statement of Non-Financial Information, containing the list of material issues shown in the figure above, on 22 December 2022.

More detailed information on the most relevant issues for the company's stakeholders can be found in the "Stakeholders engagement" section.

VI.3.Disclosures from the Statement of Non-Financial Information

The table below sets out the pages of this document in which you can find the information required by Law 11/2018, of 28 December, on non-financial information and diversity:

Disclosures from the Statement of Non-Financial Information

	GRI Disclosures[97]	SNFI pages
Description of the group's business model		
business environment	2-1 2-6 2-22	5-8, 14-17, 18-25 38-39, 70-71
organisation and structure		
markets in which it does business		
objectives and strategies		
main factors and trends that might affect its future progress		
Description of policies that the group applies regarding such issues		
due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts and for verification and control	2-23	13, 31-33, 72-73, 94, 241, 251 260, 265
measures adopted		
Results of policies		
key indicators of relevant non-financial results that allow for monitoring and evaluation of progress and that favour comparability among companies and industries, in accordance with the domestic, European or international reference frameworks used for each topic	3-1 3-2 3-3	70-73, 77-79, 84-86, 306
Main risks relating to these issues in connection with the group's activities		
when relevant and appropriate, the commercial relations, products or services thereof that might have negative impacts in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with leading domestic, European or international frameworks for each area	205-1 407-1 408-1 409-1 413-1	14, 34-36, 127-129, 213-219, 223-224, 251-253
information on the impacts detected, providing a breakdown thereof, particularly regarding the main short-, medium- and long-term risks.		
key indicators of non-financial results that are relevant regarding the specific business activity and that meet the standards of comparability, materiality, relevancy and reliability.	3-3	Global Reporting Initiative Standards (GRI content index)
I. Information regarding environmental surveys		
detailed information regarding the current and expected effects of the company's activities on the environment and, if applicable, on health and safety	3-3 2-23 201-2 308-1 308-2	30-31, 37, 65, 84-85, 94, 96-98, 213, 251-253, 257
environmental evaluation or certification procedures		
resources dedicated to the prevention of environmental risks		
application of the precautionary principle		
amount of reserves and coverage for environmental risks		
Specifically:		
– Pollution:		
measures to prevent, reduce or repair carbon emissions that seriously affect the environ; taking into account any form of atmospheric pollution specific to an activity	305-5 305-7	92, 350
including noise and light pollution.	Non-material indicator for the company, as described in the Materiality Analysis 2022 (page 309).	
– Circular economy and waste prevention and management:		
measures for the prevention, recycling, reuse, other forms of recovery and elimination of waste	3-3 301-2 306-1 306-2 306-3 306-4 306-5	109, 120-124
actions to combat food waste.	Non-material indicator for the company, as described in the Materiality Analysis 2022 (page 309).	

[97] The GRI indicators correspond to the latest version of the GRI Standards in all cases.

Disclosures from the Statement of Non-Financial Information

	GRI Disclosures[97]	SNFI pages
– Sustainable use of resources:		
water consumption and supply in accordance with local limitations	3-3 301-1 301-2 302-1 302-2 302-4 303-1 303-2 303-3 303-5	109-119
consumption of raw materials and measures adopted to improve the efficient use thereof		
direct and indirect consumption of energy		
measures taken to improve energy efficiency and the use of renewable energy		
– Climate change:		
on important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of property and services that produce it	3-3 201-2 305-1 305-2 305-3 305-4 305-5	37-66, 87-93, 349
measures adopted to adapt to the consequences of climate change		
voluntarily established medium- and long-term targets established to reduce greenhouse gas emissions and the means implemented to such end		
– Protection of biodiversity:		
measures taken to preserve or restore biodiversity	3-3 304-1 304-2 304-3 304-4	94-108, 348
impacts cause by activities or operations in protected areas		
II. Information regarding social issues and personnel		
– Employment:		
total number and distribution of employees by gender, age, country and professional classification	3-3 2-7 2-8 405-1	147, 149, 348-359, 371-372
total number and distribution of types of employment contracts		
annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification,		
number of dismissals by gender, age and professional classification	401-1	154
average remuneration and evolution thereof broken down by gender, age and professional or similar classification;	405-2	163
salary gap	405-2	163
remuneration of same or average job positions of the company	405-2	163
average remuneration of directors and officers, including variable remuneration, attendance fees, severance pay, payment into long-term savings benefit systems and any other remuneration broken down by gender	2-19 2-20 2-21	*247-251, Note 47 y 48 of the Annual Financial Report 2023*
implementation of labour disengagement policies	3-3	161
employees with disabilities	405-1	149
– Organisation of work:		
organisation of work time	3-3	161
number of hours of absenteeism	403-9 401-3	162, 171, 368
measures to facilitate enjoyment of reconciliation and encouragement of the responsible co-exercise of responsibility by both parents	401-3 3-3	161
– Health and safety:		
occupational health and safety conditions	3-3 403-1 403-2 403-3 403-7	164-170
occupational accidents, particularly the frequency and seriousness thereof broken down by gender	403-9	171, 368
occupational diseases; broken down by gender	403-10	173

Disclosures from the Statement of Non-Financial Information

	GRI Disclosures[97]	SNFI pages
– Social relations:		
organisation of social dialogue, including procedures to inform and consult with staff and negotiate with them	407-1 2-23	32, 129, 130-134, 217-219, 251-252
percentage of employees covered by collective bargaining agreements by country	2-30	155-156
balance of collective bargaining agreements, particularly in the field of workplace health and safety	403-4	168
– Training:		
policies implemented in the field of training	3-3 404-2	179-184
total hours of training by professional category	404-1	183, 370
Universal accessibility of disabled persons	3-3	156-160
- Equality:		
measures adopted to promote equality of treatment and opportunities between women and men	3-3 405	156-160
equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men)	405	156-160
protocols against sexual and gender-based harassment	405 406	156-158
measures adopted to promote the employment, integration and universal accessibility of disabled persons	405	156-160
policy against all types of discrimination and, if applicable, management of diversity	406-1	160
III. Information regarding respect for human rights:		
application of human rights due diligence procedures	3-3 2-23 2-26 410-1	31-32, 130-134, 228, 251-253, 255
prevention of the risks of violating human rights and, if applicable, measures to mitigate, manage and repair possible abuses	407-1 408-1 409-1	130, 217-219
complaints of human rights violations	406-1 411-1	160, 226-227
promotion of and compliance with the provisions of the basic treaties of the International Labour Organization regarding respect for the freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	407-1 406-1 409-1 408-1	160, 217-219
IV. Information regarding the fight against corruption and bribery:		
measures adopted to prevent corruption and bribery	3-3 2-23 2-26 205-1 205-2 205-3	30-312, 251-257
measures to combat money laundering	205-1 205-2	251-254
contributions to non-profit foundations and entities	2-28 201-1	258, 265
V. Information about the company:		
– Commitments of the company to sustainable development:		
impact of the company's operations on employment and local development	3-3 203-1 203-2 204-1 413-1	213-214, 223-224, 265
impact of the company's operations on local communities and on the land	3-3 203-1 203-2 411-1 413-1 413-2	213-214, 223-224, 265
relations with local players and types of dialogue therewith	2-29 413-1	137, 198-201, 223-224
association or sponsorship activities	2-23 2-28 201-1 415-1	257-262

Disclosures from the Statement of Non-Financial Information

	GRI Disclosures[97]	SNFI pages
– Subcontracting and suppliers:		
inclusion of social, gender equality and environmental issues in the purchasing policy	3-3 2-23 308-1 414-1	*Purchasing Policy* 213-219
consideration in relations with suppliers and subcontractors of their social and environmental responsibility	308-1 414-1	216-217
supervision and auditing systems and results thereof	308-2 414-2	216-219
– Consumers:		
grievance systems, complaints received and resolution thereof	3-3 416-2 417-2 417-3 418-1	199-201, 208
– Tax information:		
profits per country	207-4	235
taxes on profit paid	207-4	233-235
public subsidies received	201-4	266
EU Taxonomy		
EU activities taxonomy	N/A	276-295

VI.4.GRI content index

GRI 1 2-5

Independent External Assurance

Iberdrola engages KPMG Auditores, S.L. to audit its annual information, including its annual financial statements and management reports (individual and consolidated with those of its subsidiaries), as well as the *Statement of Non-Financial Information. Sustainability Report*. The *External Independent Assurance Report* is included at the beginning of this document.

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
Universal Standards					
GRI 1 Fundation 2021					
Statement of use	Iberdrola has prepared the report in accordance with GRI Standards for the period from 01/01/2023 y 31/12/2023.				
GRI 1 used	GRI 1: Fundation 2021				
Sector standards	Suplement for companies in the electric utility sector. This index includes the subjects and content required by said supplement, published in 2014. The * symbol indicates the general standard disclosures and aspects of the GRI Standards where specific sector information is requested.				
GRI 2 General disclosures 2021					
1. The organization and its reporting practices					
2-1	Organisation details	**15-16, 22-23, 28**		✓	
2-2	Entities included in the organization's sustainability reporting	**300-302**		✓	
2-3	Reporting period, frequency and contact point	**300, 302-305, 337**		✓	
2-4	Update of the information	Indicators 305-1, 305-3, 305-4, 303-4 and 303-5 have been recalculated, explaining the restatement in detail in the indicators		✓	
2-5	External assurance	**315**		✓	
2. Activities and workers					
2-6	Activities, value chain and other business relationships	**17, 21, 28,210-211, 213-215,300-304**		✓	
2-7	Employees	**147, 351-362**		✓	8
2-8	Workers who are not employees	**149-150**		✓	
3. Governance					
2-9	Governance structure and composition	**24,25,27**		✓	5, 16
2-10	Nomination and selection of the highest governance body	**243-244**		✓	5, 16
2-11	Chair of the highest governance body	**26, 27**		✓	16
2-12	Role of the highest governance body in overseeing the management of impacts	**22-23, 31, 36, 244-246, 308**		✓	16
2-13	Delegation of responsibility for managing impacts	**26, 247**		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
2-14	Role of highest governance body in sustainability reporting	Iberdrola's Board of Directors is the body responsible for approval of the Statement of Non-Financial Information. Sustainability Report 2022, which was formulated on 21 February 2023 (following a report from the Sustainable Development Committee), the date of preparation of the company's annual financial statements for financial year 2022. This report will be submitted to the shareholders for approval at the General Shareholders' Meeting,		✓	
2-15	Conflicts of interest	Section D.6 of the Annual Corporate Governance Report for financial year 2022 describes the mechanisms established to detect, determine, and resolve potential conflicts of interest between Iberdrola and its directors, senior officers, and significant shareholders.		✓	16
2-16	Communication of critical concerns	**138, 243**		✓	
2-17	Collective knowledge of highest governance body	**244-246, 247-248**		✓	4
2-18	Evaluation of the performance of the highest governance body	**246**		✓	
2-19	Remuneration policies	**247-249**		✓	
2-20	Process to determine remuneration	**248-250**		✓	16
2-21	Annual total compensation ratio	**250-251**		✓	
4. Strategy, policy and practices					
2-22	Statement on sustainable development strategy	**5-8** Clarifications: 1) The figure of more than EUR 13,300 million of green and sustainable financing includes the January 9, 2024 hybrid green bond issue for a total amount of EUR 700 million. 2) The figure of 55 grammes per kWh represents CO2 emissions of the Iberdrola Group in Europe for the period.		✓	
2-23	Policy commitments	**13, 31, 32-33, 127-129, 251, 260-261**		✓	16
2-24	Embedding policy commitments	**22-23, 27**		✓	
2-25	Processes to remedy negative impacts	**131-134**		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
2-26	Mechanisms for seeking advice and raising concerns	**255**		✓	16
2-27	Compliance with laws and regulations	**268-269**		✓	
2-28	Membership associations	**258-260**		✓	
5. Stakeholder engagement					
2-29	Approach to stakeholder engagement	**138-144, 198-199**		✓	
2-30	Collective bargaining agreements	**155-156**		✓	8
GRI 3 Material topics 2021					
3-1	Process of determining material topics	**306-307**		✓	
3-2	List of material topics	**307**		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
Biodiversity *					
3-3	Management of material topics	**94,95,96,216**		✓	**6, 7, 8, 12, 13, 14, 15**
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	**98-102**		✓	
304-2	Significant impacts of activities, products, and services on biodiversity	**96-98**		✓	
304-3	Habitats protected or restored	**105-109**		✓	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	**102-103, 348**		✓	
308-2	Negative environmental impacts in the supply chain and actions taken	**217**		✓	
EU 11	Average generation efficiency of thermal plants by energy source and by regulatory regime	**118**		✓	
Smart grids and quality of supply *					
3-3	Management of material topics	**221**		✓	**1, 2, 3, 5, 7, 8, 9, 10, 11, 12, 13, 14, 17**
203-1	Infrastructure investments and services supported	**267-268**		✓	
EU 4	Length of above and underground transmission and distribution lines by regulatory regime	**20, 342**		✓	
EU 12	Transmission and distribution losses as a percentage of total energy	**117**		✓	
EU 28	Power outage frequency	**196-197**		✓	
EU29	Average power outage duration	**197**		✓	
Climate change *					
3-3	Management of material topics	**38-66, 87, 116**		✓	**2, 3, 5, 7, 8, 9, 12, 13, 14, 15**
201-2	Financial implications and other risks and opportunities due to climate change	**38**		✓	
302-1	Energy consumption within the organisation	**116-117**		✓	
302-2	Energy consumption outside of the organisation	**120**		✓	
305-1	Direct GHG emissions (Scope 1)	**88, 349**		✓	
305-2	Energy indirect (Scope 2) GHG emissions	**90**		✓	
305-3	Other indirect (Scope 3) GHG emissions	**91**		✓	
305-4	GHG emissions intensity	**87**		✓	
305-5	Reduction of GHG emissions	**92**		✓	
305-7	Nitrogen oxides (NOx), sulphur oxides (SO_2) and other significant air emissions	**92-93, 350**		✓	
EU 1	Installed capacity, broken down by primary energy source and by regulatory regime	**19**		✓	
EU 2	Net energy output broken down by primary energy source and by regulatory regime	**19-20**		✓	
EU 12	Transmission and distribution losses as a percentage of total energy	**117-118**		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
Circular economy *					
3-3	Management of material topics	111, 115,121		✓	3, 6, 7, 8, 12, 13, 14, 15
301-1	Materials used by weight or volume	111, 112		✓	
301-2	Recycled input materials used	111		✓	
302-1	Energy consumption within the organisation	116, 117		✓	
302-2	Energy consumption outside of the organisation	120		✓	
306-1	Waste generation and significant waste-related impacts	121		✓	
306-2	Management of significant waste-related impacts	121		✓	
306-3	Waste generated	121-122		✓	
306-4	Waste diverted from disposal	123		✓	
306-5	Waste directed to disposal	124		✓	
Transición energética *					
3-3	Management of material topics	116		✓	7, 8, 12, 13, 14
302-1	Energy consumption within the organisation	116-117		✓	
302-2	Energy consumption outside of the organisation	120		✓	
302-4	Reduction of energy consumption	119		✓	
302-5	Reductions in energy requirements of products and services	120		✓	
EU 1	Installed capacity, broken down by primary energy source and by regulatory regime	19		✓	
EU 2	Net energy output broken down by primary energy source and by regulatory regime	19-20		✓	
EU 3	Number of residential, industrial, institutional and commercial customer accounts	17, 20, 21, 341		✓	
EU 11	Average generation efficiency of thermal plants by energy source and by regulatory regime	118		✓	
Connectivity, digitalisation and cibersecurity					
3-3	Management of material topics	134-135		✓	16
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	208		✓	
Water availability and management*					
3-3	Management of material topics	112		✓	6, 8, 12
303-1	Interactions with water as a shared resource	112-113		✓	
303-2	Management of water discharge-related impacts	112-113		✓	
303-3	Water withdrawal	113-114, 348		✓	
303-4	Water discharge	113-114		✓	
303-5	Water consumption	114		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
Customer Satisfaction *					
3-3	Management of material topics	198-203, 207, 221-222		✓	1, 7, 12, 16
417-1	Requirements for product and service information and labelling	200		✓	
417-2	Incidents of non-compliance concerning product and service information and labelling	201		✓	
417-3	Incidents of non-compliance concerning marketing communications	200		✓	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	208		✓	
EU 27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	222		✓	
EU 28	Power outage frequency	196-197		✓	
EU 29	Average power outage duration	197		✓	
Human rights and local communities*					
3-3	Management of material topics	127-135, 223-228		✓	1, 2, 8, 16
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	129-130, 217-219		✓	
408-1	Operations and suppliers at significant risk for incidents of child labour	129-130, 217-219		✓	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	129-130, 217-219		✓	
410-1	Security personnel trained in human rights policies or procedures	228		✓	
411-1	Incidents of violations involving rights of indigenous peoples	226-227		✓	
413-1	Operations with local community engagement, impact assessments and development programs	223-224		✓	
413-2	Operations with significant actual and potential negative impacts on local communities	223-224		✓	
EU 22	Number of people physically or economically displaced and compensation, broken down by type of project	225		✓	
EU 25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	202		✓	
Recruitment, development and retention of human capital *					
3-3	Management of material topics	146, 149, 151-153, 174-183		✓	4, 5, 8, 10
401-1	New employee hires and employee turnover	151-154, 363-366		✓	
402-1	Minimum notice periods regarding operational changes	156		✓	
404-1	Average hours of training per year per employee	183, 370		✓	
404-2	Programs for upgrading employee skills and transition assistance programs	179-182		✓	
404-3	Percentage of employees who receive regular performance and career development appraisals	183-184		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
405-2	Ratio of basic salary and remuneration of women to men	**163** In application of Requirement 6 of GRI 1, the company considers that the pay gap indicator segmented by professional category and country is not applicable, replacing it with an indicator segmented by age. The nature of the industry and the limited representation of women in technical careers for the last three decades mean that age explains the pay gap better than occupational category.		✓	**4, 5, 8, 10**
Safety and health *					
3-3	Management of material topics	**163-170**		✓	**3, 8, 16**
403-1	Occupational health and safety management system	**164**		✓	
403-2	Hazard identification, risk assessment and incident investigation	**166-167**		✓	
403-3	Occupational health services	**167-168**		✓	
403-4	Worker participation, consultation and communication on occupational health and safety	**168**		✓	
403-5	Worker training on occupational health and safety	**169**		✓	
403-6	Promotion of worker health	**169-170**		✓	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**167**		✓	
403-8	Workers covered by an occupational health and safety management system	**165-166**		✓	
403-9	Work-related injuries	**171-173, 368-369**		✓	
403-10	Work-related ill health	**173**		✓	
410-1	Security personnel trained in human rights policies or procedures	**228**		✓	
416-1	Assessment of the health and safety impacts of product and service categories	**201**		✓	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	**202**		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
EU 18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	The group's terms of contract, which can be found in the section of the website containing the group's terms and conditions, set out the specific contractual requirements that apply in each country. The company is confident that 100% of its subcontractors' employees, regardless of type or category, have received appropriate health and safety training.		✓	3, 8, 16
EU 25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	202		✓	
Vulnerable customers *					
3-3	Management of material topics	221		✓	1, 7
EU 27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	222		✓	
Responsible supply chain *					
3-3	Management of material topics	213-215, 216-219, 266		✓	1, 2, 3, 5, 7, 8, 9, 10, 11, 16, 17
203-2	Significant indirect economic impacts	266-267		✓	
204-1	Proportion of spending on local suppliers	212		✓	
308-1	New suppliers that were screened using environmental criteria	216-217		✓	
308-2	Negative environmental impacts in the supply chain and actions taken	217		✓	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	129-130, 217-219		✓	
408-1	Operations and suppliers at significant risk for incidents of child labour	129-130, 217-219		✓	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	129-130, 217-219		✓	
414-2	Negative social impacts in the supply chain and actions taken	217-219		✓	
EU 28	Power outage frequency	196-197		✓	
Diversity and equal opportunity *					
3-3	Management of material topics	146, 156-163		✓	5, 8, 10, 16
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	150		✓	
401-1	New employee hires and employee turnover	151-154		✓	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	150-151		✓	
401-3	Parental leave	162		✓	
405-1	Diversity of governance bodies and employees	25, 148-149, 371-370		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
405-2	Ratio of basic salary and remuneration of women to men	163		✓	5, 8, 10, 16
406-1	Incidents of discrimination and corrective actions taken	160-161		✓	
Ethics and equality					
3-3	Management of material topics	203-204, 207, 217-218, 229-233, 251-253, 257-262		✓	5, 8, 16
205-1	Operations assessed for risks related to corruption	252-253		✓	
205-2	Communication and training about anti-corruption policies and procedures	254		✓	
205-3	Confirmed incidents of corruption and actions taken	255-257		✓	
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	204		✓	
207-1	Approach to tax	229		✓	
207-2	Tax governance, control, and risk management	229		✓	
207-3	Stakeholder engagement and management of concerns related to tax	229		✓	
207-4	Country-by-country reporting	234-235		✓	
414-2	Negative social impacts in the supply chain and actions taken	217-218		✓	
415-1	Political contributions	261-262		✓	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	208		✓	
Transparency and public policies *					
3-3	Management of material topics	77-87, 207, 228, 257-262		✓	2, 3, 5, 7, 8, 9, 12, 13, 14, 15, 16
201-4	Financial assistance received from government	266		✓	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	150		✓	
207-1	Approach to tax	229-233		✓	
207-2	Tax governance, control, and risk management	229-233		✓	
207-3	Stakeholder engagement and management of concerns related to tax	229-233		✓	
207-4	Country-by-country reporting	234-235		✓	
305-1	Direct GHG emissions (Scope 1)	88-89, 349		✓	
305-4	GHG emissions intensity	87		✓	
305-5	Reduction of GHG emissions	92		✓	
415-1	Contribution to political parties and/or representatives	261-262		✓	
418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data	208		✓	

GRI content index

GRI indicator	Content description	Location (SNFI-SR page) and/or response	Omission	External assurance	Relation to SDGs
Economic and financial performance					
3-3	Management of material topics	**230, 265, 266**		✓	**1, 2, 3, 5, 7, 8, 9, 10, 11, 13, 17**
201-1	Direct economic value generated and distributed	**265, 345**		✓	
201-2	Financial implications and other risks and opportunities due to climate change	**38, 66**		✓	
203-2	Significant indirect economic impacts	**266**		✓	
207-1	Approach to tax	**229**		✓	
207-2	Tax governance and risk management	**229**		✓	
207-3	Stakeholder engagement and management of concerns related to tax	**229**		✓	
207-4	Country-by-country reporting	**234-235**		✓	
Socially responsible investment and sustainable finance *					
3-3	Management of material topics	**265, 270-275, 276-296**		✓	**2, 5, 6, 7, 8, 9, 13, 14, 15**
201-1	Direct economic value generated and distributed	**265**		✓	
201-2	Financial implications and other risks and opportunities due to climate change	**38-68**		✓	
304-2	Significant impacts of activities, products, and services on biodiversity	**96-98**		✓	
305-1	Direct GHG emissions (Scope 1)	**88-89, 349**		✓	
305-4	GHG emissions intensity	**87**		✓	
305-5	Reduction of GHG emissions	**92**		✓	
EU 1	Installed capacity, broken down by primary energy source and by regulatory regime	**19**		✓	
EU2	Net energy output broken down by primary energy source and by regulatory regime	**19-20**		✓	

VI.5. SASB content index

SASB content index

Dimension	Material topics	Metric - Code	Metric	Page / Response
Environment	Greenhouse gas emissions and energy resource planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions	Pag. 87-89
		IF-EU-110a.1	(2) Emissions-limiting regulations	Pag. 89
		IF-EU-110a.1	(3) Emissions-limiting regulations	Pag. 89
		IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	15.259.356 t CO_2 eq
		IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	GRI 305-4 "Climate Action" Section Climate Action Report Group GHG report
		IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	Only applies to the United States. AVANGRID Renewables serves 2 large retail customers in Oregon as an electricity service provider (ESS). ESS entities are subject to Oregon's RPS statute (ORS 469A).
		IF-EU-110a.4	(2) percentage fulfilment of RPS target by market1	Only applies to the United States. The result, according to the most recent 2020 standard, is 100%.

SASB content index

Dimension	Material topics	Metric - Code	Metric	Page / Response
Environment	Air quality	IF-EU-120a.1	Air emissions of the following pollutants (percentage of each in or near areas of dense population): (1) NOx (excluding N2O)	56,928 t
				Pag. 92
			Air emissions of the following pollutants (percentage of each in or near areas of dense population): (2) SOx	769 t
				Pag. 93
			Air emissions of the following pollutants (percentage of each in or near areas of dense population): (3) particles (PM10)	1,164 t
				Pag. 93
			Air emissions of the following pollutants (percentage of each in or near areas of dense population): (4) lead (Pb)	Not applicable. These emissions are associated with coal combustion which Iberdrola did not produce in 2023 as it closed all its coal-fired power plants in 2020.
			Air emissions of the following pollutants (percentage of each in or near areas of dense population): (5) mercury (Hg)	
	Water management	IF-EU-140a.1	(1) Total water withdrawn, percentage in regions with high or extremely high baseline water stress	1.745.363 ML
				47% of the water withdrawn is from high water stress areas.
				21% of the water withdrawn is from extremely high water stress areas
			(2) Total water consumed, percentage in regions with high or extremely high baseline water stress	79.804 ML
				62% of the water consumed is from high water stress areas.
				17% of the water withdrawn is from extremely high water stress areas
		IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	0 incidents
		IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Non-material indicator, as the overall level of risk in extraction and consumption is very low. Information is likewise published in the CDP Water report.

SASB content index

Dimension	Material topics	Metric - Code	Metric	Page / Response
Environment	Coal ash management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Iberdrola has closed all its coal-fired power plants in 2020.
		IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	
	Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential customers	Pag. 340
		IF-EU-240a.1	Average retail electric rate for (2) commercial customers	Pag. 340
		IF-EU-240a.1	Average retail electric rate for (3) industrial customers	Pag. 340
		IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh	Pag. 340
		IF-EU-240a.2	Typical monthly electric bill for residential customers for (2) 1,000 kWh of electricity delivered per month	Pag. 340
		IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Pag. 371
		IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Pag. 221
Human capital	Workforce health and safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR)	Pag. 171
		IF-EU-320a.1	(2) fatality rate	Pag. 172
		IF-EU-320a.1	(3) near miss frequency rate (NMFR)	Pag. 172

SASB content index

Dimension	Material topics	Metric - Code	Metric	Page / Response
Business model and innovation	End-use efficiency and demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	The applicable percentage in the tariff structures applicable to the United States were: (1) 80% y (2) 0%
		IF-EU-420a.2	Percentage of electric load served by smart grid technology	Pág. 66
		IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Pág. 120
Leadership and governance	Nuclear safety & emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) action matrix column	Not applicable as there are no nuclear power plants in the United States.
		IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable as there are no nuclear power plants in the United States.
	Grid resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	AVANGRID did not experience any breaches of NERC's Critical Infrastructure Protection (CIP) standards leading to physical security or cyber security events. Any such event would have been reported under CIP-008-6, as required by requirement R4 of CIP-008-6. This indicator does not apply to the rest of the group's companies, as this regulation only applies to the United States
		IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI)	Pág. 196
		IF-EU-550a.2	(2) System Average Interruption Frequency Index (SAIFI)	Pág. 196
		IF-EU-550a.2	(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days 5	Pág. 196

SASB content index

Dimension	Material topics	Metric - Code	Metric	Page / Response
Activity Metrics		IF-EU-000.A	Number of: (1) residential customers served	Pág. 341
		IF-EU-000.A	Number of: (2) commercial customers served	Pág. 341
		IF-EU-000.A	Number of: (3) industrial customers served	Pág. 341
		IF-EU-000.B	Total electricity delivered to: (1) residential customers	Pág. 344
		IF-EU-000.B	Total electricity delivered to: (2) commercial customers	Pág. 344
		IF-EU-000.B	Total electricity delivered to: (3) industrial customers	Pág. 344
		IF-EU-000.B	Total electricity delivered to: (4) all other retail customers	Pág. 344
		IF-EU-000.B	Total electricity delivered to: (5) wholesale customers	Pág. 344
		IF-EU-000.C	Length of transmission and distribution lines	Pág. 342
		IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	Pág. 19 The vast majority of our United States assets are in unregulated markets.
		IF-EU-000.E	Total wholesale electricity purchased	The Iberdrola group operates in a number of markets, simultaneously carrying out electricity generation activities, supply on regulated markets, marketing on deregulated markets, and electricity trading on spot and forward markets. For this reason, this indicator is not considered to describe any significant aspect of business performance.

VI.6. Task Force on Climate-Related Financial Disclosures content index

The index below provides links to Iberdrola contents on climate-related risks and opportunities as recommended by the TCFD:

Task Force on Climate-Related Financial Disclosures content index

	TCFD recommendation	Link to Iberdrola content	Chapter	Page
Governance	a) Describe the oversight by the Board of climate-related risks and opportunities.	Statement of Non-Financial Information / Sustainability Report 2023	I.2. Governance and Sustainability System Climate governance Comprehensive Risk System	30, 34-36, 38-40
		Annual Financial Report 2023	4.6.4 ESG Section 4.1 Comprehensive Risk Control and Management System	
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Statement of Non-Financial Information / Sustainability Report 2023	I.2. Governance and Sustainability System Climate governance Comprehensive Risk System	30, 34-36, 38-40
		Annual Financial Report 2023	4.6.4 ESG Section 4.1 Comprehensive Risk Control and Management System	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Statement of Non-Financial Information / Sustainability Report 2023	Long-term risks and opportunities Management of climate opportunities and risks	34-36, 50-63
		Annual Financial Report 2023	Management Report: 4.6 Operational technological, environmental, social and legal risks 4.6.2 Climate change	
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Statement of Non-Financial Information / Sustainability Report 2023	Long-term risks and opportunities Management of climate opportunities and risks Climate Action Plan	30, 34-40, 38-66
		Annual Financial Report 2023	Financial Statements Note 6 (Climate Change and Paris Agreement section) 1.6 Strategic foundations for the 2023 – 2025 period	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Statement of Non-Financial Information / Sustainability Report 2023	Management of climate opportunities and risks	50-63
		Annual Financial Report 2023	Financial Statements Note 6 (Climate Change and Paris Agreement section)	

Task Force on Climate-Related Financial Disclosures content index

	TCFD recommendation	Link to Iberdrola content	Chapter	Page
Risk management	a) Describe the organisation's processes to identify and assess climate-related risks.	Statement of Non-Financial Information / Sustainability Report 2023	Long-term risks and opportunities	34-36, 50-63
		Annual Financial Report 2023	4.1 Comprehensive Risk Control and Management System 4.6.2 Climate change E- Risk Control and Management Systems	
	b) Describe the organisation's processes to manage climate-related risks.	Statement of Non-Financial Information / Sustainability Report 2023	Long-term risks and opportunities	34-36, 50-63
		Annual Financial Report 2023	4.1 Comprehensive Risk Control and Management System 4.6.2 Climate change E- Risk Control and Management Systems	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Statement of Non-Financial Information / Sustainability Report 2023	Long-term risks and opportunities	34-36, 50-63
		Annual Financial Report 2023	4.1 Comprehensive Risk Control and Management System 4.6.2 Climate change E- Risk Control and Management Systems	
Metrics and objectives	a) Disclose the metrics used by the organization to evaluate climate-related risks and opportunities in accordance with its risk management process and strategy.	Statement of Non-Financial Information / Sustainability Report 2023	Indicators and metrics Emissions reduction and climate change	66, 88-95
		Annual Financial Report 2023	Note 6 (Climate Change and Paris Agreement section)	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Statement of Non-Financial Information / Sustainability Report 2023	Inventory of Greenhouse Gas (GHG) Emissions	88
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Statement of Non-Financial Information / Sustainability Report 2023	Indicators and metrics Emissions reduction and climate change	66, 88-95
		Annual Financial Report 2023	1.6 Strategic foundations for the 2023 – 2025 period	

VI.7. Content index in relation to the principles of the Global Compact

The table below shows the connection between the GRI indicators of this report and the 10 Global Compact Principles. Using the table's index, each Stakeholder can assess the level of Iberdrola's advancement with respect to each of such principles:

Global Compact content index

Issue	Global Compact Principles	Associated GRI indicators	Related SDGs
Human rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	201-1, 202-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207-1, 207-2, 207-3, 207-4, 2-7, 2-8, 2-9, 2-10, 2-11, 2-12, 2-15, 2-23, 2-26, 2-27, 2-30, 301-1, 301-2, 302-1, 302-2, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 413-2, 414-1, 414-2, 415-1, 416-2, 417-3, 418-1	
	Principle 2. Businesses should make sure they are not complicit in human rights abuses.	414-2	

Global Compact content index

Issue	Global Compact Principles	Associated GRI indicators	Related SDGs	
Labour Rules	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	201-1, 202-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207-1, 207-2, 207-3, 207-4, 2-10, 2-11, 2-12, 2-15, 2-23, 2-26, 2-30, 2-7, 2-8, 2-9, 301-1, 301-2, 302-1, 302-2, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 2-27, 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-2, 414-1, 414-2, 415-1, 416-2, 417-3, 418-1		
	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	201-1, 202-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207-1, 207-2, 207-3, 207-4, 2-10, 2-11, 2-12, 2-15, 2-23, 2-26, 2-30, 2-7, 2-8, 2-9, 301-1, 301-2, 302-1, 302-2, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 2-27, 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-2 , 414-1, 414-2, 415-1, 416-2, 417-3, 418-1		
	Principle 5. Businesses should uphold the effective abolition of child labour.	201-1, 202-1, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1, 207-1, 207-2, 207-3, 207-4, 2-10, 2-11, 2-12, 2-15, 2-23, 2-26, 2-30, 2-7, 2-8, 2-9, 301-1, 301-2, 302-1, 302-2, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 2-27, 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7 , 403-8, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-2, 414-1, 414-2, 415-1, 416-2, 417-3, 418-1	  	  
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	2-7 202-1, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1		

Global Compact content index

Issue	Global Compact Principles	Associated GRI indicators	Related SDGs
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges.	201-1, 201-2, 203-1, 207-1, 207-2, 207-3, 207-4, 301-1, 301-2, 302-1, 302-2, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 411-1, 413-2, 417-1	
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	301-1 a 306-3, 308-2	
	Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	201-1, 201-2, 203-1, 207-1, 207-2, 207-3, 207-4, 301-1, 301-2, 302-1, 302-2, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 411-1, 413-2, 417-1	
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	2-23, 2-26 205-2, 205-3, 415-1	

Contact point for questions regarding the report

GRI 2-3

General questions regarding this report may be mailed to Iberdrola's ESG Division at Plaza Euskadi 5, 48009 Bilbao, Bizkaia – Spain, or sent to *ESG@iberdrola.es*.

The addresses and telephone numbers of Iberdrola's international centres, available contact channels, Customer Services and the Queries Mailbox can be found in the *Contact* section of the website.

VII. Annexes

Annex 1: Information supplementary to the Statement of Non-Financial Information

Annex 2: Statements

VII.1. Annex 1: Information Supplementary to the Statement of Non-Financial Information Sustainability Report 2023

Key figures

GRI EU3 SASB IF-EU-000.A

Electricity users (Millions) [98]				
		2023	2022	2021
Spain	Residential	8.1	8.2	8.0
	Industrial	0.2	0.2	0.2
	Commercial	1.7	1.8	1.7
	Institutional	0.1	0.1	0.1
	Other	0.0	0.0	0.0
	Total users	**10.2**	**10.4**	**10.0**
	Users that are producers of electricity	**0.2**	**0.1**	**0.0**
United Kingdom	Residential	2.5	2.7	2.7
	Industrial	0.0	0.1	0.1
	Commercial	0.1	0.1	0.1
	Institutional	0.0	0.0	0.0
	Other	0.0	0.0	0.0
	Total users	**2.7**	**2.8**	**2.8**
	Users that are producers of electricity	**0.1**	**0.1**	**0.1**
United States	Residential	2.0	2.0	2.0
	Industrial	0.0	0.0	0.0
	Commercial	0.3	0.3	0.3
	Institutional	0.0	0.0	0.0
	Other	0.0	0.0	0.0
	Total users	**2.3**	**2.3**	**2.3**
	Users that are producers of electricity	**0.0**	**0.0**	**0.0**
Brazil	Residential	14.5	14.2	13.9
	Industrial	0.0	0.0	0.0
	Commercial	1.1	1.1	1.1
	Institutional	0.2	0.2	0.2
	Other	0.5	0.5	0.6
	Total users	**16.4**	**16.0**	**15.7**
	Users that are producers of electricity	**0.7**	**0.4**	**0.1**
Mexico [99]	Residential	0.0	0.0	0.0
	Industrial	0.0	0.0	0.0
	Commercial	0.0	0.0	0.0
	Institutional	0.0	0.0	0.0
	Other	0.0	0.0	0.0
	Total users	**0.0**	**0.0**	**0.0**
	Users that are producers of electricity	**0.0**	**0.0**	**0.0**

[98] User information reported for Spain, the United Kingdom, Mexico and Rest of Europe are provided by the Electricity Production and Customers Business, as they correspond to liberalised markets. For the United States and Brazil they are provided by the Networks Business as they correspond to regulated markets.
[99] There are 4,574 industrial customers in Mexico.

Electricity users (Millions) [98]

		2023	2022	2021
Rest of the World	Residential	0.2	0.4	0.7
	Industrial	0.0	0.0	0.0
	Commercial	0.1	0.1	0.1
	Institutional	0.0	0.0	0.0
	Other	0.0	0.0	0.0
	Total users	**0.4**	**0.5**	**0.8**
	Users that are producers of electricity	**0.0**	**0.0**	**0.0**
Iberdrola total	Residential	27.4	27.5	27.2
	Industrial	0.3	0.4	0.3
	Commercial	3.3	3.4	3.3
	Institutional	0.3	0.3	0.3
	Other	0.5	0.5	0.6
	Total users	**31.9**	**32.1**	**31.7**
	Users that are producers of electricity	**1.0**	**0.7**	**0.2**

■ GRI EU4 ■ SASB IF-EU-000.C

Power lines (Km) [100]

		Transmission			Distribution		
		2023	2022	2021	2023	2022	2021
Spain	Overhead	0	0	0	156,790	159,475	160,857
	Underground	0	0	0	108,547	111,517	108,738
	Undersea	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**265,337**	**270,991**	**269,595**
United Kingdom	Overhead	3,766	3,790	3,756	38,227	38,292	38,392
	Underground	572	787	737	68,699	68,206	67,796
	Undersea	203	0	0	0	0	0
	Total	**4,541**	**4,577**	**4,493**	**106,926**	**106,498**	**106,188**
United States	Overhead	13,422	13,412	13,400	138,971	138,654	136,540
	Underground	605	605	605	18,915	18,792	17,499
	Undersea	0	0	0	0	0	0
	Total	**14,027**	**14,018**	**14,005**	**157,885**	**157,446**	**154,039**
Brazil	Overhead	2,438	2,333	2,333	722,360	705,516	686,324
	Underground	0	0	0	3,004	3,262	3,160
	Undersea	0	0	0	0	0	0
	Total	**2,438**	**2,333**	**2,333**	**725,364**	**708,777**	**689,484**
Iberdrola total	Overhead	19,626	19,536	19,489	1,056,349	1,041,936	1,022,113
	Underground	1,177	1,392	1,342	199,164	201,777	197,193
	Undersea	203	0	0	0	0	0
	Total	**21,007**	**20,928**	**20,831**	**1,255,513**	**1,243,713**	**1,219,306**

[100] Due to the nature of the electricity systems in each country, the voltage levels used to classify lines as transmission or distribution differ, and in 2023 the information on underground lines is disaggregated, including a new exclusive section on undersea lines.

SASB IF-EU-240a.1

Average retail electric rate in regulated markets (local currency/kWh) [101]			
		2023	
United States	Residential	0.23	$/KWh
	Industrial	0.16	$/KWh
	Commercial	0.20	$/KWh
Brazil	Residential	0.67	R$/KWh
	Industrial	0.68	R$/KWh
	Commercial	0.74	R$/KWh

SASB IF-EU-240a.2

Average retail electric rate for residential customers in regulated markets (local currency)			
		2023	
United States	500 kW/h	119.3	$
	1.000 kW/h	218.9	$
Brazil	500 kW/h	110.6	R$
	1.000 kW/h	605.7	R$

[101] Does not include other markets as they are liberalised markets (Spain, United Kingdom, Mexico and IEI).

SASB IF-EU-000.B

Total electricity supplied (MWh)

		2023	2022
Spain	Retail customers	57,745,100	62,820,000
	Residential customers	25,997,070	27,884,000
	Commercial customers	0	0
	Industrial customers	31,748,030	34,936,000
	Other retail customers	0	0
	Wholesale customers	0	0
	Iberdrola total	**57,745,100**	**62,820,000**
United Kingdom	Retail customers	15,880,000	18,482,000
	Residential customers	9,005,000	9,622,000
	Commercial customers	2,579,000	2,700,000
	Industrial customers	4,296,000	6,160,000
	Other retail customers	0	0
	Wholesale customers	0	0
	Iberdrola total	**15,880,000**	**18,482,000**
United States	Retail customers	35,669,755	36,701,791
	Residential customers	15,486,741	14,292,383
	Commercial customers	14,288,149	6,221,022
	Industrial customers	5,782,570	107,360
	Other retail customers	112,295	36,701,791
	Wholesale customers	0	0
	Iberdrola total	**35,669,755**	**36,701,791**
Brazil	Retail customers	73,518,889	72,583,966
	Residential customers	23,888,496	22,749,235
	Commercial customers	15,470,248	14,770,241
	Industrial customers	20,546,601	21,905,757
	Other retail customers	13,613,544	13,158,733
	Wholesale customers	3,598,547	3,178,264
	Iberdrola total	**77,117,436**	**75,762,230**
Mexico	Retail customers	0	19,051
	Residential customers	0	0
	Commercial customers	0	0
	Industrial customers	0	19,051
	Other retail customers	0	0
	Wholesale customers [102]	0	37,523
	Iberdrola total	**0**	**56,574**
Rest of the World	Retail customers	11,934,070	10,838,000
	Residential customers	1,593,780	2,387,000
	Commercial customers	10,340,290	8,451,000
	Industrial customers	0	0
	Other retail customers	0	0
	Wholesale customers	0	0
	Iberdrola total	**11,934,070**	**10,838,000**
Iberdrola total	Retail customers	194,747,814	201,244,808
	Residential customers	75,971,087	78,723,261
	Commercial customers	42,677,687	40,213,624
	Industrial customers	62,373,201	69,241,830
	Other retail customers	13,725,839	13,266,093
	Wholesale customers	3,598,547	3,215,787
	Iberdrola total	**198,346,361**	**204,660,595**

[102] Corresponding to CFE.

Economic dimension

The main figures relating to turnover, value of assets and liabilities and composition of consolidated property, plant and equipment can be seen in the *Annual Financial Report 2023*.

GRI 201-1

Economic value generated, distributed and retained (EUR millions) [103]

		2023	2022
Spain	Revenue (sales and other income) (+)	18,550	23,107
	Direct economic value generated (+)	**18,550**	**23,107**
	Operating costs (-)	10,155	16,253
	Employee remuneration (excluding company social security costs) (-)	1,038	861
	Payments to providers of capital (-)	1,694	1,798
	Payments to government administrations (-)	2,448	1,740
	Investments to the benefit of the community(verified according to the LBG Model) (-)	24	24
	Economic value distributed (-)	**15,359**	**20,676**
	Economic value retained (=)	**3,191**	**2,432**
United Kingdom	Revenue (sales and other income) (-)	11,018	9,976
	Direct economic value generated (-)	**11,018**	**9,976**
	Operating costs (-)	6,838	7,429
	Employee remuneration (excluding company social security costs) (-)	489	465
	Payments to providers of capital (-)	1,096	536
	Payments to government administrations (-)	570	197
	Investments to the benefit of the community(verified according to the LBG Model) (-)	14	15
	Economic value distributed (-)	**9,007**	**8,642**
	Economic value retained (=)	**2,011**	**1,335**
United States	Revenue (sales and other income) (+)	7,548	8,384
	Direct economic value generated (+)	**7,548**	**8,384**
	Operating costs (-)	3,916	4,109
	Employee remuneration (excluding company social security costs) (-)	1,267	1,110
	Payments to providers of capital (-)	701	721
	Payments to government administrations (-)	889	870
	Investments to the benefit of the community(verified according to the LBG Model) (-)	5	5
	Economic value distributed (-)	**6,778**	**6,815**
	Economic value retained (=)	**770**	**1,568**
Brazil	Revenue (sales and other income) (+)	9,646	9,103
	Direct economic value generated (+)	**9,646**	**9,103**
	Operating costs (-)	6,417	6,079
	Employee remuneration (excluding company social security costs) (-)	453	422
	Payments to providers of capital (-)	1,640	1,486
	Payments to government administrations (-)	235	180
	Investments to the benefit of the community(verified according to the LBG Model) (-)	5	5
	Economic value distributed (-)	**8,750**	**8,172**
	Economic value retained (=)	**895**	**932**

[103] The grouping by country corresponds to the registered office of each company and does not necessarily coincide with the segmentation of the information for management.

Economic value generated, distributed and retained (EUR millions) [103]

		2023	2022
Mexico	Revenue (sales and other income) (+)	3,420	4,375
	Direct economic value generated (+)	**3,420**	**4,375**
	Operating costs (-)	2,135	3,173
	Employee remuneration (excluding company social security costs) (-)	84	71
	Payments to providers of capital (-)	683	480
	Payments to government administrations (-)	156	150
	Investments to the benefit of the community(verified according to the LBG Model) (-)	3	2
	Economic value distributed (-)	**3,061**	**3,876**
	Economic value retained (=)	**359**	**499**
Other countries	Revenue (sales and other income) (+)	1,045	876
	Direct economic value generated (+)	**1,045**	**876**
	Operating costs (-)	526	373
	Employee remuneration (excluding company social security costs) (-)	93	66
	Payments to providers of capital (-)	377	93
	Payments to government administrations (-)	119	118
	Investments to the benefit of the community(verified according to the LBG Model) (-)	0	0
	Economic value distributed (-)	**1,115**	**650**
	Economic value retained (=)	**70**	**225**
Iberdrola total	Revenue (sales and other income) (+)	51,227	55,821
	Direct economic value generated (+)	**51,227**	**55,821**
	Operating costs (-)	29,987	37,415
	Employee remuneration (excluding company social security costs) (-)	3,424	2,995
	Payments to providers of capital (-)	6,191	5,114
	Payments to government administrations (-)	4,417	3,255
	Investments to the benefit of the community(verified according to the LBG Model) (-)	52	52
	Economic value distributed (-)	**44,071**	**48,830**
	Economic value retained (=)	**7,156**	**6,991**

Pre-tax profit (EUR millions) [104]

	2023	2022	2021
Spain	3,626	2,981	3,824
United Kingdom	1,842	665	624
United States	254	1,129	496
Brazil	766	874	803
Mexico	370	414	506
IEI	167	230	49
Iberdrola consolidated total	**7,025**	**6,292**	**6,301**

[104] Includes the consolidated results from ongoing activities.
The results from Other Business, Corporation, and Adjustments is included in Iberdrola.

Environmental dimension

Water

Total water withdrawal by source

- **GRI 303-3**

Use of water in thermal generation 2023 (ML) [105]

	Withdrawal				Discharge	
	Total withdrawal	Water withdrawal from offices	Withdrawal process and standby services	Withdrawal for cooling	Evaporation of water used for cooling	Discharge into receptor environment
Spain	1,512,411	79	3,765	1,508,566	54,250	1,460,371
United Kingdom [106]	57	53	4	0	0	0
United States	3,419	99	14	3,306 [107]	2,050	1,371
Brazil	46,542	167	23	46,351	0	46,351
Mexico	182,901	418	1,917	180,566	21,199	156,107
IEI	34	3	30	0	0	0
Total	**1,745,364**	**819**	**5,753**	**1,738,789**	**77,499**	**1,664,200**

Biodiversity

Threatened species included in the UICN Red List and national and regional lists

- **GRI 304-4**

IUCN Red List Classification

		Endangered (EN)	Vulnerable (VU)	Critically endangered (CR)	Near threatened (NT)	Least concern (LC)
Spain	13	42	100		122	1,190
United Kingdom	1	3	2		9	127
United States - Canada	2	13	10		11	36
Brazil	5	20	43		35	928
Mexico	0	5	10		15	417
IEI	2	3	22		22	309
Total	**22**	**81**	**172**		**188**	**2,568**

[105] Withdrawal of water at the thermal generation facilities (coal, combined cycle, nuclear and cogeneration).
[106] United Kingdom does not have thermal generation.
[107] Water for cooling is not broken down, included in water from services.

Emissions

Direct greenhouse gas emissions at production facilities, Scope 1 (per GHG Protocol)

GRI 305-1

CO_2 emissions at Scope 1 production facilities (t)			
	2023	2022	2021
Spain	**3,663,120**	**4,123,265**	**4,477,856**
Generating plants	2,733,914	2,954,193	2,985,589
Cogeneration	924,639	1,164,259	1,487,273
Other emissions	4,567	4,813	4,994
United Kingdom	**0**	**0**	**0**
Generating plants	0	0	0
Cogeneration	0	0	0
United States	**1,292,286**	**1,050,346**	**1,306,778**
Generating plants	0	0	0
Cogeneration	1,245,098	1,012,134	1,267,066
Other emissions	47,188	38,212	39,712
Brazil	**49,484**	**19,337**	**921,137**
Generating plants	49,484	19,337	921,137
Cogeneration	0	0	0
Mexico	**4,997,043**	**5,445,325**	**6,029,997**
Generating plants	4,340,067	4,782,544	5,268,632
Cogeneration	656,976	662,781	761,365
IEI	**48,978**	**42,851**	**18,395**
Generating plants	0	0	0
Cogeneration	0	0	0
Other emissions	48,978	42,851	18,395
Total	**10,050,911**	**10,681,124**	**12,754,162**
Generating plants	*7,123,465*	*8,421,306*	*9,175,358*
Cogeneration	*2,826,713*	*2,839,174*	*3,515,703*
Other emissions	*100,732*	*85,876*	*63,101*

NO_x, SO_2 and other significant air emissions[108]

GRI 305-7

Emissions of NO_X (t) from generation and cogeneration plants			
	2023	2022	2021
Spain	2,142	4,462	5,652
United Kingdom	0	0	0
United States	72	68	134
Brazil	7	2	194
Mexico	54,706	53,655	52,692
Total	**56,928**	**58,187**	**58,672**

Emissions of sulphur dioxide (SO_2) (t) from generation and co-generation plants			
	2023	2022	2021
Spain	179	435	603
United Kingdom	0	0	0
United States	6	5	6
Brazil	0	0	10
Mexico	583	572	561
Total	**769**	**1,012**	**1,180**

Emissions of particulates (t) from generation and cogeneration plants			
	2023	2022	2021
Spain	20	50	67
United Kingdom	0	0	0
United States	24	17	21
Brazil	0	0	0
Mexico	1,120	1,098	1,086
Total	**1,164**	**1,165**	**1,174**

[108] Own and third-party plants have been included in the calculation of emissions of NO_x, SO_2 and particulates.

Social dimension

Employment[109]

GRI 2-7

Total workforce by employment type, gender, age and region at year-end

		Full-time			Part-time		
		2023	2022	2021	2023	2022	2021
Spain	Men	**7,593**	**7,514**	**7,596**	**2**	**2**	**2**
	Up to 30 years old	605	557	536	0	0	0
	Between 31 and 50 years old	4,525	4,513	4,453	2	2	2
	More than 51 years old	2,463	2,444	2,607	0	0	0
	Women	**2,299**	**2,186**	**2,128**	**0**	**0**	**1**
	Up to 30 years old	238	212	191	0	0	1
	Between 31 and 50 years old	1,487	1,458	1,413	0	0	0
	More than 51 years old	574	516	524	0	0	0
	Total	**9,892**	**9,700**	**9,724**	**2**	**2**	**3**
	Up to 30 years old	843	769	727	0	0	1
	Between 31 and 50 years old	6,012	5,971	5,866	2	2	2
	More than 51 years old	3,037	2,960	3,131	0	0	0
United Kingdom	Men	**4,264**	**3,938**	**3,767**	**55**	**35**	**43**
	Up to 30 years old	1,075	905	706	0	2	4
	Between 31 and 50 years old	2,121	1,996	1,969	13	10	12
	More than 51 years old	1,068	1,037	1,092	42	23	27
	Women	**1,627**	**1,436**	**1,434**	**322**	**346**	**464**
	Up to 30 years old	380	280	217	14	16	12
	Between 31 and 50 years old	890	822	812	225	258	356
	More than 51 years old	357	334	405	83	72	96
	Total	**5,891**	**5,374**	**5,201**	**377**	**381**	**507**
	Up to 30 years old	1,455	1,185	923	14	18	16
	Between 31 and 50 years old	3,011	2,818	2,781	238	268	368
	More than 51 years old	1,425	1,371	1,497	125	95	123

[109] As the percentage interests in certain companies may not be 100%, the sums added may not correspond to the total presented due to rounding.

Total workforce by employment type, gender, age and region at year-end

		Full-time			Part-time		
		2023	2022	2021	2023	2022	2021
United States [110]	Men	**5,767**	**5,487**	**5,332**	**1**	**2**	**1**
	Up to 30 years old	1,070	945	874	0	0	0
	Between 31 and 50 years old	2,959	2,813	2,602	0	0	0
	More than 51 years old	1,738	1,729	1,856	1	2	1
	Women	**2,210**	**2,076**	**2,008**	**11**	**8**	**8**
	Up to 30 years old	324	285	230	1	0	0
	Between 31 and 50 years old	1,068	997	925	5	5	6
	More than 51 years old	818	794	853	5	3	2
	Total	**7,987**	**7,569**	**7,340**	**12**	**10**	**9**
	Up to 30 years old	1,397	1,231	1,104	1	0	0
	Between 31 and 50 years old	4,033	3,814	3,527	5	5	6
	More than 51 years old	2,557	2,524	2,709	6	5	3
Brazil	Men	**12,147**	**12,053**	**11,481**	**342**	**396**	**873**
	Up to 30 years old	2,679	2,841	2,996	65	82	159
	Between 31 and 50 years old	8,758	8,492	7,769	250	283	666
	More than 51 years old	710	720	716	27	31	48
	Women	**2,991**	**2,777**	**2,501**	**213**	**180**	**203**
	Up to 30 years old	929	908	804	68	53	62
	Between 31 and 50 years old	1,931	1,761	1,587	127	103	119
	More than 51 years old	131	108	110	18	24	22
	Total	**15,138**	**14,830**	**13,982**	**555**	**576**	**1,076**
	Up to 30 years old	3,608	3,749	3,800	133	135	221
	Between 31 and 50 years old	10,689	10,253	9,356	377	386	785
	More than 51 years old	841	828	826	45	55	70
Mexico	Men	**1,023**	**1,032**	**1,032**	**0**	**0**	**0**
	Up to 30 years old	166	198	227	0	0	0
	Between 31 and 50 years old	732	725	713	0	0	0
	More than 51 years old	125	109	92	0	0	0
	Women	**278**	**273**	**264**	**0**	**0**	**0**
	Up to 30 years old	63	78	88	0	0	0
	Between 31 and 50 years old	203	185	168	0	0	0
	More than 51 years old	12	10	8	0	0	0
	Total	**1,301**	**1,305**	**1,296**	**0**	**0**	**0**
	Up to 30 years old	229	276	315	0	0	0
	Between 31 and 50 years old	935	910	881	0	0	0
	More than 51 years old	137	119	100	0	0	0

[110] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Total workforce by employment type, gender, age and region at year-end

		Full-time			Part-time		
		2023	2022	2021	2023	2022	2021
IEI	Men	**746**	**652**	**545**	**0**	**1**	**0**
	Up to 30 years old	115	87	85	0	0	0
	Between 31 and 50 years old	538	489	389	0	0	0
	More than 51 years old	93	76	71	0	1	0
	Women	**375**	**318**	**272**	**0**	**3**	**0**
	Up to 30 years old	85	64	55	0	1	0
	Between 31 and 50 years old	266	239	202	0	1	0
	More than 51 years old	24	15	15	0	1	0
	Total	**1,121**	**970**	**817**	**0**	**4**	**0**
	Up to 30 years old	200	151	140	0	1	0
	Between 31 and 50 years old	804	728	591	0	1	0
	More than 51 years old	117	91	86	0	2	0
Iberdrola total	Men	**31,540**	**30,676**	**29,753**	**400**	**436**	**919**
	Up to 30 years old	5,710	5,533	5,424	65	84	163
	Between 31 and 50 years old	19,633	19,028	17,895	265	295	680
	More than 51 years old	6,197	6,115	6,434	70	57	76
	Women	**9,780**	**9,066**	**8,607**	**546**	**537**	**676**
	Up to 30 years old	2,019	1,827	1,585	83	70	75
	Between 31 and 50 years old	5,845	5,462	5,107	357	367	481
	More than 51 years old	1,916	1,777	1,915	106	100	120
	Total	**41,330**	**39,748**	**38,360**	**946**	**973**	**1,595**
	Up to 30 years old	**7,732**	**7,361**	**7,009**	**148**	**154**	**238**
	Between 31 and 50 years old	**25,484**	**24,494**	**23,002**	**622**	**662**	**1,161**
	More than 51 years old	**8,114**	**7,893**	**8,349**	**176**	**157**	**196**

Total workforce by contract type, gender, professional category and region

		Permanent contract			Temporary contract		
		2023	2022	2021	2023	2022	2021
Spain	Men	**7,592**	**7,512**	**7,590**	**3**	**5**	**8**
	Leadership	750	724	841	0	0	0
	Qualified Technicians	3,275	3,194	3,078	1	2	2
	Skilled workers and support personnel	3,567	3,594	3,671	2	3	6
	Women	**2,299**	**2,185**	**2,126**	**1**	**1**	**3**
	Leadership	314	272	323	0	0	0
	Qualified Technicians	1,525	1,451	1,312	0	0	1
	Skilled workers and support personnel	460	462	491	1	0	2
	Total	**9,890**	**9,697**	**9,716**	**4**	**5**	**11**
	Leadership	1,064	996	1,164	0	0	0
	Qualified Technicians	4,800	4,645	4,390	1	2	3
	Skilled workers and support personnel	4,026	4,056	4,162	3	3	8
United Kingdom	Men	**4,309**	**3,956**	**3,802**	**10**	**17**	**8**
	Leadership	267	240	576	0	0	1
	Qualified Technicians	2,953	2,642	2,156	9	15	6
	Skilled workers and support personnel	1,089	1,074	1,070	1	2	1
	Women	**1,934**	**1,765**	**1,888**	**15**	**17**	**10**
	Leadership	125	102	258	0	1	0
	Qualified Technicians	1,407	1,242	1,074	10	13	8
	Skilled workers and support personnel	402	421	556	5	3	2
	Total	**6,243**	**5,721**	**5,690**	**25**	**34**	**18**
	Leadership	392	342	834	0	1	1
	Qualified Technicians	4,360	3,884	3,230	19	28	14
	Skilled workers and support personnel	1,491	1,495	1,626	6	5	3

Total workforce by contract type, gender, professional category and region

		Permanent contract			Temporary contract		
		2023	2022	2021	2023	2022	2021
United States [111]	Men	**5,759**	**5,481**	**5,300**	**9**	**8**	**33**
	Leadership	255	237	232	0	0	0
	Qualified Technicians	2,135	2,007	1,863	0	0	0
	Skilled workers and support personnel	3,369	3,237	3,205	9	8	33
	Women	**2,220**	**2,083**	**2,015**	**1**	**1**	**1**
	Leadership	96	102	96	0	0	0
	Qualified Technicians	1,153	1,036	943	0	0	0
	Skilled workers and support personnel	971	945	976	1	1	1
	Total	**7,989**	**7,570**	**7,315**	**10**	**9**	**34**
	Leadership	352	339	328	0	0	0
	Qualified Technicians	3,293	3,046	2,806	0	0	0
	Skilled workers and support personnel	4,344	4,185	4,181	10	9	34
Brazil	Men	**12,489**	**12,447**	**12,343**	**0**	**2**	**11**
	Leadership	296	289	286	0	0	0
	Qualified Technicians	2,062	2,027	1,868	0	0	1
	Skilled workers and support personnel	10,131	10,131	10,189	0	2	10
	Women	**3,204**	**2,957**	**2,702**	**0**	**0**	**2**
	Leadership	129	117	102	0	0	0
	Qualified Technicians	1,468	1,454	1,301	0	0	0
	Skilled workers and support personnel	1,607	1,386	1,299	0	0	2
	Total	**15,693**	**15,404**	**15,045**	**0**	**2**	**13**
	Leadership	425	406	388	0	0	0
	Qualified Technicians	3,530	3,481	3,169	0	0	1
	Skilled workers and support personnel	11,738	11,517	11,488	0	2	12

[111] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Total workforce by contract type, gender, professional category and region

		Permanent contract			Temporary contract		
		2023	2022	2021	2023	2022	2021
Mexico	Men	**960**	**964**	**959**	**63**	**68**	**73**
	Leadership	89	79	78	0	0	0
	Qualified Technicians	484	487	499	19	30	20
	Skilled workers and support personnel	387	398	382	44	38	53
	Women	**258**	**247**	**250**	**20**	**26**	**14**
	Leadership	21	20	16	1	1	0
	Qualified Technicians	217	206	214	16	23	10
	Skilled workers and support personnel	20	21	20	3	2	4
	Total	**1,218**	**1,211**	**1,209**	**83**	**94**	**87**
	Leadership	110	99	94	1	1	0
	Qualified Technicians	701	693	713	35	53	30
	Skilled workers and support personnel	407	419	402	47	40	57

Total workforce by contract type, gender, professional category and region

		Permanent contract			Temporary contract		
		2023	2022	2021	2023	2022	2021
IEI	Men	**731**	**639**	**522**	**15**	**14**	**23**
	Leadership	83	80	76	1	0	0
	Qualified Technicians	527	459	352	13	14	23
	Skilled workers and support personnel	121	100	94	1	0	0
	Women	**365**	**308**	**261**	**10**	**13**	**11**
	Leadership	24	14	12	0	0	0
	Qualified Technicians	331	292	246	9	13	11
	Skilled workers and support personnel	10	2	3	1	0	0
	Total	**1,096**	**947**	**783**	**25**	**27**	**34**
	Leadership	107	94	88	1	0	0
	Qualified Technicians	858	751	598	22	27	34
	Skilled workers and support personnel	131	102	97	2	0	0
Iberdrola total	Men	**31,840**	**30,999**	**30,516**	**100**	**114**	**156**
	Leadership	1,740	1,649	2,089	1	0	1
	Qualified Technicians	11,436	10,816	9,816	42	61	52
	Skilled workers and support personnel	18,664	18,534	18,611	57	53	103
	Women	**10,280**	**9,545**	**9,242**	**47**	**58**	**41**
	Leadership	709	627	807	1	2	0
	Qualified Technicians	6,101	5,681	5,090	35	49	30
	Skilled workers and support personnel	3,470	3,237	3,345	11	6	11
	Total	**42,129**	**40,550**	**39,758**	**147**	**171**	**197**
	Leadership	**2,450**	**2,276**	**2,896**	**2**	**2**	**1**
	Qualified Technicians	**17,542**	**16,500**	**14,906**	**77**	**110**	**82**
	Skilled workers and support personnel	**22,137**	**21,774**	**21,956**	**68**	**59**	**114**

Total workforce by contract type, gender, age and region at year-end

		Permanent contract			Temporary contract		
		2023	2022	2021	2023	2022	2021
Spain	Men	**7,592**	**7,512**	**7,590**	**3**	**5**	**8**
	Up to 30 years old	604	555	533	1	2	3
	Between 31 and 50 years old	4,526	4,513	4,450	2	2	5
	More than 51 years old	2,463	2,444	2,607	0	0	0
	Women	**2,299**	**2,185**	**2,126**	**1**	**1**	**3**
	Up to 30 years old	237	211	191	1	0	2
	Between 31 and 50 years old	1,487	1,458	1,412	0	0	1
	More than 51 years old	574	516	523	0	0	0
	Total	**9,890**	**9,697**	**9,716**	**4**	**5**	**11**
	Up to 30 years old	841	766	724	2	3	5
	Between 31 and 50 years old	6,013	5,971	5,862	2	2	6
	More than 51 years old	3,037	2,960	3,130	0	0	0
United Kingdom	Men	**4,309**	**3,956**	**3,802**	**10**	**17**	**8**
	Up to 30 years old	1,072	898	710	3	9	0
	Between 31 and 50 years old	2,131	2,000	1,974	3	6	7
	More than 51 years old	1,106	1,058	1,118	4	2	1
	Women	**1,934**	**1,765**	**1,888**	**15**	**17**	**10**
	Up to 30 years old	385	286	226	9	10	3
	Between 31 and 50 years old	1,111	1,075	1,162	4	5	6
	More than 51 years old	438	404	500	2	2	1
	Total	**6,243**	**5,721**	**5,690**	**25**	**34**	**18**
	Up to 30 years old	1,457	1,184	936	12	19	3
	Between 31 and 50 years old	3,242	3,075	3,136	7	11	13
	More than 51 years old	1,544	1,462	1,618	6	4	2
United States	Men	**5,759**	**5,481**	**5,300**	**9**	**8**	**33**
	Up to 30 years old	1,062	942	854	8	3	20
	Between 31 and 50 years old	2,958	2,808	2,589	1	5	13
	More than 51 years old	1,739	1,731	1,857	0	0	0
	Women	**2,220**	**2,083**	**2,015**	**1**	**1**	**1**
	Up to 30 years old	324	285	229	1	0	1
	Between 31 and 50 years old	1,073	1,002	931	0	0	0
	More than 51 years old	823	796	855	0	1	0
	Total	**7,989**	**7,570**	**7,315**	**10**	**9**	**34**
	Up to 30 years old	1,389	1,228	1,083	9	3	21
	Between 31 and 50 years old	4,037	3,814	3,520	1	5	13
	More than 51 years old	2,563	2,528	2,712	0	1	0
Brazil	Men	**12,489**	**12,447**	**12,343**	**0**	**2**	**11**
	Up to 30 years old	2,744	2,922	3,149	0	1	6
	Between 31 and 50 years old	9,008	8,774	8,430	0	1	5
	More than 51 years old	737	751	764	0	0	0
	Women	**3,204**	**2,957**	**2,702**	**0**	**0**	**2**
	Up to 30 years old	997	961	864	0	0	2
	Between 31 and 50 years old	2,058	1,864	1,706	0	0	0
	More than 51 years old	149	132	132	0	0	0
	Total	**15,693**	**15,404**	**15,045**	**0**	**2**	**13**
	Up to 30 years old	3,741	3,883	4,013	0	1	8
	Between 31 and 50 years old	11,066	10,638	10,136	0	1	5
	More than 51 years old	886	883	896	0	0	0

Total workforce by contract type, gender, age and region at year-end

		Permanent contract			Temporary contract		
		2023	2022	2021	2023	2022	2021
México	Men	**960**	**964**	**959**	**63**	**68**	**73**
	Up to 30 years old	141	174	191	25	24	36
	Between 31 and 50 years old	695	684	677	37	41	36
	More than 51 years old	124	106	91	1	3	1
	Women	**258**	**247**	**250**	**20**	**26**	**14**
	Up to 30 years old	50	64	81	13	14	7
	Between 31 and 50 years old	197	174	161	6	11	7
	More than 51 years old	11	9	8	1	1	0
	Total	**1,218**	**1,211**	**1,209**	**83**	**94**	**87**
	Up to 30 years old	191	238	272	38	38	43
	Between 31 and 50 years old	892	858	838	43	52	43
	More than 51 years old	135	115	99	2	4	1
IEI	Men	**731**	**639**	**522**	**15**	**14**	**23**
	Up to 30 years old	110	83	78	5	4	7
	Between 31 and 50 years old	529	480	377	9	9	12
	More than 51 years old	92	76	67	1	1	4
	Women	**365**	**308**	**261**	**10**	**13**	**11**
	Up to 30 years old	79	60	52	6	5	3
	Between 31 and 50 years old	262	232	194	4	8	8
	More than 51 years old	24	16	15	0	0	0
	Total	**1,096**	**947**	**783**	**25**	**27**	**34**
	Up to 30 years old	189	143	130	11	9	10
	Between 31 and 50 years old	791	712	571	13	17	20
	More than 51 years old	116	92	82	1	1	4
Iberdrola total	Men	**31,840**	**30,999**	**30,516**	**100**	**114**	**156**
	Up to 30 years old	5,733	5,574	5,515	42	43	72
	Between 31 and 50 years old	19,847	19,259	18,497	52	64	78
	More than 51 years old	6,261	6,166	6,504	6	6	6
	Women	**10,280**	**9,545**	**9,242**	**47**	**58**	**41**
	Up to 30 years old	2,072	1,867	1,643	30	29	18
	Between 31 and 50 years old	6,188	5,805	5,566	14	24	22
	More than 51 years old	2,019	1,873	2,033	3	4	1
	Total	**42,129**	**40,550**	**39,758**	**147**	**171**	**197**
	Up to 30 years old	**7,808**	**7,442**	**7,158**	**72**	**73**	**90**
	Between 31 and 50 years old	**26,041**	**25,068**	**24,063**	**66**	**88**	**100**
	More than 51 years old	**8,281**	**8,040**	**8,537**	**9**	**10**	**7**

Total workforce by employment type, gender, professional category and region at year-end

		Full-time			Part-time		
		2023	2022	2021	2023	2022	2021
Spain	Men	**7,593**	**7,514**	**7,596**	**2**	**2**	**2**
	Leadership	750	724	841	0	0	0
	Qualified Technicians	3,274	3,194	3,079	1	2	1
	Skilled workers and support personnel	3,568	3,596	3,675	1	1	1
	Women	**2,299**	**2,186**	**2,128**	**0**	**0**	**1**
	Leadership	314	272	323	0	0	0
	Qualified Technicians	1,525	1,451	1,313	0	0	0
	Skilled workers and support personnel	461	463	492	0	0	1
	Total	**9,892**	**9,700**	**9,724**	**2**	**3**	**3**
	Leadership	1,064	996	1,164	0	0	0
	Qualified Technicians	4,799	4,645	4,392	2	2	1
	Skilled workers and support personnel	4,029	4,059	4,167	1	1	2
United Kingdom	Men	**4,264**	**3,938**	**3,767**	**55**	**35**	**43**
	Leadership	262	238	567	5	2	10
	Qualified Technicians	2,923	2,632	2,138	39	25	24
	Skilled workers and support personnel	1,079	1,068	1,062	11	8	9
	Women	**1,627**	**1,436**	**1,434**	**322**	**346**	**464**
	Leadership	115	94	217	10	9	41
	Qualified Technicians	1,202	1,050	870	215	205	212
	Skilled workers and support personnel	310	292	347	97	132	211
	Total	**5,891**	**5,374**	**5,201**	**377**	**381**	**507**
	Leadership	377	332	784	15	11	51
	Qualified Technicians	4,125	3,682	3,008	254	230	236
	Skilled workers and support personnel	1,389	1,360	1,409	108	140	220
United States [112]	Men	**5,767**	**5,487**	**5,332**	**1**	**2**	**1**
	Leadership	255	237	232	0	0	0
	Qualified Technicians	2,134	2,005	1,862	1	2	1
	Skilled workers and support personnel	3,378	3,245	3,238	0	0	0
	Women	**2,210**	**2,076**	**2,008**	**11**	**8**	**8**
	Leadership	96	102	96	0	0	0
	Qualified Technicians	1,143	1,030	937	10	6	6
	Skilled workers and support personnel	971	944	975	1	2	2
	Total	**7,987**	**7,569**	**7,340**	**12**	**10**	**9**
	Leadership	352	339	328	0	0	0
	Qualified Technicians	3,282	3,038	2,799	11	8	7
	Skilled workers and support personnel	4,353	4,192	4,213	1	2	2

[112] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Total workforce by employment type, gender, professional category and region at year-end

		Full-time			Part-time		
		2023	2022	2021	2023	2022	2021
Brazil [113]	Men	**12,147**	**12,053**	**11,481**	**342**	**396**	**873**
	Leadership	296	289	286	0	0	0
	Qualified Technicians	2,046	2,024	1,856	16	3	13
	Skilled workers and support personnel	9,805	9,740	9,339	326	393	860
	Women	**2,991**	**2,777**	**2,501**	**213**	**180**	**203**
	Leadership	128	117	102	1	0	0
	Qualified Technicians	1,446	1,448	1,297	22	6	4
	Skilled workers and support personnel	1,417	1,212	1,102	190	174	199
	Total	**15,138**	**14,830**	**13,982**	**555**	**576**	**1,076**
	Leadership	424	406	388	1	0	0
	Qualified Technicians	3,492	3,472	3,153	38	9	17
	Skilled workers and support personnel	11,222	10,952	10,441	516	567	1,059
Mexico	Men	**1,023**	**1,032**	**1,032**	**0**	**0**	**0**
	Leadership	89	79	78	0	0	0
	Qualified Technicians	503	517	519	0	0	0
	Skilled workers and support personnel	431	436	435	0	0	0
	Women	**278**	**273**	**264**	**0**	**0**	**0**
	Leadership	22	21	16	0	0	0
	Qualified Technicians	233	229	224	0	0	0
	Skilled workers and support personnel	23	23	24	0	0	0
	Total	**1,301**	**1,305**	**1,296**	**0**	**0**	**0**
	Leadership	111	100	94	0	0	0
	Qualified Technicians	736	746	743	0	0	0
	Skilled workers and support personnel	454	459	459	0	0	0
IEI	Men	**746**	**652**	**545**	**0**	**1**	**0**
	Leadership	84	80	76	0	0	0
	Qualified Technicians	540	472	375	0	1	0
	Skilled workers and support personnel	122	100	94	0	0	0
	Women	**375**	**318**	**272**	**0**	**3**	**0**
	Leadership	24	14	12	0	0	0
	Qualified Technicians	340	302	257	0	3	0
	Skilled workers and support personnel	11	2	3	0	0	0
	Total	**1,121**	**970**	**817**	**0**	**4**	**0**
	Leadership	108	94	88	0	0	0
	Qualified Technicians	880	774	632	0	4	0
	Skilled workers and support personnel	133	102	97	0	0	0

[113] In Brazil, part-time is considered to be less than 200 hours.

Total workforce by employment type, gender, professional category and region at year-end

		Full-time			Part-time		
		2023	2022	2021	2023	2022	2021
Total Iberdrola	Men	**31,540**	**30,676**	**29,753**	**400**	**436**	**919**
	Leadership	1,736	1,647	2,080	5	2	10
	Qualified Technicians	11,420	10,844	9,829	57	33	39
	Skilled workers and support personnel	18,383	18,185	17,843	338	402	870
	Women	**9,780**	**9,066**	**8,607**	**546**	**537**	**676**
	Leadership	699	620	766	11	9	41
	Qualified Technicians	5,889	5,510	4,898	247	220	222
	Skilled workers and support personnel	3,193	2,936	2,943	288	308	413
	Total	**41,330**	**39,748**	**38,360**	**946**	**974**	**1,595**
	Leadership	**2,436**	**2,267**	**2,846**	**16**	**11**	**51**
	Qualified Technicians	**17,314**	**16,357**	**14,727**	**305**	**253**	**261**
	Skilled workers and support personnel	**21,580**	**21,124**	**20,786**	**626**	**710**	**1,283**

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New hires by region, gender and age group[114]

		Men			Women		
		2023	2022	2021	2023	2022	2021
Spain	By age group	**383**	**394**	**382**	**181**	**208**	**164**
	Up to 30 years old	213	182	188	102	82	89
	Between 31 and 50 years old	160	201	186	77	122	73
	More than 51 years old	10.06	11.03	8.00	2.00	4.00	2.00
	By age group (%)	**5.04**	**5.24**	**5.03**	**7.87**	**9.50**	**7.70**
	Up to 30 years old	35.18	32.69	35.08	42.80	38.71	46.35
	Between 31 and 50 years old	3.54	4.45	4.18	5.17	8.34	5.17
	More than 51 years old	0.41	0.45	0.31	0.35	0.78	0.38
	Total workforce	**7,594**	**7,516**	**7,598**	**2,300**	**2,186**	**2,129**
United Kingdom	By age group	**686**	**582**	**390**	**335**	**238**	**137**
	Up to 30 years old	322	309	177	182	124	63
	Between 31 and 50 years old	316	240	185	138	102	63
	More than 51 years old	48.00	33.00	28.00	15.00	12.00	11.00
	By age group (%)	**15.88**	**14.65**	**10.24**	**17.19**	**13.36**	**7.22**
	Up to 30 years old	29.95	34.07	24.93	46.19	41.89	27.51
	Between 31 and 50 years old	14.81	11.96	9.34	12.38	9.44	5.39
	More than 51 years old	4.32	3.11	2.50	3.41	2.96	2.20
	Total workforce	**4,319**	**3,973**	**3,810**	**1,949**	**1,782**	**1,898**
United States[115]	By age group	**712**	**817**	**738**	**368**	**419**	**243**
	Up to 30 years old	343	310	336	147	163	83
	Between 31 and 50 years old	302	390	323	177	202	121
	More than 51 years old	67	117	79	44	54	39
	By age group (%)	**12.34**	**14.88**	**13.84**	**16.57**	**20.11**	**12.05**
	Up to 30 years old	32.06	32.80	38.44	45.23	57.19	36.09
	Between 31 and 50 years old	10.21	13.86	12.41	16.50	20.16	13.00
	More than 51 years old	3.85	6.76	4.25	5.35	6.78	4.56
	Total workforce	**5,768**	**5,489**	**5,333**	**2,221**	**2,084**	**2,016**
Brazil	By age group	**969**	**1,085**	**2,152**	**524**	**494**	**525**
	Up to 30 years old	502	556	1,032	275	271	290
	Between 31 and 50 years old	456	521	1,110	246	220	231
	More than 51 years old	11	8	10	3	3	4
	By age group (%)	**7.76**	**8.72**	**17.42**	**16.36**	**16.71**	**19.42**
	Up to 30 years old	18.29	19.02	32.71	27.58	28.20	33.49
	Between 31 and 50 years old	5.06	5.94	13.16	11.95	11.80	13.54
	More than 51 years old	1.49	1.07	1.31	2.01	2.27	3.03
	Total workforce	**12,489**	**12,449**	**12,354**	**3,204**	**2,957**	**2,704**

[114] Percentage calculated on headcount at year-end for each of the categories.
[115] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

New hires by region, gender and age group[114]

		Men			Women		
		2023	2022	2021	2023	2022	2021
Mexico[116]	By age group	**110**	**129**	**62**	**26**	**43**	**20**
	Up to 30 years old	46	47	37	14	22	8
	Between 31 and 50 years old	60	78	25	11	20	12
	More than 51 years old	4.00	4.00	0.00	1.00	1.00	0.00
	By age group (%)	**10.75**	**12.50**	**6.01**	**9.35**	**15.75**	**7.58**
	Up to 30 years old	27.71	23.74	16.30	22.22	28.21	9.09
	Between 31 and 50 years old	8.20	10.76	3.51	5.42	10.81	7.14
	More than 51 years old	3.20	3.67	—	0.08	0.10	0.00
	Total workforce	**1,023**	**1,032**	**1,032**	**278**	**273**	**264**
IEI	By age group	**224**	**182**	**158**	**131**	**98**	**83**
	Up to 30 years old	72	36	44	55	38	29
	Between 31 and 50 years old	141	137	103	69	57	52
	More than 51 years old	11	9	11	7	3	2
	By age group (%)	**30.03**	**27.87**	**28.99**	**34.93**	**30.53**	**30.52**
	Up to 30 years old	62.61	41.38	51.77	64.71	58.46	52.73
	Between 31 and 50 years old	26.21	28.02	26.48	25.94	23.75	25.74
	More than 51 years old	11.83	11.69	15.49	29.17	18.75	0.13
	Total workforce	**746**	**653**	**545**	**375**	**321**	**272**
Iberdrola total	By age group	**3,084**	**3,189**	**3,882**	**1,565**	**1,500**	**1,172**
	Up to 30 years old	1,498	1,440	1,814	775	700	562
	Between 31 and 50 years old	1,435	1,567	1,932	718	723	552
	More than 51 years old	151	182	136	72	77	58
	By age group (%)	**9.66**	**10.25**	**12.66**	**15.15**	**15.62**	**12.63**
	Up to 30 years old	25.94	25.64	32.47	36.86	36.90	33.86
	Between 31 and 50 years old	7.21	8.11	10.40	11.57	12.40	9.88
	More than 51 years old	2.41	2.95	2.09	3.56	4.10	2.85
	Total workforce	**31,939**	**31,112**	**30,672**	**10,327**	**9,603**	**9,283**

[116] Of the total turnover reported in Mexico, 34 were temporary positions of union personnel, which is governed by the union contract with SUTERM, and due to the nature of the temporary employment itself there are discharges and subsequent returns of the same worker. They should therefore not be considered as final terminations or new hires.

Persons leaving the company by region, gender and age group

		Men			Women		
		2023	2022	2021	2023	2022	2021
Spain	By age group	319	467	418	76	146	91
	Up to 30 years old	34	54	6	14	30	7
	Between 31 and 50 years old	76	83	54	41	47	28
	More than 51 years old	209	329	358	21	69	56
	By age group (%)	**4.20**	**6.21**	**5.50**	**3.31**	**6.66**	**4.27**
	Up to 30 years old	5.62	9.72	1.12	5.87	14.16	3.65
	Between 31 and 50 years old	1.67	1.84	1.21	2.76	3.22	1.98
	More than 51 years old	8.49	13.48	13.73	3.67	13.32	10.69
	Total workforce	**7,594**	**7,516**	**7,598**	**2,300**	**2,186**	**2,129**
United Kingdom	By age group	338	418	294	170	355	88
	Up to 30 years old	76	53	34	43	38	14
	Between 31 and 50 years old	139	202	89	84	179	42
	More than 51 years old	123	163	171	43	138	32
	By age group (%)	**7.83**	**10.52**	**7.72**	**8.72**	**19.92**	**4.64**
	Up to 30 years old	7.07	5.84	4.79	10.91	12.84	6.11
	Between 31 and 50 years old	6.51	10.07	4.49	7.53	16.57	3.60
	More than 51 years old	11.08	15.38	15.28	9.77	33.99	6.39
	Total workforce	**4,319**	**3,973**	**3,810**	**1,949**	**1,782**	**1,898**
United States [117]	By age group	430	660	471	233	352	220
	Up to 30 years old	82	99	72	58	62	32
	Between 31 and 50 years old	172	200	146	106	133	78
	More than 51 years old	176	361	253	69	157	110
	By age group (%)	**7.46**	**12.02**	**8.83**	**10.49**	**16.89**	**10.91**
	Up to 30 years old	7.66	10.48	8.24	17.85	21.75	13.91
	Between 31 and 50 years old	5.81	7.11	5.61	9.88	13.27	8.38
	More than 51 years old	10.12	20.86	13.62	8.38	19.70	12.87
	Total workforce	**5,768**	**5,489**	**5,333**	**2,221**	**2,084**	**2,016**
Brazil	By age group	930	996	983	274	245	197
	Up to 30 years old	192	279	225	81	70	59
	Between 31 and 50 years old	623	586	522	172	147	109
	More than 51 years old	115	131	236	21	28	29
	By age group (%)	**7.45**	**8.00**	**7.96**	**8.55**	**8.29**	**7.29**
	Up to 30 years old	7.00	9.55	7.13	8.12	7.28	6.81
	Between 31 and 50 years old	6.92	6.68	6.19	8.36	7.89	6.39
	More than 51 years old	15.60	17.44	30.89	14.09	21.21	21.97
	Total workforce	**12,489**	**12,449**	**12,354**	**3,204**	**2,957**	**2,704**

[117] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Persons leaving the company by region, gender and age group

		Men			Women		
		2023	2022	2021	2023	2022	2021
Mexico [118]	By age group	118	129	76	22	34	19
	Up to 30 years old	29	33	16	10	15	9
	Between 31 and 50 years old	84	88	51	11	19	10
	More than 51 years old	5	8	9	1	0	0
	By age group (%)	**11.54**	**12.50**	**7.36**	**7.91**	**12.45**	**7.20**
	Up to 30 years old	17.47	16.67	7.05	15.87	19.23	10.23
	Between 31 and 50 years old	11.48	12.14	7.15	5.42	10.27	5.95
	More than 51 years old	4.00	7.34	9.78	0.08	0.00	0.00
	Total workforce	**1,023**	**1,032**	**1,032**	**278**	**273**	**264**
IEI	By age group	124	86	68	72	58	23
	Up to 30 years old	12	15	13	13	14	11
	Between 31 and 50 years old	102	58	49	56	41	9
	More than 51 years old	10	13	6	3	3	3
	By age group (%)	**16.62**	**13.17**	**12.48**	**19.20**	**18.07**	**8.46**
	Up to 30 years old	10.44	17.24	15.29	15.29	21.54	20.00
	Between 31 and 50 years old	18.96	11.86	12.60	21.05	17.08	4.46
	More than 51 years old	10.75	16.88	8.45	0.13	0.19	0.20
	Total workforce	**746**	**653**	**545**	**375**	**321**	**272**
Iberdrola total	By age group	2,259	2,756	2,310	847	1,190	638
	Up to 30 years old	425	533	366	219	229	132
	Between 31 and 50 years old	1,196	1,217	911	470	566	276
	More than 51 years old	638	1,005	1,033	158	395	230
	By age group (%)	**7.07**	**8.86**	**7.53**	**8.20**	**12.39**	**6.87**
	Up to 30 years old	7.36	9.49	6.55	10.42	12.07	7.95
	Between 31 and 50 years old	6.01	6.30	4.90	7.58	9.71	4.94
	More than 51 years old	10.18	16.29	15.87	7.82	21.03	11.30
	Total workforce	**31,939**	**31,112**	**30,672**	**10,327**	**9,603**	**9,283**

[118] Of the total turnover reported in Mexico, 34 were temporary positions of union personnel, which is governed by the union contract with SUTERM, and due to the nature of the temporary employment itself there are discharges and subsequent returns of the same worker. They should therefore not be considered as final terminations or new hires.

GRI EU15

Employees eligible to retire in the next 5 years

		By professional category (no.)			By professional category (%)		
		2023	2022	2021	2023	2022	2021
Spain	Leadership	95	85	105	8.96	8.55	9.01
	Qualified technicians	299	288	288	6.23	6.20	6.56
	Skilled workers and support personnel	609	550	567	15.11	13.54	13.60
	Total	**1,003**	**923**	**960**	**10.14**	**9.51**	**9.87**
United Kingdom	Leadership	10	5	30	2.55	1.46	3.59
	Qualified technicians	126	118	147	2.88	3.02	4.53
	Skilled workers and support personnel	116	116	176	7.75	7.73	10.80
	Total	**252**	**239**	**353**	**4.02**	**4.15**	**6.18**
United States	Leadership	71	61	56	20.17	17.99	17.07
	Qualified technicians	609	587	597	18.49	19.27	21.28
	Skilled workers and support personnel	755	710	833	17.34	16.93	19.76
	Total	**1,435**	**1,358**	**1,486**	**17.94**	**17.92**	**20.22**
Brazil	Leadership	25	24	22	5.88	5.91	5.67
	Qualified technicians	81	70	50	2.29	2.01	1.58
	Skilled workers and support personnel	112	103	84	0.95	0.89	0.73
	Total	**218**	**197**	**156**	**1.39**	**1.28**	**1.04**
Mexico	Leadership	3	2	2	2.70	2.00	2.13
	Qualified technicians	10	6	5	1.36	0.80	0.67
	Skilled workers and support personnel	2	1	1	0.44	0.22	0.22
	Total	**15**	**9**	**8**	**1.15**	**0.69**	**0.62**
IEI	Leadership	9	4	4	6.38	4.26	4.55
	Qualified technicians	9	4	3	1.31	0.51	0.47
	Skilled workers and support personnel	2	1	1	1.50	0.98	0.01
	Total	**20**	**9**	**8**	**2.08**	**0.92**	**0.98**
Iberdrola total	Leadership	213	181	219	8.58	7.95	7.56
	Qualified technicians	1,134	1,073	1,090	6.51	6.46	7.27
	Skilled workers and support personnel	1,596	1,481	1,662	7.19	6.78	7.53
	Total	**2,943**	**2,735**	**2,971**	**6.99**	**6.72**	**7.44**

GRI 403-9

Number of accidents by type, region and gender (own personnel)

		Men			Women			Total		
		2023	2022	2021	2023	2022	2021	2023	2022	2021
Spain	Fatal	0	0	0	0	0	0	0	0	0
	With leave	21	15	18	4	1	3	25	16	21
	With major consequences	2	2	1	0	0	0	2	2	1
	Without leave	66	37	28	11	8	10	77	45	38
United Kingdom	Fatal	0	0	0	0	0	0	0	0	0
	With leave	2	1	4	0	0	0	2	1	4
	With major consequences	0	0	0	0	0	0	0	0	0
	Without leave	41	27	27	9	6	0	50	33	27
United States	Fatal	0	0	0	0	0	0	0	0	0
	With leave	38	49	38	9	7	6	47	56	44
	With major consequences	1	13	1	1	2	0	2	15	1
	Without leave	510	471	302	47	53	26	557	524	328
Brazil	Fatal	1	0	3	0	0	0	1	0	3
	With leave	11	7	12	1	0	1	12	7	13
	With major consequences	1	0	1	0	0	0	1	0	1
	Without leave	80	94	113	24	15	6	104	109	119
Mexico	Fatal	0	0	0	0	0	0	0	0	0
	With leave	0	2	0	0	0	0	0	2	0
	With major consequences	0	0	0	0	0	0	0	0	0
	Without leave	7	0	3	0	0	0	7	0	3
IEI	Fatal	0	0	0	0	0	0	0	0	0
	With leave	1	0	1	0	1	0	1	1	1
	With major consequences	0	0	0	0	0	0	0	0	0
	Without leave	1	3	1	0	0	0	1	3	1
Iberdrola total	Fatal	1	0	3	0	0	0	**1**	**0**	**3**
	With leave	73	74	73	14	9	10	**87**	**83**	**83**
	With major consequences	4	15	3	1	2	0	**5**	**17**	**3**
	Without leave	705	632	474	91	82	42	**796**	**714**	**516**

Absenteeism by region (hours lost)

		2023	2022	2021
Spain	Occupational injury and disease	9,947	37,004	32,540
	Common illness and COVID-19	473,209	539,189	561,526
	Total	**483,157**	**576,192**	**594,066**
United Kingdom	Occupational injury and disease	776	104	1,147
	Common illness and COVID-19	239,694	321,409	295,701
	Total	**240,470**	**321,513**	**296,848**
United States	Occupational injury and disease	11,008	23,952	14,432
	Common illness and COVID-19	247,079	293,252	297,818
	Total	**258,087**	**317,204**	**312,250**
Brazil	Occupational injury and disease	7,768	2,912	7,864
	Common illness and COVID-19	245,593	264,283	188,031
	Total	**253,361**	**267,195**	**195,895**
Mexico	Occupational injury and disease	0	1,616	0
	Common illness and COVID-19	31,488	54,704	73,631
	Total	**31,488**	**56,320**	**73,631**
IEI	Occupational injury and disease	426	68	8
	Common illness and COVID-19	17,038	28,579	21,831
	Total	**17,464**	**28,647**	**21,839**
Iberdrola total	Occupational injury and disease	29,925	65,656	55,991
	Common illness and COVID-19	1,254,101	1,501,416	1,438,538
	Total	**1,284,026**	**1,567,072**	**1,494,529**

GRI 404-1

Average training hours per average employee, broken down by professional category, region and gender

		Men			Women			Total		
		2023	2022	2021	2023	2022	2021	2023	2022	2021
Spain	Leadership	38.8	32.9	39.9	43.6	35.7	46.0	40.2	33.7	41.6
	Qualified technicians	64.4	57.0	58.3	68.7	58.9	62.2	65.7	57.6	59.4
	Skilled workers and support personnel	74.0	60.3	48.1	50.0	29.1	27.0	71.3	56.7	45.6
	Total workforce	**66.4**	**56.1**	**51.2**	**61.6**	**49.1**	**51.2**	**65.3**	**54.5**	**51.2**
United Kingdom	Leadership	18.6	7.8	21.1	16.6	7.9	15.0	18.0	7.9	19.2
	Qualified technicians	31.6	26.9	31.7	19.5	15.5	13.4	27.7	23.1	25.6
	Skilled workers and support personnel	209.0	271.9	101.4	35.7	55.9	11.0	160.6	201.9	69.9
	Total workforce	**77.5**	**92.6**	**49.9**	**23.0**	**25.7**	**12.9**	**60.5**	**70.8**	**37.6**
United States [119]	Leadership	16.3	15.5	20.2	17.4	16.5	22.4	16.7	15.8	20.8
	Qualified technicians	24.1	21.8	21.2	18.1	19.9	18.5	22.0	21.2	20.3
	Skilled workers and support personnel	67.4	62.3	57.3	62.1	49.7	33.1	66.2	59.5	51.5
	Total workforce	**49.4**	**45.8**	**43.2**	**38.0**	**33.6**	**26.0**	**46.2**	**42.5**	**38.5**
Brazil	Leadership	62.1	79.1	100.8	64.5	88.7	93.0	62.8	81.7	98.7
	Qualified technicians	68.2	63.2	68.9	61.0	59.6	66.7	65.2	61.8	68.0
	Skilled workers and support personnel	108.6	96.8	99.7	137.5	114.0	113.0	112.4	98.8	101.1
	Total workforce	**100.9**	**91.1**	**94.9**	**98.7**	**86.6**	**89.0**	**100.5**	**90.3**	**93.9**
Mexico	Leadership	89.4	66.7	84.3	83.8	151.7	46.5	88.2	83.3	77.8
	Qualified technicians	69.3	60.0	57.5	62.1	83.1	58.6	67.1	67.0	57.8
	Skilled workers and support personnel	80.0	74.3	85.7	84.3	81.0	50.9	80.3	74.6	83.9
	Total workforce	**75.5**	**66.5**	**71.1**	**65.8**	**87.8**	**57.2**	**73.4**	**70.9**	**68.2**
IEI	Leadership	19.6	17.4	13.3	49.9	20.0	18.7	25.3	17.8	14.1
	Qualified technicians	28.7	22.6	20.3	27.1	19.0	16.6	28.1	21.1	18.8
	Skilled workers and support personnel	39.6	42.0	65.0	22.3	24.5	10.0	38.8	41.6	63.2
	Total workforce	**29.3**	**25.0**	**27.4**	**28.3**	**19.1**	**16.7**	**29.0**	**23.0**	**23.9**
Iberdrola total	Leadership	38.0	32.2	41.5	40.6	35.3	39.1	**38.7**	**33.1**	**40.8**
	Qualified technicians	48.0	43.4	46.0	43.8	41.5	42.6	**46.5**	**42.7**	**44.8**
	Skilled workers and support personnel	99.3	93.0	80.9	90.9	74.1	56.5	**98.0**	**90.2**	**77.2**
	Total workforce	**77.9**	**72.7**	**66.8**	**59.7**	**52.4**	**47.3**	**73.5**	**67.9**	**62.3**

[119] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Diversity and equal opportunity

GRI 405-1

Total workforce by region, gender and professional category

		Men			Women			Total		
		2023	2022	2021	2023	2022	2021	2023	2022	2021
Spain	Leadership	750	724	841	314	272	323	1,064	996	1,164
	Qualified technicians	3,276	3,196	3,080	1,526	1,451	1,313	4,801	4,647	4,393
	Skilled workers and support personnel	3,569	3,596	3,677	461	463	493	4,029	4,059	4,170
	Total	**7,594**	**7,516**	**7,598**	**2,300**	**2,186**	**2,129**	**9,894**	**9,702**	**9,727**
United Kingdom	Leadership	267	240	577	125	103	258	392	343	835
	Qualified technicians	2,962	2,657	2,162	1,417	1,255	1,082	4,379	3,912	3,244
	Skilled workers and support personnel	1,090	1,076	1,071	407	424	558	1,497	1,500	1,629
	Total	**4,319**	**3,973**	**3,810**	**1,949**	**1,782**	**1,898**	**6,268**	**5,755**	**5,708**
United States [120]	Leadership	255	237	232	96	102	96	352	339	328
	Qualified technicians	2,135	2,007	1,863	1,153	1,036	943	3,293	3,046	2,806
	Skilled workers and support personnel	3,378	3,245	3,238	972	946	977	4,354	4,194	4,215
	Total	**5,768**	**5,489**	**5,333**	**2,221**	**2,084**	**2,016**	**7,999**	**7,579**	**7,349**
Brazil	Leadership	296	289	286	129	117	102	425	406	388
	Qualified technicians	2,062	2,027	1,869	1,468	1,454	1,301	3,530	3,481	3,170
	Skilled workers and support personnel	10,131	10,133	10,199	1,607	1,386	1,301	11,738	11,519	11,500
	Total	**12,489**	**12,449**	**12,354**	**3,204**	**2,957**	**2,704**	**15,693**	**15,406**	**15,058**
Mexico	Leadership	89	79	78	22	21	16	111	100	94
	Qualified technicians	503	517	519	233	229	224	736	746	743
	Skilled workers and support personnel	431	436	435	23	23	24	454	459	459
	Total	**1,023**	**1,032**	**1,032**	**278**	**273**	**264**	**1,301**	**1,305**	**1,296**
IEI	Leadership	84	80	76	24	14	12	108	94	88
	Qualified technicians	540	473	375	340	305	257	880	778	632
	Skilled workers and support personnel	122	100	94	11	2	3	133	102	97
	Total	**746**	**653**	**545**	**375**	**321**	**272**	**1,121**	**974**	**817**
Iberdrola total	Leadership	1,741	1,649	2,090	710	629	807	**2,452**	**2,278**	**2,897**
	Qualified technicians	11,478	10,877	9,868	6,137	5,730	5,120	**17,619**	**16,610**	**14,988**
	Skilled workers and support personnel	18,721	18,586	18,714	3,481	3,244	3,356	**22,205**	**21,833**	**22,070**
	Total	**31,939**	**31,112**	**30,672**	**10,327**	**9,603**	**9,283**	**42,276**	**40,721**	**39,955**

[120] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

GRI 405-1

Total workforce by region, gender and age

		Men			Women			Total		
		2023	2022	2021	2023	2022	2021	2023	2022	2021
Spain	Up to 30 years old	605	557	536	238	212	192	843	769	728
	Between 31 and 50 years old	4,527	4,515	4,455	1,487	1,459	1,413	6,015	5,973	5,868
	More than 51 years old	2,463	2,444	2,607	574	516	524	3,037	2,960	3,131
	Total	**7,594**	**7,516**	**7,598**	**2,300**	**2,186**	**2,129**	**9,894**	**9,702**	**9,727**
United Kingdom	Up to 30 years old	1,075	907	710	394	296	229	1,469	1,203	939
	Between 31 and 50 years old	2,134	2,006	1,981	1,115	1,080	1,168	3,249	3,086	3,149
	More than 51 years old	1,110	1,060	1,119	440	406	501	1,550	1,466	1,620
	Total	**4,319**	**3,973**	**3,810**	**1,949**	**1,782**	**1,898**	**6,268**	**5,755**	**5,708**
United States [121]	Up to 30 years old	1,070	945	874	325	285	230	1,398	1,231	1,104
	Between 31 and 50 years old	2,959	2,813	2,602	1,073	1,002	931	4,038	3,819	3,533
	More than 51 years old	1,739	1,731	1,857	823	797	855	2,563	2,529	2,712
	Total	**5,768**	**5,489**	**5,333**	**2,221**	**2,084**	**2,016**	**7,999**	**7,579**	**7,349**
Brazil	Up to 30 years old	2,744	2,923	3,155	997	961	866	3,741	3,884	4,021
	Between 31 and 50 years old	9,008	8,775	8,435	2,058	1,864	1,706	11,066	10,639	10,141
	More than 51 years old	737	751	764	149	132	132	886	883	896
	Total	**12,489**	**12,449**	**12,354**	**3,204**	**2,957**	**2,704**	**15,693**	**15,406**	**15,058**
Mexico	Up to 30 years old	166	198	227	63	78	88	229	276	315
	Between 31 and 50 years old	732	725	713	203	185	168	935	910	881
	More than 51 years old	125	109	92	12	10	8	137	119	100
	Total	**1,023**	**1,032**	**1,032**	**278**	**273**	**264**	**1,301**	**1,305**	**1,296**
IEI	Up to 30 years old	115	87	85	85	65	55	200	152	140
	Between 31 and 50 years old	538	489	389	266	240	202	804	729	591
	More than 51 years old	93	77	71	24	16	15	117	93	86
	Total	**746**	**653**	**545**	**375**	**321**	**272**	**1,121**	**974**	**817**
Iberdrola total	Up to 30 years old	5,775	5,617	5,587	2,102	1,897	1,660	**7,880**	**7,515**	**7,247**
	Between 31 and 50 years old	19,898	19,323	18,575	6,202	5,830	5,588	**26,107**	**25,156**	**24,163**
	More than 51 years old	6,267	6,172	6,510	2,022	1,877	2,035	**8,290**	**8,050**	**8,545**
	Total	**31,939**	**31,112**	**30,672**	**10,327**	**9,603**	**9,283**	**42,276**	**40,721**	**39,955**

[121] This table represents individuals who identify as men or women, so the figures segmented by gender may not coincide with the total because of people who identify as another gender or who choose not to disclose this information.

Access to electricity

GRI EU27

Residential disconnections by region (no.)

		2023	2022	2021
Spain	Paid up to 48 h after disconnection	58,571	71,652	55,004
	Paid between 48 h and one week after disconnection	4,124	4,918	4,857
	Paid between one week and one month after disconnection	5,114	5,712	5,489
	Paid between one month and one year	2,449	2,356	2,705
	Paid after more than one year	0	0	0
	Outstanding and unclassified	0	0	0
	Total	**70,258**	**84,638**	**68,055**
United Kingdom	Paid up to 48 h after disconnection	0	0	0
	Paid between 48 h and one week after disconnection	0	0	0
	Paid between one week and one month after disconnection	0	0	0
	Paid between one month and one year	0	0	0
	Paid after more than one year	0	0	0
	Outstanding and unclassified	0	0	0
	Total	**0**	**0**	**0**
United States	Paid up to 48 h after disconnection	49,766	71,056	38,434
	Paid between 48 h and one week after disconnection	3,899	2,993	1,088
	Paid between one week and one month after disconnection	2,761	2,468	396
	Paid between one month and one year	1,446	147	168
	Paid after more than one year	0	0	0
	Outstanding and unclassified	0	0	5,958
	Total	**57,872**	**76,664**	**46,044**
Brazil	Paid up to 48 h after disconnection	901,102	975,361	860,392
	Paid between 48 h and one week after disconnection	133,830	141,847	148,968
	Paid between one week and one month after disconnection	197,979	201,814	206,197
	Paid between one month and one year	169,038	172,546	196,706
	Paid after more than one year	66	44	15
	Outstanding and unclassified	0	0	0
	Total	**1,402,015**	**1,491,612**	**1,412,278**
Rest of Europe	Paid up to 48 h after disconnection	2,280	3,377	5,056
	Paid between 48 h and one week after disconnection	264	374	845
	Paid between one week and one month after disconnection	389	536	862
	Paid between one month and one year	154	262	299
	Paid after more than one year	0	0	0
	Outstanding and unclassified	0	0	0
	Total	**3,087**	**4,549**	**7,062**
Iberdrola total	Paid up to 48 h after disconnection	1,011,719	1,121,446	958,886
	Paid between 48 h and one week after disconnection	142,117	150,132	155,758
	Paid between one week and one month after disconnection	206,243	210,530	212,944
	Paid between one month and one year	173,087	175,311	199,878
	Paid after more than one year	66	44	15
	Outstanding and unclassified	0	0	5,958
	Total	**1,533,232**	**1,657,463**	**1,533,439**

Residential reconnections of electricity following payment of unpaid bills, by region (No.)

		2023	2022	2021
Spain	Less than 24 h after payment	69,739	83,916	67,153
	Between 24 h and one week after payment	889	966	808
	More than one week after payment	92	129	77
	Unclassified	0	0	0
	Total	**70,720**	**85,011**	**68,038**
United Kingdom	Less than 24 h after payment	0	0	0
	Between 24 h and one week after payment	0	0	0
	More than one week after payment	0	0	0
	Unclassified	0	0	0
	Total	**—**	**—**	**—**
United States	Less than 24 h after payment	34,432	36,665	39,483
	Between 24 h and one week after payment	25,236	302	550
	More than one week after payment	451	2,305	4
	Unclassified	0	0	5,582
	Total	**60,119**	**39,272**	**45,619**
Brazil	Less than 24 h after payment	1,209,947	1,290,892	1,101,405
	Between 24 h and one week after payment	210,316	183,871	181,233
	More than one week after payment	72,749	77,568	88,746
	Unclassified	0	0	0
	Total	**1,493,012**	**1,552,331**	**1,371,384**
Rest of the World	Less than 24 h after payment	3,046	4,121	5,744
	Between 24 h and one week after payment	123	699	1,423
	More than one week after payment	13	101	198
	Unclassified	0	0	0
	Total	**3,182**	**4,921**	**7,365**
Iberdrola total	Less than 24 h after payment	1,317,164	1,415,594	1,213,785
	Between 24 h and one week after payment	236,564	185,838	184,014
	More than one week after payment	73,305	80,103	89,025
	Unclassified	0	0	5,582
	Total	**1,627,033**	**1,681,535**	**1,492,406**

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The percentage of disconnections restored for residential customers within 30 days of the disconnection date was 97% in Spain, 81% in the United States and 97% in Brazil. For the rest of Europe, the percentage of residential customers whose service was restored within 30 days was 50% in France, 81% in Italy and 100% in Portugal.

Statement of Non-Financial Information.

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