



 **IBERDROLA**
BIODIVERSITY



2030

BIODIVERSITY

Plan



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Letter from the chairman



Ignacio S. Galán
Chairman of Iberdrola & CEO of Iberdrola

The preservation of the planet and the well-being of people are priority elements for Iberdrola in determining its entire business strategy and Model. We are facing an unprecedented environmental crisis whilst also experiencing strong growth in global energy demand. For this reason, Iberdrola works to build an energy model in harmony with nature and with human beings, which is a source of sustainable development.

Iberdrola integrates the conservation of the biological diversity of ecosystems as an essential part of its strategy, making the supply of competitive, clean and sustainable energy fully compatible with environmental balance and a commitment to achieving the full preservation of biodiversity.

Iberdrola annually carries out more than 750 actions to protect biodiversity, combining the development of renewable projects with the conservation of flora and fauna and the care of natural heritage.

Building on this, I am pleased to present the **2030 Biodiversity Plan**, which establishes the ambitious goal for Iberdrola to achieve a net positive impact on biodiversity in the 2030 financial year. This objective is integrated into the life cycle of all the facilities of Iberdrola group, that is, from construction, to decommissioning, as well as during its operation stage. **This plan**, based on better measurement, intensifying our actions and contributing to transformation of the economy towards a sustainable model, **will be a tool to develop projects that allow us to contribute to a nature-positive future.**



We strengthen our commitment to nature

At Iberdrola, we strengthen our commitment to nature and set ourselves the goal of having a positive net impact on biodiversity in the 2030 financial year, that is, that for the aforementioned financial year our activities have contributed to the preservation and improvement of biodiversity in a better state. To achieve this ambitious goal, we have developed this new 2030 Biodiversity Plan (the “**Plan**”) applicable to all the facilities and activities of the Iberdrola group.

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.

The purpose of the Plan is to strength and implement mechanisms so that Iberdrola has a net positive impact on biodiversity and contributes to promoting cultural change to “**Live in harmony with Nature**” (2050 Vision of the Convention on Biological Diversity of the United Nations). The Plan addresses the impacts on species and ecosystems from the Iberdrola group’s activities throughout the facilities’ life cycle, considering the supply chain and creating environmental, economic and social value through ecosystem services.

This Plan is a continuation of years of work on the protection and preservation of biodiversity, its integration into the strategic planning and decision-making of the group. Iberdrola has had an Iberdrola *Biodiversity Policy* [\[?\]](#), since 2007, which forms part of its Governance and Sustainability System. In 2021, Iberdrola substantially modified the aforementioned *Biodiversity Policy* [\[?\]](#), to define the principles of action that support this Plan and thus develop a sustainable and positive business model with nature.

No deforestation commitment

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

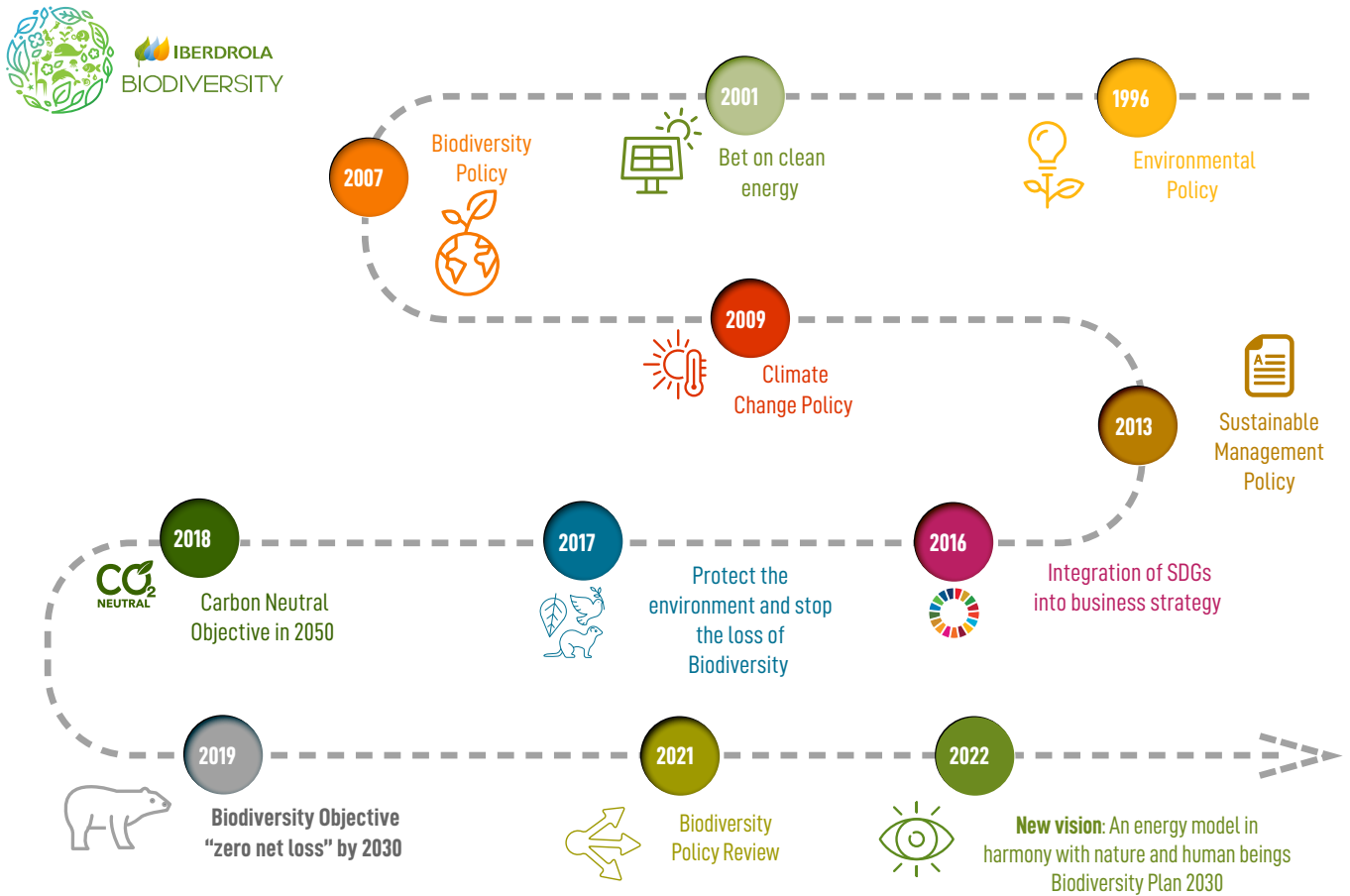
The commitments and procedures derived from this Plan are: (i) conservation hierarchy; (ii) equal compensation for impacts –that is, with the same type of habitat and species affected–; (iii) application of solutions based on the preservation of nature; and (iv) supply chain involvement.

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

Iberdrola commits that its activity will not generate net deforestation in 2025



HISTORIC COMMITMENT WITH THE ENVIRONMENT



We work to build an energy model in harmony with nature and human beings

For more than 20 decades, Iberdrola's business activity has been guided by the principles of preservation, care and protection of the environment as a lever to ensure its own survival and well-being, and that of other living beings.

In recent years, the environmental crisis that has occurred, together with the growing energy demand, have exacerbated the need for a new energy model, based on the use of renewable energies, the development of smart grids and efficient energy storage, and the promotion of the electrification of demand as vectors of competitive and efficient decarbonization, and that integrates the conservation and promotion of biodiversity, as well as the sustainable use of resources in all its activities and processes. The Iberdrola group will continue to work on the transition to this new energy model that simultaneously guarantees sustainable development, considering the well-being of people and respect for nature.

Due to the location of our infrastructure assets and their interaction with landscapes and habitats, Iberdrola has considered biodiversity as a material factor for its business Model for more than a decade.

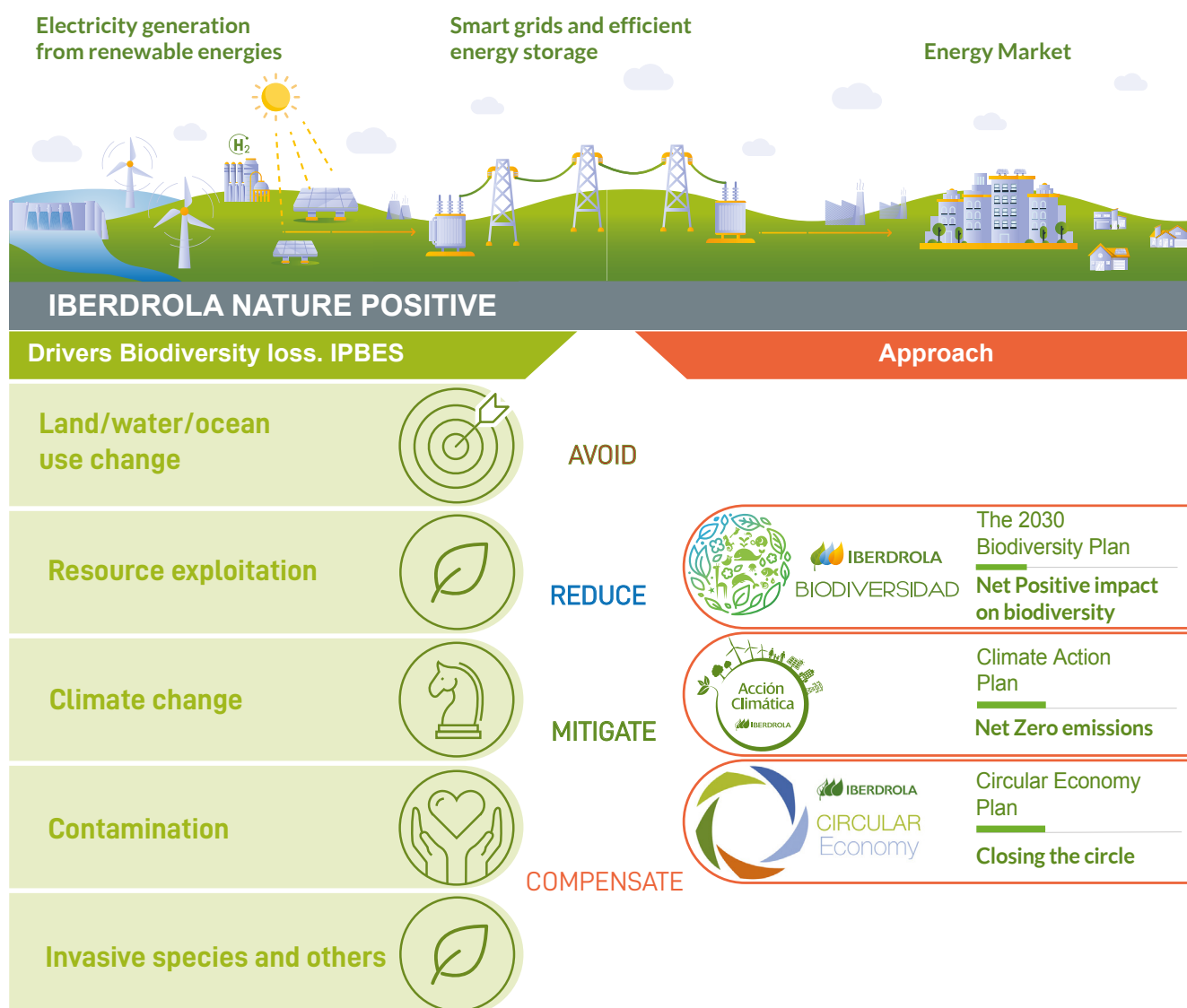
For this reason, it has a roadmap called "Iberdrola Positive Nature" whose purpose is to build an energy model in harmony with nature and human beings and that includes, in addition to this *Biodiversity Plan*, the *Climate Action Plan* and *Circular Economy Plan* that address decarbonization and the sustainable use of resources respectively.



With this set of plans and actions, Iberdrola group tackles the five drivers of biodiversity loss identified by The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) in its latest report:

- (i) changes in land and sea use,
- (ii) direct overexploitation of species,
- (iii) climate change,
- (iv) pollution and the spread of invasive species.

ROADMAP- IBERDROLA POSITIVE NATURE



The Global Environmental Management System, applicable to the entire group, serves as an operational tool for managing the aforementioned plans.



The Plan: measure, act and transform

Iberdrola addresses the challenge of having a net positive impact on biodiversity with three areas of action: **measure**, **act** and **transform**.

2030 OBJECTIVE: NET POSITIVE IMPACT ON BIODIVERSITY



MEASURE

We improve our
measurement standards



ACT

We reinforce our
actions



TRANSFORM

We drive change on
biodiversity action



This approach is aligned with the Science-Based Targets for Nature (SBTN) and its vision of the Framework for Action AR3T¹ and with the landmark pillars established by the working group for the reporting of financial information relate to nature, Taskforce on Nature-related Financial Disclosures (TNFD).



MEASURE – WE IMPROVE OUR MEASUREMENT STANDARDS



Iberdrola implements a net balance accounting framework – consolidated and scalable to all the companies that make up the group - for the evaluation on the positive and negative impacts of its activity, its facilities and its process, on species and on the ecosystems



The ecological processes of nature are complex and, unlike climate change, it is difficult to establish metrics that represent in an aggregate manner the effect of a varied set of activities on biodiversity. In the last years, numerous methodologies have emerged that measure impacts on it from various points of view and that are applicable to different contexts.

At Iberdrola, we have been incorporating best practices for many years to measure and learn more about our impacts on biodiversity. At site or facility level, we do this through the environmental assessment of new projects and in the monitoring and control of impacts in operation. At a corporate level, we do this through the *Corporate*

1. Science Based Targets Network, 'Science-based Targets for Nature: Initial Guidance for Business', September 2020.



Environmental Footprint ^[2], through which we explore the impacts of the life cycle, and through the report of internal and external indicators.

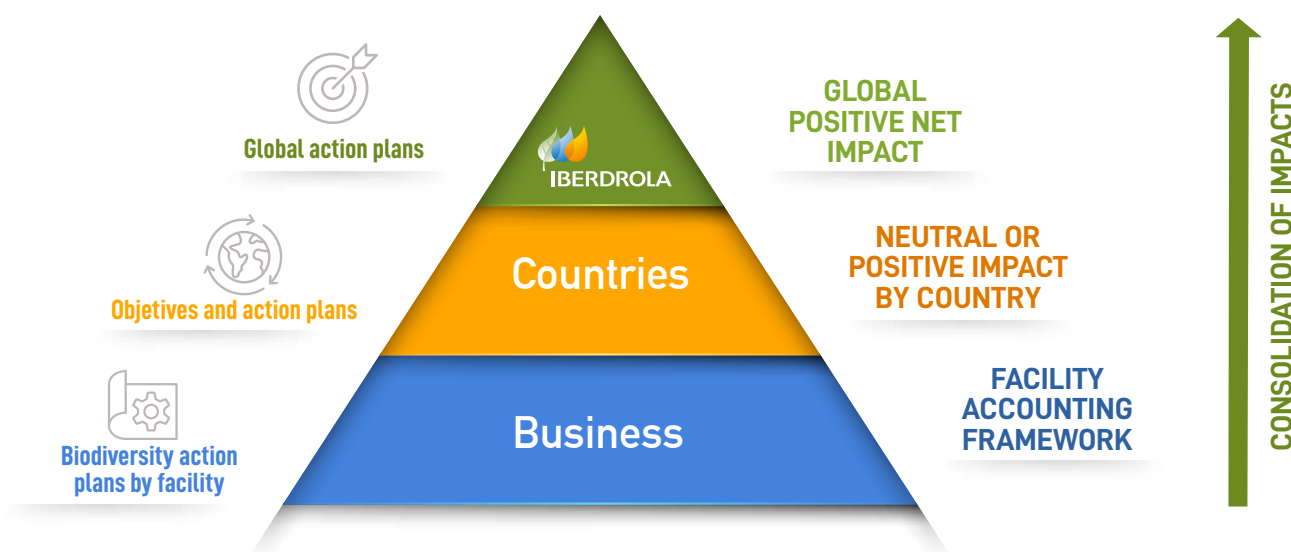
With this Plan, the Iberdrola group goes a step further and establishes a **new biodiversity net balance accounting framework**, which allows for the quantification of the positive and negative impacts species and ecosystems derived from the construction, operation and decommission of the projects. This accounting framework, applicable to all installations, makes it possible to consolidate the net balance of the aforementioned impacts at the installation, business and group level. In this way, the Iberdrola group will be able to know the degree of compliance with its objective at a global level and adjust the biodiversity action plans accordingly.

The aforementioned accounting framework is based on the application of the Biological Diversity Protocol²

to determine the net balance in species and ecosystems. On the other hand, Iberdrola estimates the impacts on the value chain through the group's *Corporate Environmental Footprint* ^[2], which takes into account the life cycle of its activities.

Work also continues on identifying the risks and opportunities generated by the group's activity in the area of biodiversity, for which purposes the Natural Capital Protocol is applied and following the approach of the four LEAP axes (Locate Evaluate Assess Prepare) of the Taskforce on Nature-related Financial Disclosures (TNFD):

- (i) locate interaction;
- (ii) assess impacts and dependencies;
- (iii) assess the risks and opportunities of natural capital and ecosystem services; and
- (iv) preparing the response to those risks and opportunities.



2. Endangered Wildlife Trust (2020). The Biological Diversity Protocol (BD Protocol) (2020). National Biodiversity and Business Network - South Africa, 123p





ACT – WE REINFORCE OUR ACTIONS

By 2025, 100% of priority Iberdrola group facilities and, in 2030, all the rest, will be evaluated and will have their Biodiversity Action Plan reviewed to align them with the objectives of this Plan.

The protection and promotion of biodiversity have always been part of Iberdrola's way of operating. In this sense and with the implementation of this Plan, we will intensify actions so that, based on the principle of conservation hierarchy and the results of measurement, the facilities, processes and activity of the Iberdrola group have a net impact positive in the species and in the ecosystems, that is, leaving as a result a biodiversity in the better state.

For the above purposes, the Iberdrola group will work with its Stakeholders in defining and executing conservation measures in all phases of the facilities.

APPLYING THE PRINCIPLES OF THE CONSERVATION HIERARCHY: AVOID, REDUCE, RESTORE AND REGENERATE

Iberdrola applies the principle of conservation hierarchy, evaluating the net balance of its activities in accordance with best practices and reviewing the biodiversity action plans of all its facilities and processes during their life cycle.

The application of the conservation hierarchy goes beyond the mitigation hierarchy. It implies proactively setting conservation objectives so that in early phases they are incorporated into the design of new facilities or the current action plans are reinforced by implementing additional actions to achieve that objective.

The action plans in this matter will cover the entire life

cycle of facilities and will apply the following principles of action in order to avoid, reduce, restore and regenerate biodiversity:



Avoid

- Avoid locating new infrastructure projects in areas protected for their ecological, biological, cultural and/or landscape value or in catalogued areas of high value for biodiversity. Protected areas include World Heritage sites, national or regional protected areas and the relevant International Union for Conservation of Nature (IUCN) categories. If, for reasons of force majeure, it is necessary to act, the conservation hierarchy and compliance with neutral or positive net impact will be applied.
- Improve previous studies of the knowledge of the



environment and the possible impacts of our activities of the Iberdrola group on threatened species of flora and fauna and on protected habitats.

- Promote technological solutions that minimize the change in land use.
- Avoid the impacts of the activities associated with the supply chain.



Reduce

- Develop specific plans to minimize the impact on species due to electrocution and collision in overhead lines and wind farms.
- Maintain the ecological flow downstream of reservoirs.
- Strengthen surveillance plans for flora and fauna, especially protected or vulnerable species, so that they allow continuous evaluation of the interaction of infrastructure with the environment throughout the life cycle of the facilities.
- Continue the action programs for the prevention of contamination of the water environment and soil in all the facilities of the Iberdrola group.
- Establish plans for the identification and management of invasive species that pose a risk to the ecosystems and species of the sites where the Iberdrola group operates. Involve the supply chain in the objectives assumed by the Iberdrola group, reducing indirect impacts on biodiversity.



Restore and Regenerate

- Restore and offset residual impacts on threatened habitats and species on an equal footing, that is, with the same affected habitat type and species
- Establish specific actions against deforestation.

- Promote the creation of ecological corridors in facilities suitable for it.
- Identify and promote the development of areas of special protection or conservation.
- Establish environmental improvement plans.

APPLYING NATURE-BASED SOLUTIONS



Nature is our biggest ally and our greatest inspiration. We just need to do what nature has always done. In this world species can only thrive when everything else around thrives too. David Attenborough.



The solutions are found in nature, which is why Iberdrola group responds to the challenges posed by the biodiversity loss and climate change through actions based on the conservation and improvement of ecosystems.

Thus, in its commitment to promoting biodiversity and bearing in mind that forest ecosystems are home to around 80% of the world's terrestrial biodiversity, Iberdrola has set itself the objective **"Promote the conservation, restoration and planting of 20 million trees up to 2030"**.



To this end, in 2020, Iberdrola Trees Programme was launched, which focuses on three areas of action called “Branches”:

- **Branch 1: conservation of the natural heritage.** Its objective is to mitigate and compensate the habitats affected by the occupation of the new infrastructures.
- **Branch 2: regeneration and creation of natural value through voluntary measures.** Its objective is to contribute to reverse the loss of forest area by carrying out projects and promoting tree conservation and planting initiatives, both on Iberdrola group land and on non-Iberdrola group land.
- **Branch 3: social value:** research and awareness. Includes conservation, restoration and planting actions focused on raising awareness, research and scientific dissemination on biodiversity and nature preservation.

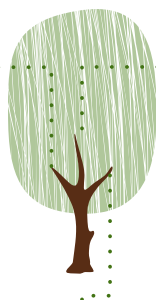
In addition, Iberdrola works on the restoration of wetlands and solutions for the restoration of the seabed.



BRANCHES OF THE PROGRAMME

PRESERVING NATURAL HERITAGE

Mitigate and offset the habitats affected by the occupation of new infrastructures.



REPLENISHING AND CREATING NATURAL VALUE

Correct forest loss by carrying out projects and initiatives to plant trees on land belonging to Iberdrola and on third-party properties.

SOCIAL VALUE: RESEARCH AND AWARENESS

Fostering shared knowledge by encouraging **research projects** with Stakeholders and developing **awareness raising initiatives**.





TRANSFORM – PROMOTION ACTION FOR BIODIVERSITY



Iberdrola will promote the transformation and cultural change necessary to live in harmony with nature



Given the dimension of the current challenge, a systemic change is necessary. For this reason, Iberdrola will promote the transformation and cultural change necessary to live in harmony with nature, supporting initiatives that preserve it, contributing to innovation and promoting the dissemination of knowledge and environmental awareness.

ACTION FOR BIODIVERSITY

Iberdrola has adopted the commitment to be a driver of change and to lead action for nature, integrating biodiversity into the group's internal strategic planning and decision-making processes, as well as into the analysis, management and reporting of the long-term risks associated with its processes, facilities and activities. In this sense, the Iberdrola group works on:

- Support action for biodiversity and nature in international negotiation processes such as the agreements of the Conventions of the Parties of Biological Diversity, the United Nations Conferences of the Oceans, or in the implementation of national and international Biodiversity Strategies;
- Collaborate with organizations representing the private sector such as, among others, Business for Nature, World Business Council for Sustainable Development (WBCSD), International Chamber of Commerce (ICC), World Economic Forum (WEF), Global Compact of the United Nations (UN Global Compact), as well as with the scientific community, such as the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES);
- Contribute to the transformation of the energy sector and the whole of society to achieve an economic and energy model in harmony with nature and with human beings.

CREATING SOCIAL VALUE

Innovation, the transmission of knowledge, the promotion of scientific research, the dissemination and disposal of the value generated in nature are fundamental tools to generate cultural changes for the protection, promotion and conservation of the environment and biodiversity. For this reason, the Iberdrola group will intensify the following lines of work:


- **Social awareness:** reinforcing and encouraging projects and programs that promote social awareness with awareness campaigns for the Stakeholders of the Iberdrola group, training plans for professionals, volunteer actions, etc;
- **Value chain:** the group will continue to support its suppliers through actions to increase the knowledge, competence and capacity of the supply chain;
- **Research,** development and Innovation (R+D+i): promoting research, development and innovation in relation to solutions for the conservation, restoration and regeneration of biodiversity;
- **Ecosystem services:** making the sustainable use of ecosystem services available to Stakeholders in the environments where the Iberdrola group operates, with special emphasis on cultural services;
- **Alliances and participation of interest groups:** collaborating and participating in initiatives that establish and promote best practices and knowledge transfer, ensuring collaboration with Iberdrola's Stakeholders and considering their needs and expectations in terms of biodiversity and taking into account and involving indigenous peoples and local communities in decision-making throughout the life cycle of facilities;
- **Communication and transparency:** the Iberdrola group will continue to report transparently on the group's actions in the area of biodiversity, the presence of facilities in protected areas and the research, conservation, education and awareness actions carried out through different media, such as the Report on Biodiversity of the Iberdrola Group



Governance, excellent internal management and monitoring

The Plan is supported by the following internal and intersecting tools for its implementation, management and compliance:

- **Governance.**

- Acting based on the Governance and Sustainability System (Iberdrola's own and internal regulations) which places the environment and climate action as two of its priority elements. In particular, with regard to biodiversity, the Governance and Sustainability System promotes its integration into Iberdrola's internal strategic planning processes and decision-making, having included among its regulations, as already mentioned, a [Biodiversity Policy](#) .

- **Risk and opportunity management.**

- Strengthening the processes and mechanisms that allow us to identify the impacts and dependencies of biodiversity and ecosystem services and effectively integrating them into internal planning and long-term risk management processes.

- **Monitoring, compliance and continuous improvement.**

- Implementing tools for monitoring, reporting and verification of the performance. Through a continuous improvement model, our new ways of quantifying the net balance of the Group's activities will help define global objectives and operating plans.
- Establishing mechanisms for the assessment of the compliance based on objectives and indicators.

Ongoing evaluations of the Plan will be based on new scientific knowledge, an enriched dialogue with our Stakeholders (especially business partners and Non-Governmental Organisations (NGOs), and new guidance from the Science Based Targets for Nature (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD). Our actions and commitments will be aligned with national and global frameworks.





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