



# Capital Markets & ESG Day

21 March 2024

Sustainable  
Event



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- Iberdrola, S.A. commits to carrying out its best efforts to achieve its ambition of carbon neutrality for its Scope 1 and 2 in 2030. For these purposes, it will align its strategy, investments, operations and public positioning with this ambition. Additionally, Iberdrola, S.A. is also committed to undertake the energy transition in a way that creates value for its shareholders, employees, clients, suppliers and the communities where it operates. Accordingly, Iberdrola, S.A. reserves the capacity to adapt its planning to successfully face its performance in key material aspects such as the value of Iberdrola, S.A., the quality of supply or the social, labor, and fair transition conditions. The abovementioned commitments are of aspirational nature.



## ESG: Innovation & Human Capital

**Mr. Roberto Fernández**

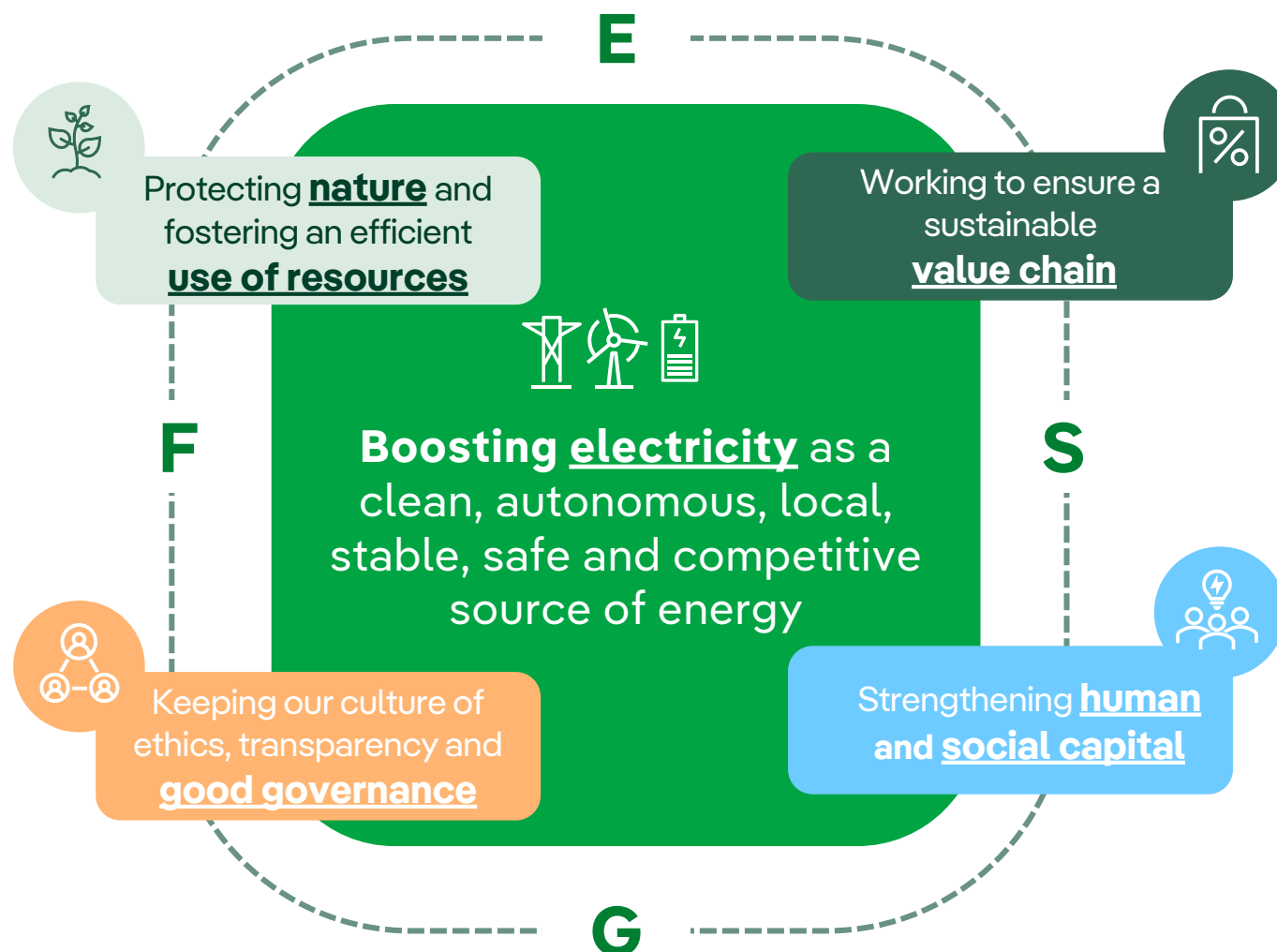
**Mr. Agustín Delgado**

**Mrs. Estrella Martín**



# ESG targets

# Five main priorities: reaffirming our roadmap in sustainability



# Progressing well towards 2025-2030 and increasing ambition

## New KPIs<sup>(1)</sup>



**EU Taxonomy CAPEX alignment (%)**



**Sustainable suppliers (% of suppliers)**

## Broader scope



**Circular economy (blades +PV panels)**



**Diversity (gender +new criteria)**

**Green mind (Safety +occupational health)**

**Green skilling (strategic capabilities)**

## Increased ambition



**Carbon neutral 2030: 60 g CO<sub>2</sub>/kWh in 2025**

**Storage: 108 GWh in 2025**

**Smart grids<sup>(2)</sup>: 90% automation in 2030**



**Water intensity: -32% in 2025 (vs 2021 value)**



**Customer accessibility solutions: >60 solutions in 2025&2030**

**Digital customers: 75% customers in 2025**



**Corporate volunteering: 23,000 volunteers in 2030**

**vs. 2023 YE**

**vs. CMD 2022**

**-17 g CO<sub>2</sub>/kWh**

**-10 g CO<sub>2</sub>/kWh**

**+6 GWh**

**+6 GWh**

**+12 p.p.**

**New 2030**

**-24 p.p.**

**-13 p.p.**

**+20**

**+30**

**+2 p.p.**

**+2 p.p.**

**+2,500**

**+5,000**

(1) Replaced KPI vs CMD 2022: renewable electricity in corporate buildings, local suppliers, training hours, charging points, review of the sustainable finance framework.

(2) High/medium voltage

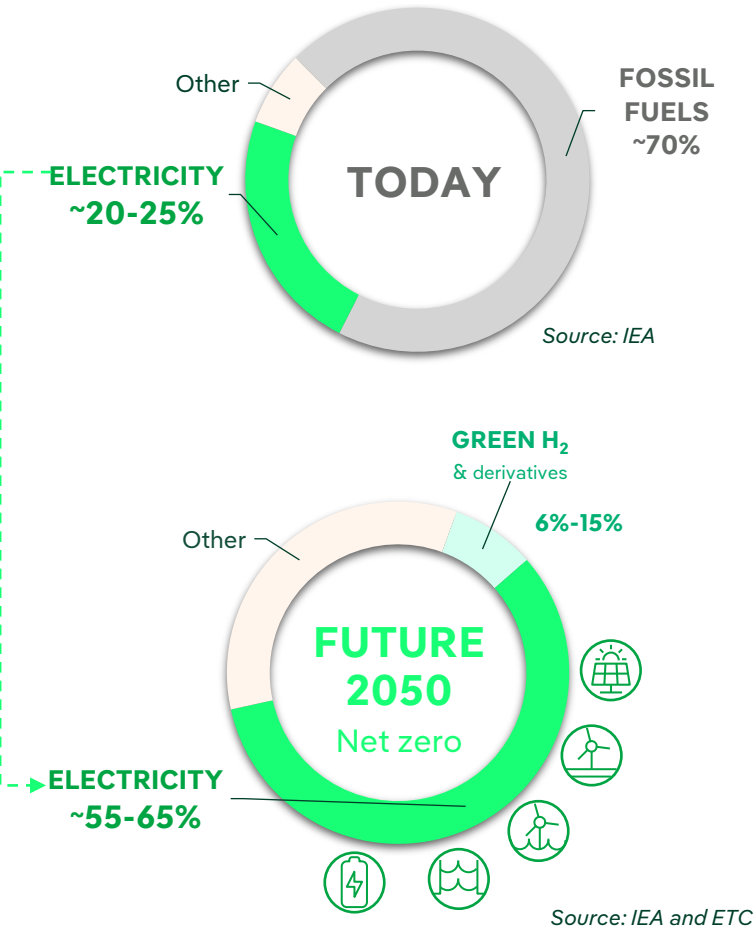


# Iberdrola Technology Vision

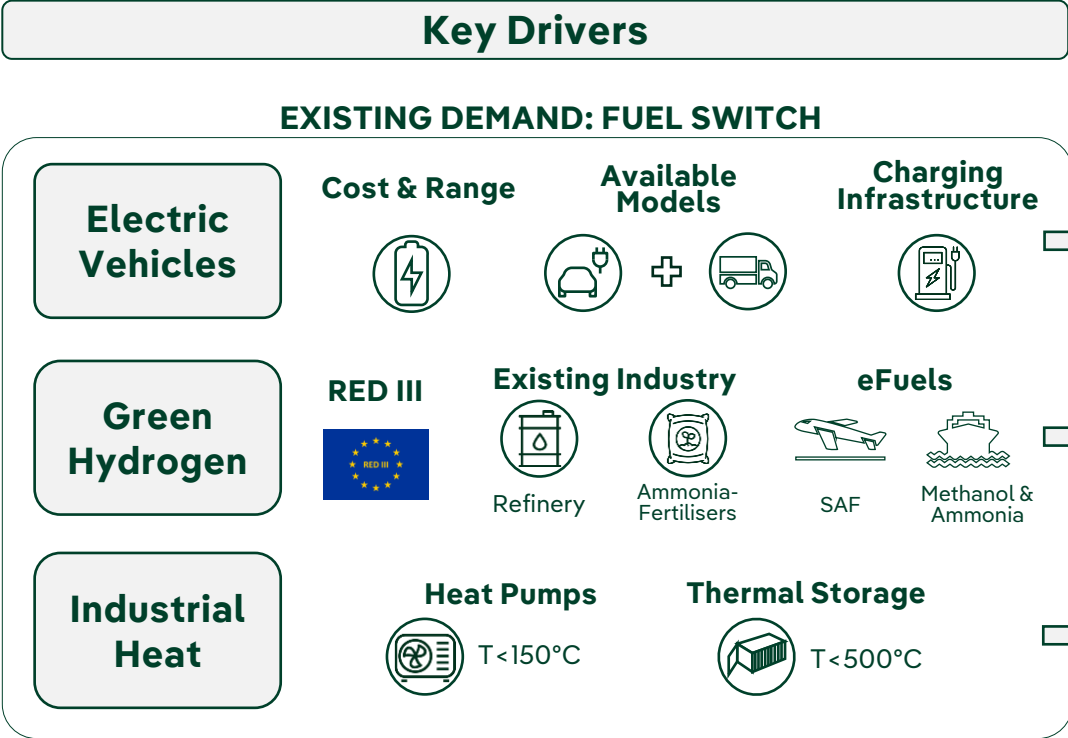


## Technology and market adoption is allowing for new electricity demand

### Final Energy



### Key Drivers



### Additional Demand EU\*

	2026	2030
Electric Vehicles	38 TWh	126 TWh
Green Hydrogen	5 TWh	220 TWh
Industrial Heat	4 TWh	40 TWh

### NEW DEMAND



	40 TWh	80 TWh
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\* Source: IEA, ETC, BloombergNEF, Mckinsey, Morgan Stanley, Spain DC and internal calculations

## Innovations & Drivers



### Cost & Range

- Energy density improvement + Battery charging time and cost reduction (cost parity by 2025)



### Available Models

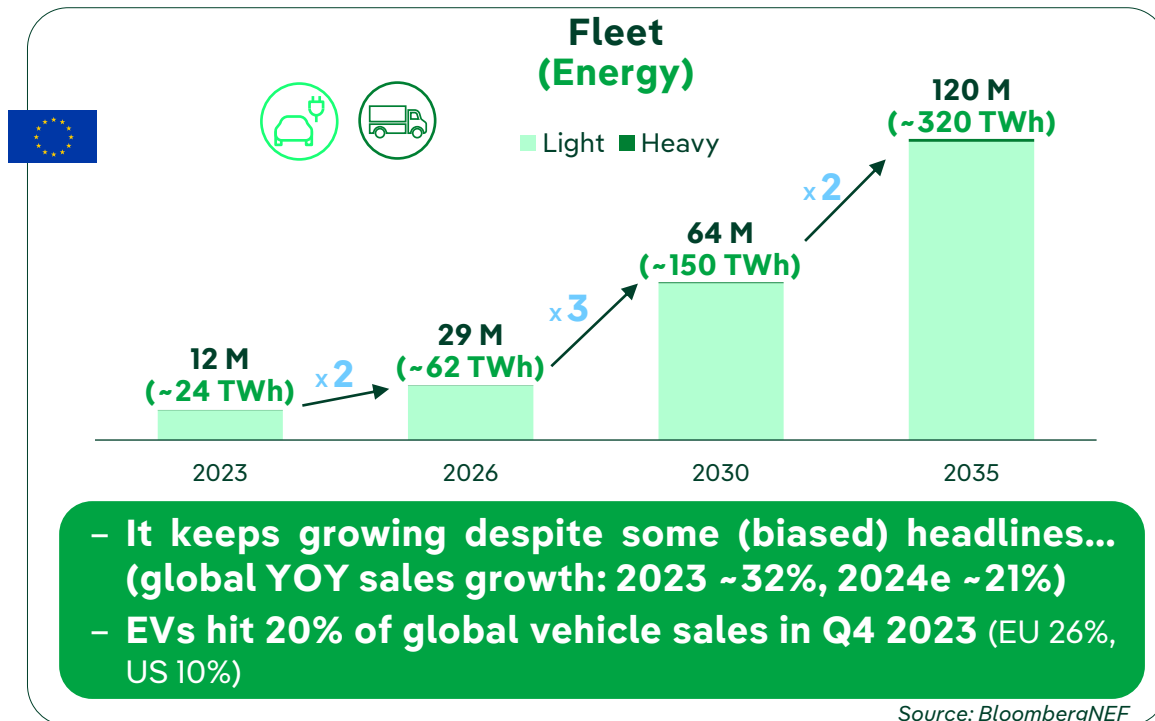
- +632 models for EVs (300 in EU), + 325 for e-trucks (48 in EU)



### Charging Infra + Regulation

- Charging infra ~50% YoY growth (~35% in Europe)
- “Fit for 55” package, AFIR regulation, emissions regulation

## Consumed Energy (TWh) – All EV Models



## Iberdrola

### Smart Mobility Plan

- Charging points installation + special rate for EVs with green electricity.
- 60,000 public charging points by 2030.



### 2030 target in Iberia

- 1 Bn € investment
- 11,700 fast and ultra-fast public charging points

## Innovations & Drivers



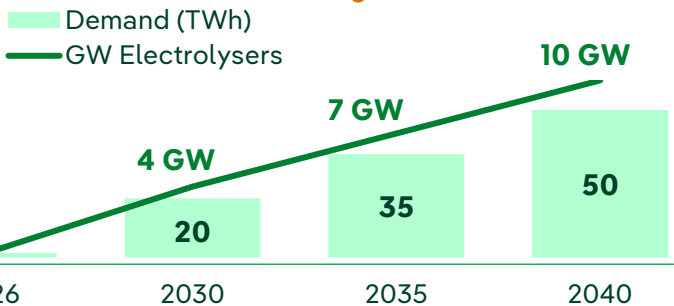
- Regulation (RED III)
- Renewables cost reduction (electricity is the main cost of green H2)
- Alkaline (70%) and PEM (30%) are the main technologies
- Several technology innovations: less critical materials, larger electrolyser cells,...
- Announcements of several electrolyser factories that would cover the expected demand



## Electrolyser Capacity & Demand

### RED III Scenario\*

It's going to be challenging to achieve the EU targets



H<sub>2</sub>/year  
(% vs. Today's Grey H<sub>2</sub> Production Spain, 600 kt)

27 kt (4,5%)    375 kt (60%)    600 kt (100%)    1 Mt

Demand (TWh)

2026	2030	2035	2040
20	220	400	500

\*Transposition expected before May 2025

Source: Internal Calculations and McKinsey

## Iberdrola



Hydrogen  
Business  
Unit

- Developing **50 projects** in **8 countries** (Spain, Portugal, UK, Italy, Brazil, Mexico, US, Australia)

### GREEN H<sub>2</sub> PLANT IN PUERTOLLANO



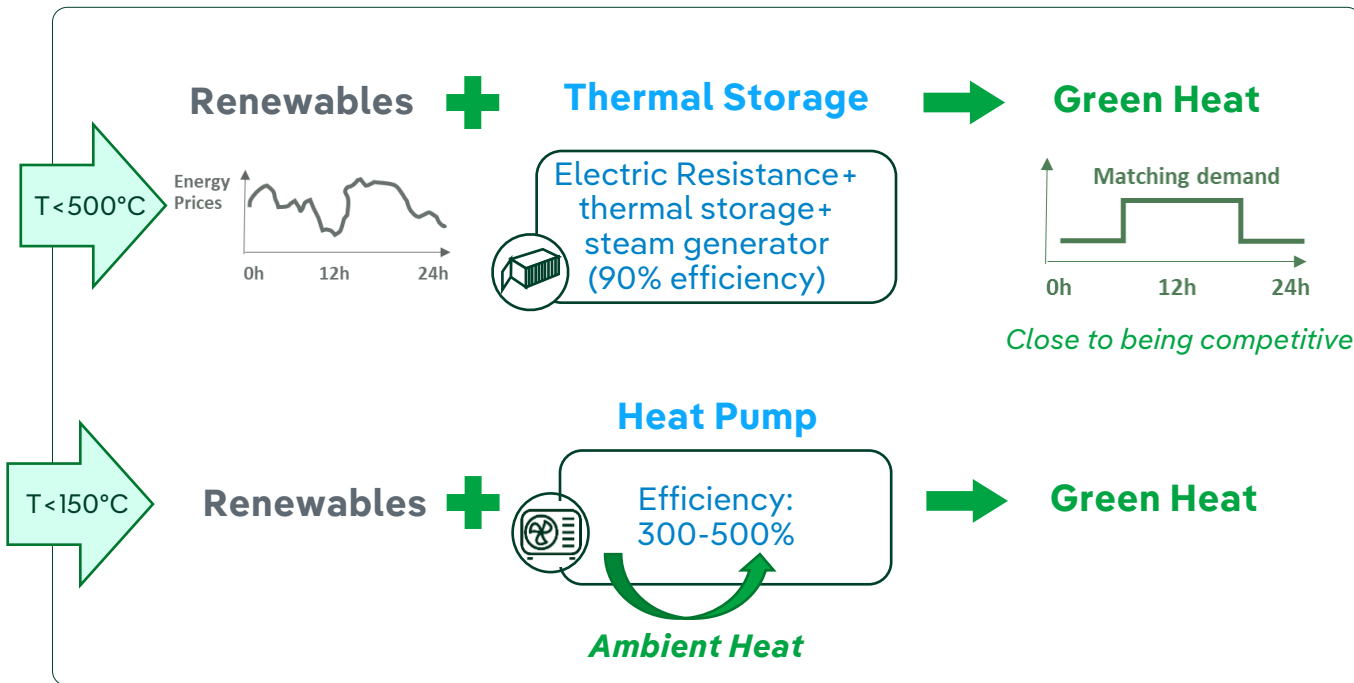
Fertilizer Industry – 20 MW Built in 2022 (3,000 tons/yr)

## Innovations & Drivers

- **Heat pumps.** Growing temperature: from 100° C today to **150° C** in medium term. Better refrigerants. Cost reductions: Economies of scale
- **Thermal storage** with existing technology can electrify **industrial heat < 500° C**. Cost reduction expected in near term.

Temperature	Industrial heat demand- Today	
<100°C	11% ( 22 TWh)	} ~96 TWh
100-200°C	26% ( 52 TWh)	
200-500°C	11% ( 22 TWh)	
>500°C	52% (104 TWh)	

## Industrial Heat Demand



## Iberdrola

- **Industrial Decarbonisation Business Unit** launched to deploy electrification solutions in industries  
*First heat pump projects + developing thermal storage pipeline*
- **Alliance Q-zero launched**  Alianza para la descarbonización de la demanda térmica en España
- **Investment in KYOTO** (Thermal storage)



**KYOTO™**

4 MW/18 MWh molten salt-based thermal storage system in operation (Denmark)

## Innovations & Drivers



**Artificial  
Intelligence &  
Cloud Growth**



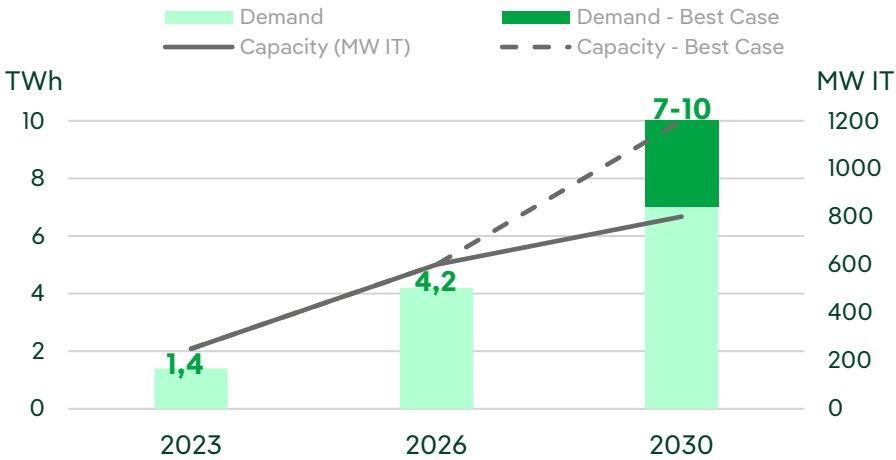
**Need for 24/7  
Renewables**



**Refrigeration  
Improvement**

- Huge growth in Cloud demand
- AI irruption (growing computing needs vs Cloud)
- Need for renewable energy 24/7
- Efficiency improvements → Liquid cooling

## Capacity & Demand



**Demand (TWh)**

	2023	2026	2030
Demand (TWh)	32	~70	~110

Source: Morgan Stanley

## Market Positioning

**>7 TWh Global Renewable PPA**

**Main PPA clients for Data Centre energy consumption globally**



- Provide energy from renewable sources 24/7
- New products and services are being developed to support the growth of the Data Centres industry



# Green-skilling



Always  
Green  
Together



# Strategic Capabilities

- Cybersecurity
- Data Analytics
- New Business and Operating Model
- Customer Experience

950 events per year,  
more than 17,000 participants.  
At Iberdrola Innovation and Training CAMPUS.



**+3 M**

hours of training  
provided.

**1 M**

hours in H&S,  
Compliance/Ethics  
and Strategic Skills.

**+35%**

hours in strategic  
capacity building.

**+70%**

of the vacancies  
posted in  
leadership  
positions were  
filled by company  
staff.

**+3,500**

employees trained  
in open programs:  
reflection of the  
learning culture.

**+25%**

over the previous  
year of Leadership  
Training hours.

**97%**

of employees  
trained. Training  
accessible to the  
entire workforce.



## Prioritizing Green Skilling

50% of training hours on green skills to keep our workforce always up to date. Growing digital Knowledge Sharing Communities & master classes:

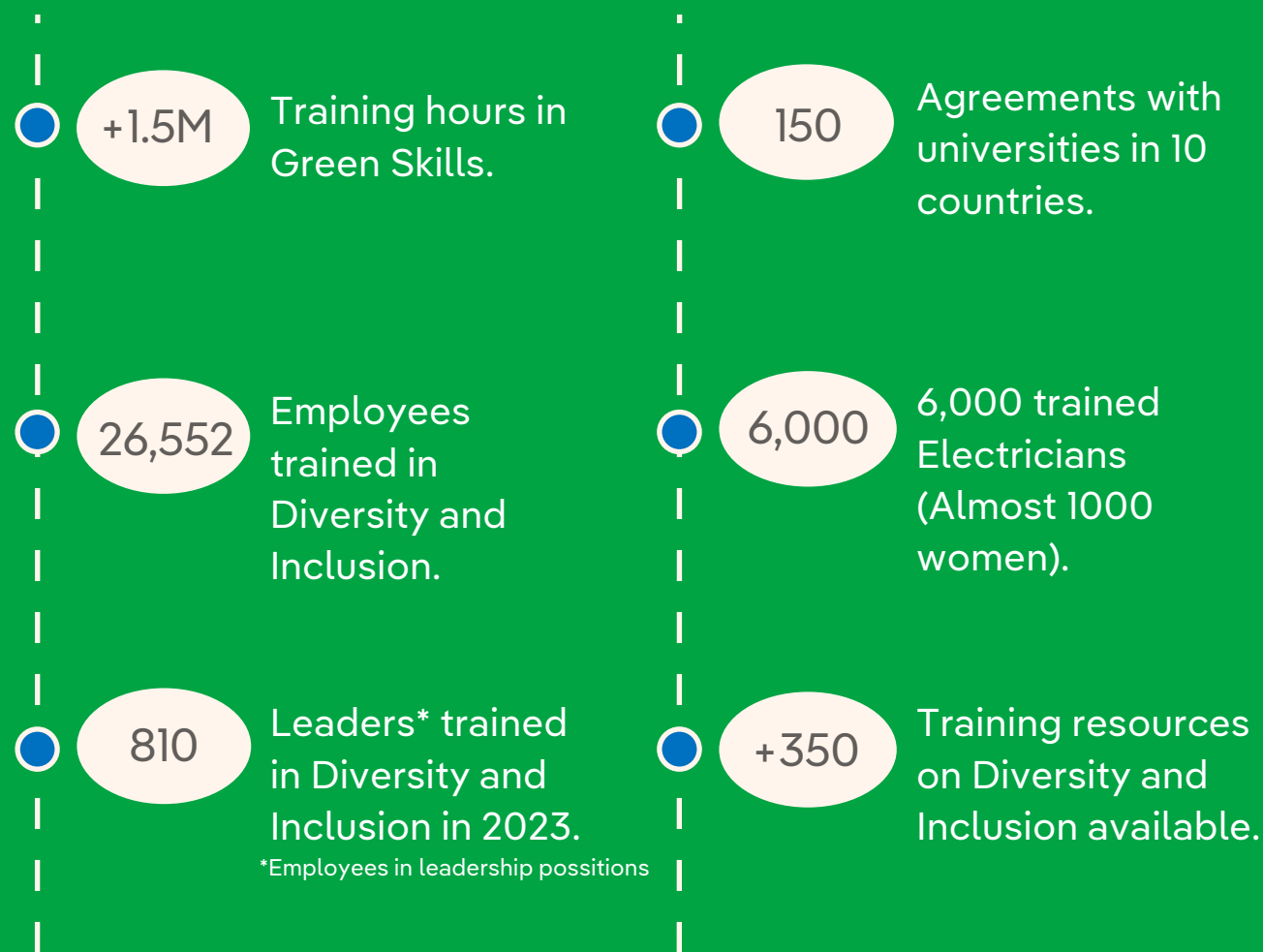
### C3: Breaking Silos

+2,300 permanent members.  
+55,000 visits and contributions to the Knowledge Sharing Communities.

10 masterclasses in 2023 with more than 10,000 participants worldwide.

with an average  
satisfaction of

4.77/5



# Fully committed with H&S improvement

Not only with our employees, also with providers and community.



Stepping forward after being the first company globally certified in its commitment to the health, safety and well-being of its human capital.

Iberdrola guarantees access to its employees and family to life and accident insurance, health and pension plans, with coverage above the market, with top-level insurers.

# 120,000 people covered 24/7

More than 500M€ in Health plans for employees/former employees and family members

Global wellness policies with special relevance to psycho-emotional programs (stress, anxiety, relationships, grief and trauma, addiction, problems in the work environment, etc.) .



## 5,000

We hired almost 5,000 people during 2023, which represents more than 11% of our global workforce.

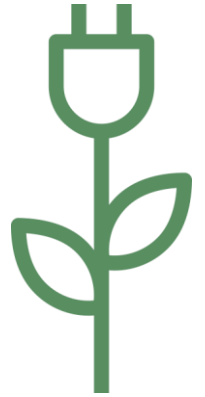
## €55M

Annually the group funds more than 1,000 professional scholarships.

We invested about €55M in early career and graduate programs in the last 3 years.

## 600

Through the International Graduate Program we developed and integrated almost 600 top talent young professionals.



## 3.4% turnover\*

One third lower than the sector's turnover in 2023.

We lowered turnover in all professional categories.



\* Voluntary termination

## 16%

Women in our sector represent only 16% of the workforce, according to IEA. Iberdrola has already been able to reach parity in management positions recruitment in 2023.

## 35%

Women representation target in relevant positions by 2030 (28% in 2023).

## EDGE Certificate in 2024

Equal paid certificate.

## EDGEplus by 2026

Certification on Diversity and Inclusion.

UN LGBTIQ principles to be signed in 2024, joining the Valuable 500 alliance.

## 2.2M €

At Iberdrola Spain, the volume contracted to Special Employment Centres, whose main objective is to provide people with disabilities with productive & remunerated work, reached 2.2 M€.



## 741

Number of People with Disabilities in 2023: 741 (1.8% of the workforce).

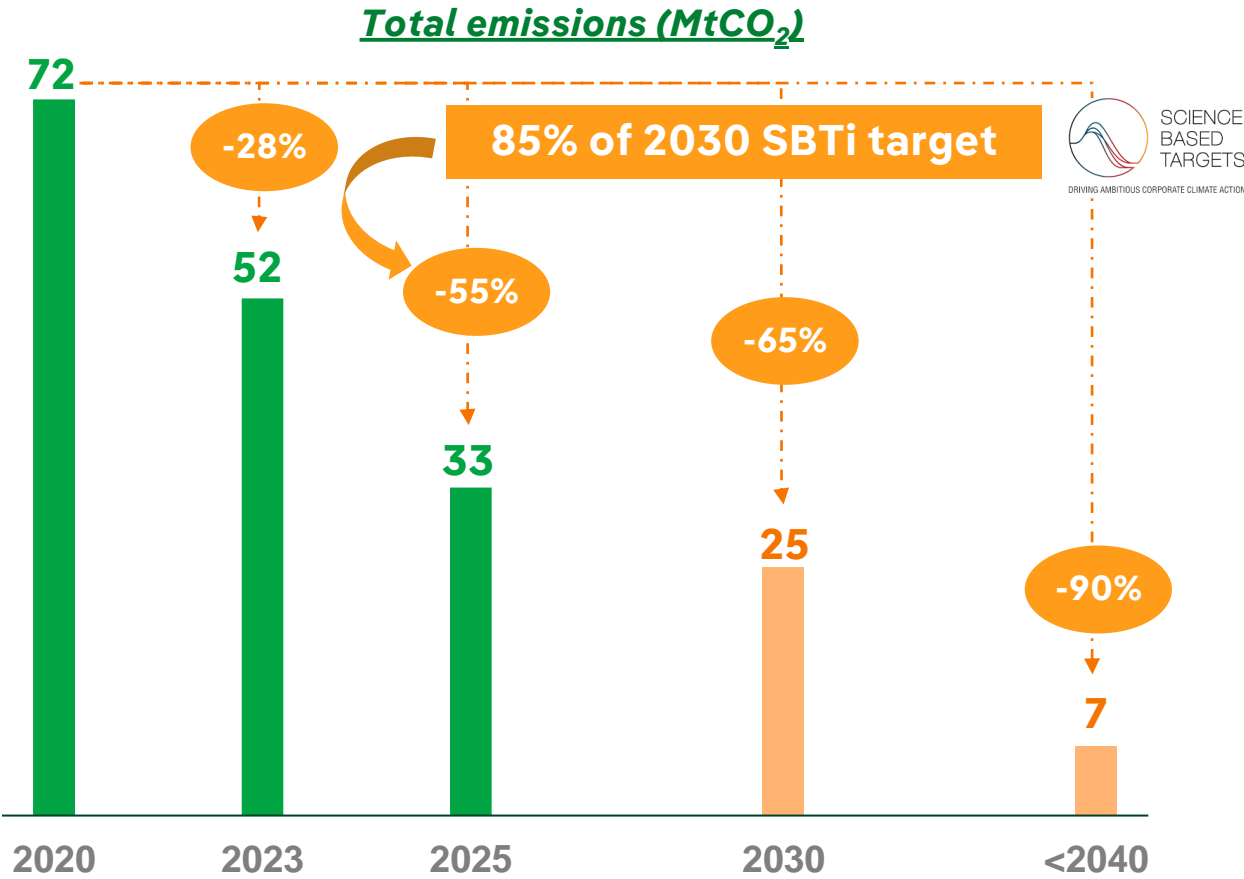
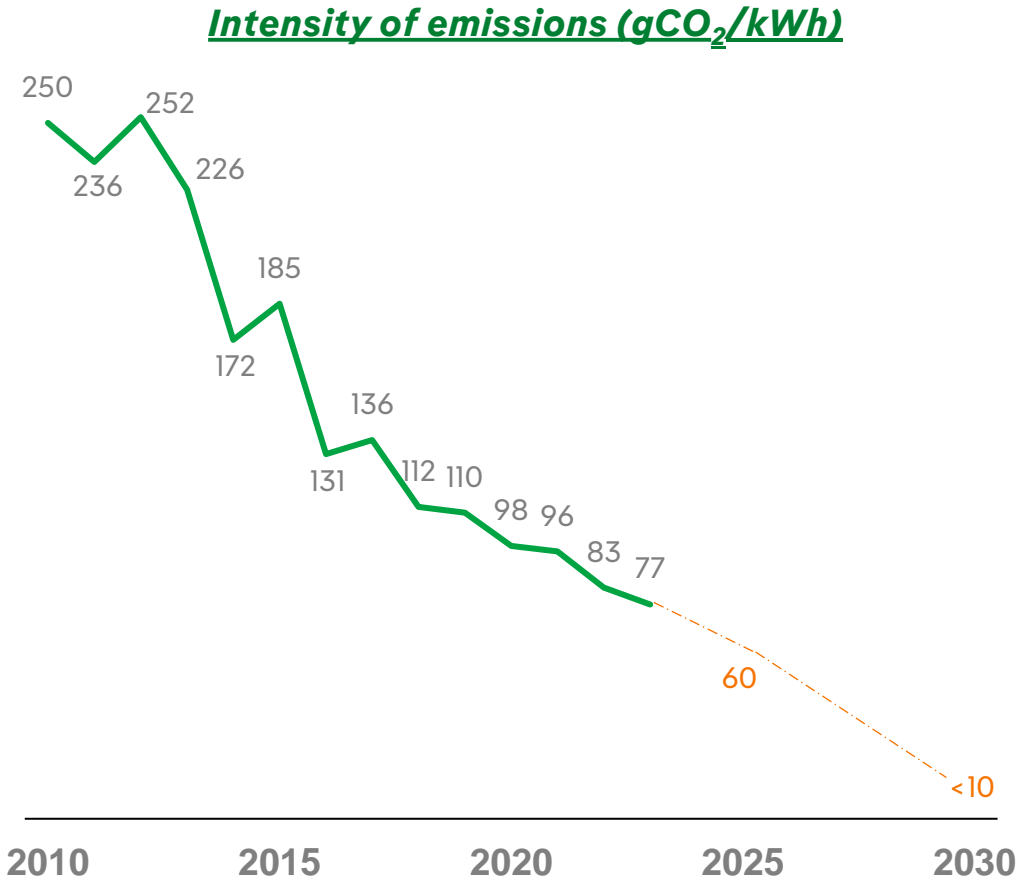




# Climate action & biodiversity plan

Intensity of emissions 2023: -22% vs 2020  
Expected achievement of ~40% of 2030 target by 2025

Total emissions 2023: - 28% (20 MtCO<sub>2</sub>) vs 2020  
Expected achievement of 85% of 2030 target by 2025



# 2030 Biodiversity Plan. Transforming risks into opportunities

## Our model: Renewables & Networks



High interaction with the territory  
and its biodiversity due to its  
location in the natural  
environment.

### 2030 Biodiversity plan

2030 OBJECTIVE: Net positive impact on biodiversity

*2025: 20% generation facilities  
and 100% new developments  
evaluated and with a biodiversity  
action plan*

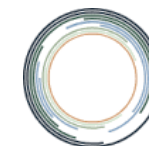
*2030: 100% Generation facilities  
and networks evaluated and with  
a biodiversity action plan*

#### LINES OF ACTION

MEASURE

ACT

TRANSFORM &  
LEAD



SCIENCE BASED TARGETS NETWORK  
GLOBAL COMMONS ALLIANCE



## Measuring Iberdrola group's net impact on biodiversity

Two **metrics**:

- ✓ **Ecosystems** - new developments.  
Measures the change in the condition and extent of the affected ecosystem
- ✓ **Species** - operation and maintenance  
Balance of impacts on species.  
Species index to prioritize activities



*2025 OBJECTIVE: 20% generation facilities and 100% new developments evaluated and with a biodiversity action plan*

**> 55% of renewable facilities starting operation in 2023 are already aligned (2.371 ha)**

## Example: PV Plant “Nuñez de Balboa”

### MEASURE – ECOSYSTEM METRIC

Ecosystem type	Extent (ha)	Extent adjusted by condition before construction (ha. eq.)	Extent adjusted by condition after corrective measures (ha. eq.)	Net balance (ha. eq.)
Meso-Mediterranean Basophilic Holm Oak woodland	860	186	318	+ 133
Thermo-Mediterranean Riparian Galleries and Thickets	8	1.6	3.2	+ 1.6

### BIODIVERSITY ACTION PLAN – MITIGATION / CONSERVARION HIERARCHY



**Balance: Net positive impact on ecosystems**



## Leaders in R&D to minimize impacts



Bubble curtain to protect marine mammals



Video surveillance and radar systems



Painting of blades and vinyls eyes



+ 120,000 adapted supports with the objective of adapting + 400,000

## Promotion of conservation projects



Conservation of the largest red kite and raptor roost in Spain and integrated population management



Fire Coral and Brain Coral Restoration



Conservation of the Cabrera vole

## Promoting biodiversity with nature-based solutions



- **3.4 million** trees planted in the 2020-23 period.
- **Development of projects** that promote the restoration, conservation and sustainable management of various natural ecosystems.

# 2030 Biodiversity Plan: Transform & Lead

## Leading the implementation of TNFD recommendations.

- **The only energy company included** in TNFD and WBCSD case studies
- Risks and opportunities published in Non-financial information report
- **“TNFD Early adopters 2024”**: Iberdrola will publish its TNFD Report in 2024 (first utility in the world)

## Leadership on the international agenda:

Strong participation in the last COP15 in Kunming-Montreal -> supporting for the global framework for biodiversity

Working to increase our participation in COP16 in Cali (Colombia)

**Integration of renewables in territory:** Convive program, agrovoltaism

**Alliances:** BirdLife International

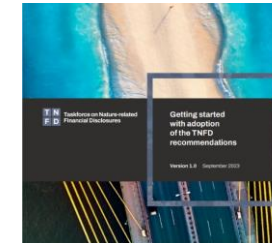
**Supplier engagement:** No deforestation in the supply chain from 2025

Supplies considered: net poles, wind turbine blades, cable coils and furniture

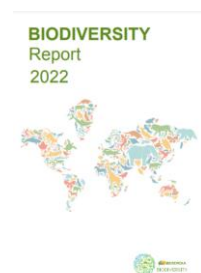
**Transparency.** Biodiversity report 2024



Taskforce on Nature-related  
Financial Disclosures



Mushroom cultivation in Photovoltaics





# Green jobs



In 2023 we launched  
**the world's leading job, training  
and professional orientation  
platform** that boosts your  
career **in Green Jobs.**

The solution to **train and  
foster** the workforce that  
the **energy transition needs.**





# Bringing opportunities to everyone

**+257M€** Purchases from **diverse suppliers** and +2M€ worth of contracting of special employment centres in 2023.

**+12.4M** Beneficiaries of the **Electricity for All Program** until 2023.

**+600k** Sponsored **female athletes**.

**+620k** Direct beneficiaries of **social action** initiatives.



**500k** **Jobs sustained in suppliers** worldwide (ref. 2022).

**+70%** **Increase in the number of women** in executive and management positions in the last 10 years.

**16k** **Volunteer network** of more than **16,000 employees**.

**+9M€** Of **social investment** through our Foundations.



Ensuring the pace for a safe green transition by boosting **talent**, developing **strategic capabilities** and promoting **diversity & inclusion**.

*The Future is Green*  
**The Future is Iberdrola.**

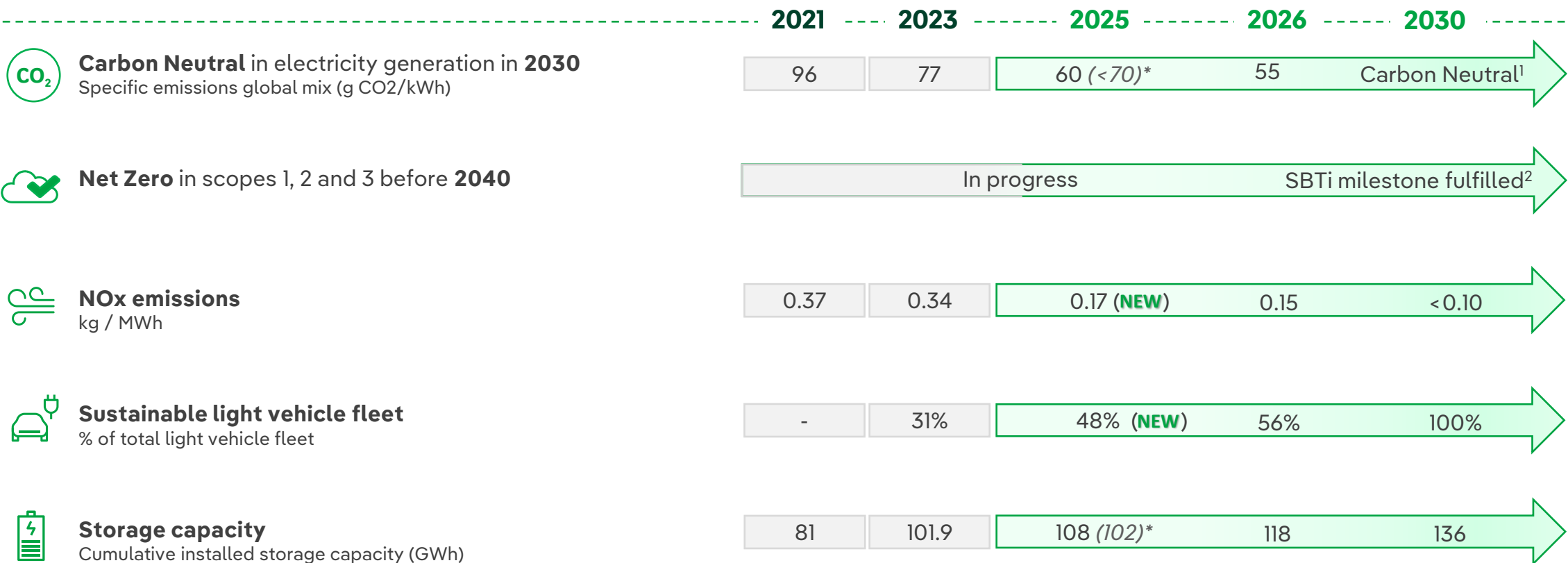


# Annex I

## ESG Targets full detail

# Boosting electricity as a clean, autonomous, local, stable, safe and competitive source of energy (1 of 2)

## DECARBONISATION



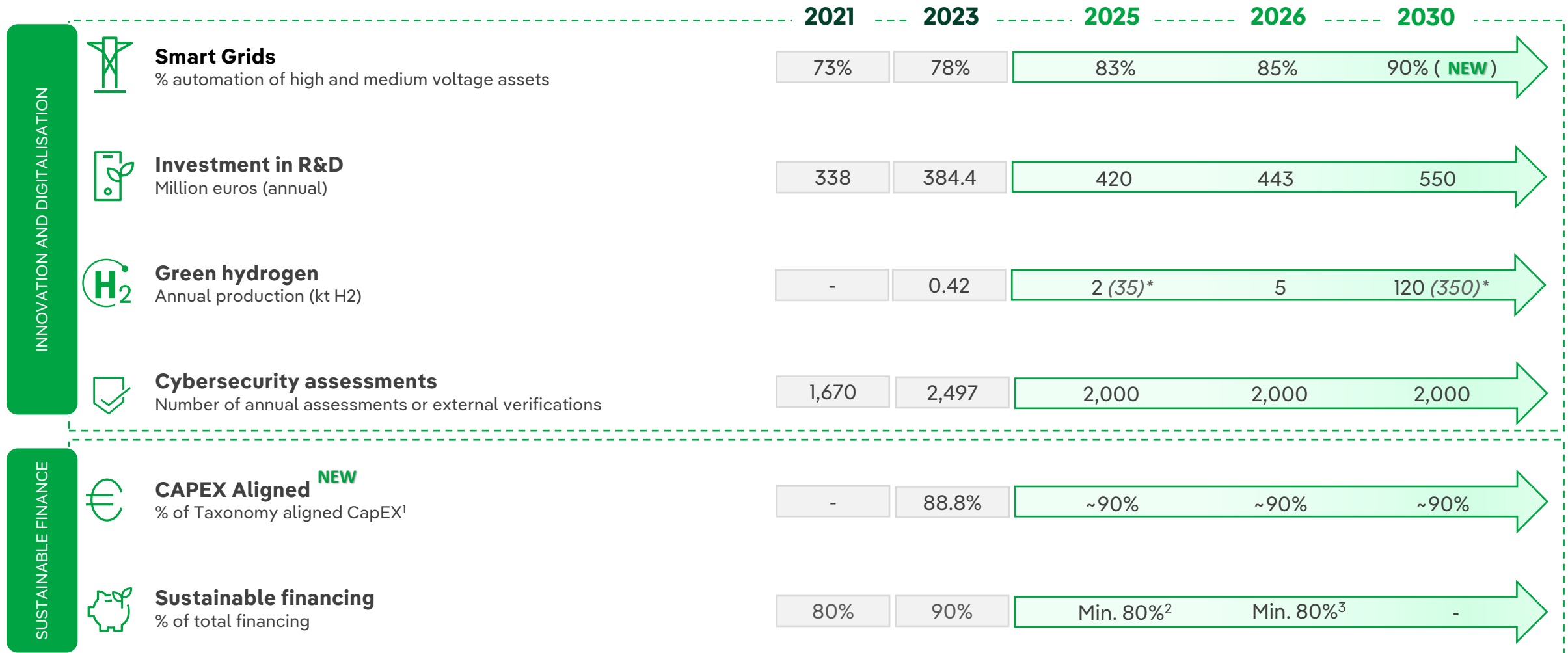
<sup>(1)</sup> <10 gCO2/kWh

<sup>(2)</sup> Intermediate target as certified by SBTi (Science-based targets initiative)

<sup>(\*)</sup> Previous target established in CMD 2022



# Boosting electricity as a clean, autonomous, local, stable, safe and competitive source of energy (2 of 2)



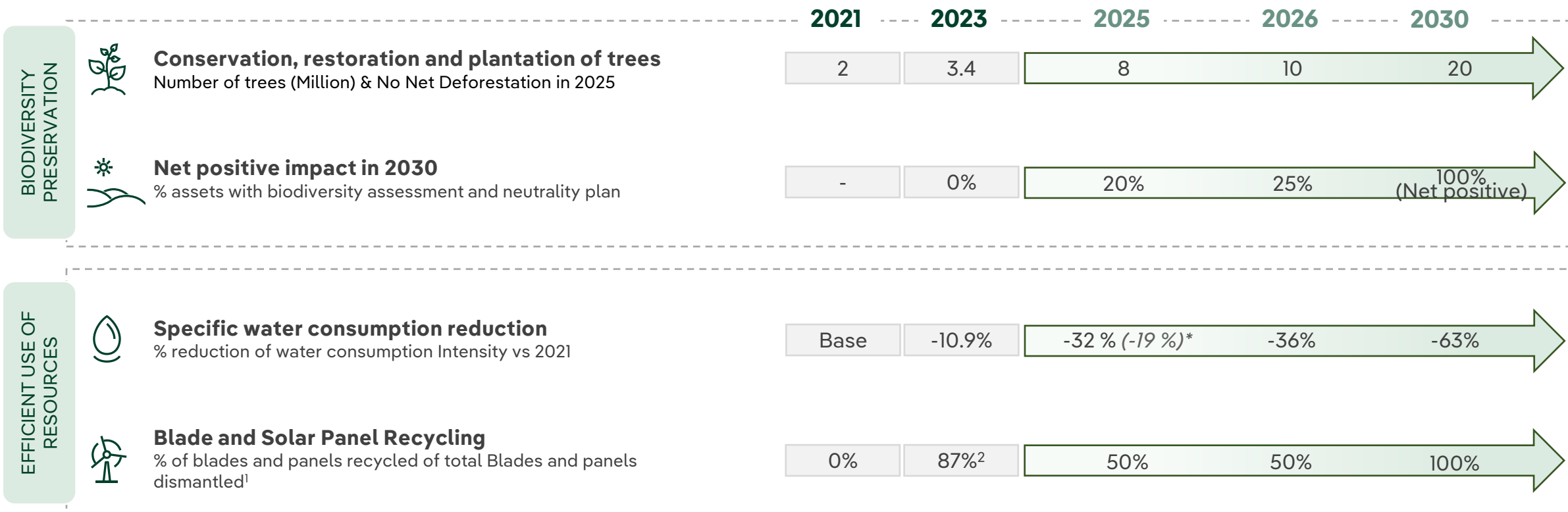
<sup>(1)</sup> Organic capex; according to European Taxonomy Regulation.

<sup>(2)</sup> Average ESG financing for 2023-25 period

<sup>(3)</sup> Average ESG financing for 2024-26 period

<sup>(\*)</sup> Previous target established in CMD 2022

# Protecting nature and fostering an efficient use of resources

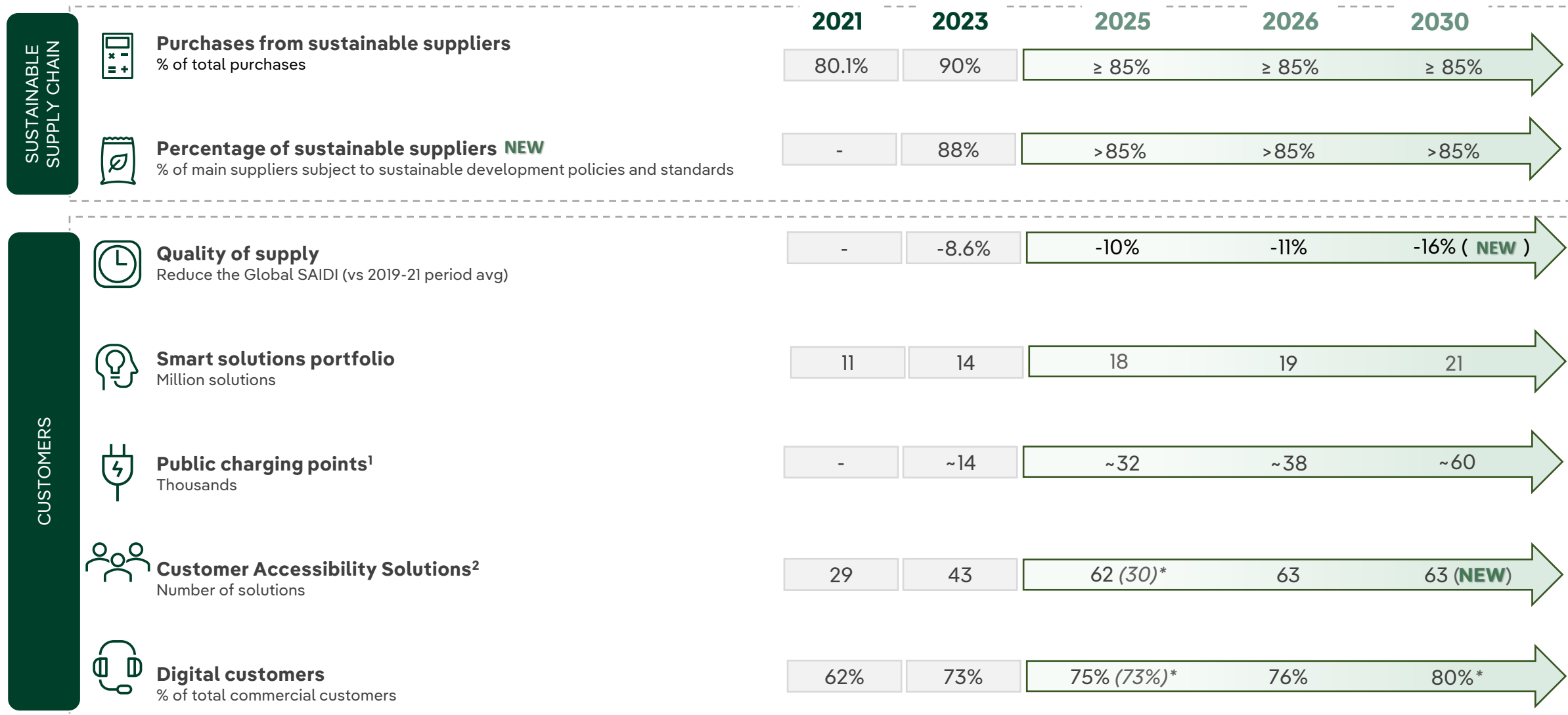


<sup>(1)</sup> Includes blades and panels out of operation with a destination decision different from disposal

<sup>(2)</sup> Only includes blades

<sup>(\*)</sup> Previous target established in CMD 2022

# Working to ensure a sustainable value chain

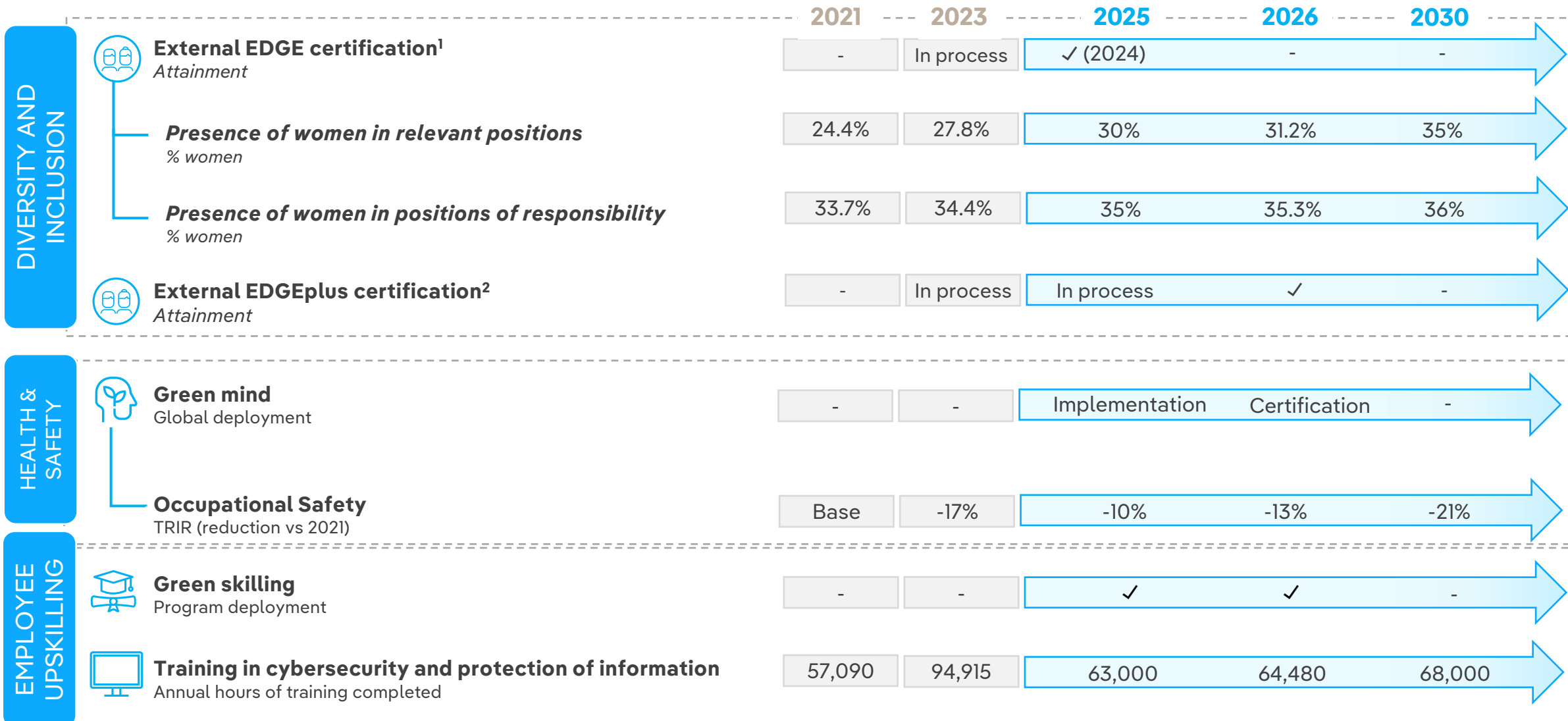


<sup>(1)</sup> Calculated as logic terminals. Considering this target and current forecasts for electric vehicle penetration, the total number of public and private charging points projected for 2030 would reach 400k

<sup>(2)</sup> Including Neoenergia solutions from 2023 onwards

<sup>(\*)</sup> Previous target established in CMD 2022

# Strengthening human and social capital (1 of 2)










# Strengthening human and social capital (2 of 2)



(\*) Previous target established in CMD 2022

# Keeping our culture of ethics, transparency and good governance

		2021	2023	2025	2026	2030
CORPORATE GOVERNANCE	 <b>Corporate Governance</b> Maintain best practices	✓	✓	✓	✓	✓
	 <b>Percentage of independent directors</b> Over 50%	✓	✓ (71%)	✓	✓	✓
COMPOSITION OF THE BOARD OF DIRECTORS	 <b>Gender balance</b> Maintain	✓	✓ (43%)	✓	✓	✓
	 <b>Diversity in the Board of Directors</b> Promote	✓	✓	✓	✓	✓
COMPLIANCE	 <b>Compliance system</b> Obtain/maintain (yearly)	✓	✓	✓	✓	✓
HUMAN RIGHTS	 <b>Human Rights Due Diligence</b> Continuous revision of the DD System	✓	✓	✓	✓	✓
STAKEHOLDER ENGAGEMENT	 <b>Stakeholder Engagement Model</b> % of facilities with the model implemented	-	55%	70% (✓)*	75%	90% (✓)*