Iberdrola SA - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Iberdrola is a world leader in clean energy, focused on promoting CO2 free installed capacity in our mix.

Nearly two decades ago, Iberdrola decided to strongly back clean energy. Since then, Iberdrola has invested tens of billions of euros in renewable energy – onshore and offshore wind energy, hydroelectric and solar power – as well as in the grids needed to integrate this renewable energy, and in storage. This pioneering commitment to clean energy has made the company one of the world leaders, with a renewable capacity of almost 35,000 MW, and the number one wind power producer in the world.

Iberdrola is well-positioned to become a benchmark as regards the contribution of the electricity subsector towards attaining a scenario that is compatible with the 2ºC target, as a result of the characteristics of its energy mix, its investment profile and the commitments that it has already undertaken.

- Iberdrola's emissions per kWh in Europe were already 58% lower than the average of the European electricity sector in 2018; *Source: European carbon factor Benchmarking of CO2 emissions by Europe's largest electricity utilities (January 2020, PwC) .*

- Iberdrola is the world leader in renewable energies, smart grids and electric vehicle development and is ranked at the top of the main sustainability indices.

- Iberdrola publicly announced its target for 2030: Iberdrola commits to reduce absolute Scope 1, 2 and 3 GHG emissions 20% by 2030 from a 2017 base-year. Validated by Science Based Targets initiative (SBTi). Iberdrola commits to be carbon neutral by 2050.

Iberdrola operates in more than 40 countries and has over 34 million customers. At Iberdrola, we have spent more than 150 years moving forward in a single direction. We have created an industrial growth project sustainable in the long term, by focusing on the core business, on stable activities and growth through a balanced business portfolio, on leadership in wind power, on operating efficiency and on financial soundness, becoming a number one worldwide energy group.

Thanks to the significant degree of alignment between our strategy and the objectives of the historic Paris Agreement. Iberdrola's was selected by UN climate action team to lead private sector participation at the plenary event of the mitigation stream at the Climate Action Summit in 2019. Iberdrola's leadership at this summit was also supported by its endorsement of the main pledges (e.g. *Business Ambition 1,5 C*) and its engagement with the main organizations and campaigns (We Mean Business, Corporate Leaders Group, UN Global Compact activities – e.g. LEAD recognition).

In 2020, Iberdrola was actively present at the UN General Assembly and the NY Climate Week, as well as during the 5th Anniversary of the Paris Agreement (Nov – Dec 2020) organising external and internal events. Additionally, Iberdrola has joined the main campaigns in support of green recovery and robust multilateral responses to climate challenges (e.g. *Uniting Business and Government to recover better, Statement from Business Leaders for Renewed Global Cooperation, Green recovery call, Build back better -COVID-19 Policy Response-...)*

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Brazil
Mexico
Spain
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain
Electricity generation
Transmission
Distribution

Other divisions
Gas storage, transmission and distribution
Smart grids / demand response

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Climate change's concern is present throughout the Company and the highest responsibility resides in the Board of Directors. According to its by-laws, they work through a committee structure representing the whole Board. The Sustainable Development Committee is an internal organ of the Board of Directors, which was created for informational and consulting purposes and which has powers to inform, advise, and propose in the areas of Sustainable Development, ESG Requirements and Corporate Social Responsibility. The Sustainable Development Committee current powers includes, among others: - Report to the Board of Directors on the climate action plan to achieve neutrality in the emission of greenhouse gases by 2050, prior to approval thereof, as well as monitor and review the level of achievement thereof and of subsequent updates. - Verify that the content of the statement of non-financial information conforms to the Company's sustainable development strategy and that it includes a statement regarding the level of achievement of the climate action plan approved by the Board of Directors after a report from this Committee, and of any updates thereof. During 2020 The Committee has focused on supervising the Company's climate action, the creation of value for the Stakeholders, the Company's reputation, monitoring the activities of the Compliance Unit, and the application of the Governance and Sustainability System to the Iberdrola group's management of the crisis deriving from the spread of COVID. During financial year 2020, the following members of the management team of the Company has appeared in the Committee: Director of Innovation, Sustainability and Quality and Director of Energy Policies and Climate Change, Director of the Compliance Unit, Head of Corporate Governance, among others. The secretary of the Board of Directors have also appeared.
Board-level committee	Management of the Company is vested in a Board of Directors, its chairman, an executive committee called the Executive Committee (Comisión Ejecutiva Delegada). The Executive Committee operates permanently as the representative of the Board of Directors. It supports the Board of Directors in ongoing supervision of the group's strategy and business plan 2020-2025 and Vision 2030, monitoring the operating indicators by business and by geographic area and the financial results of the Group companies. As stated in the "Activities Report of the Board of Directors and of the Committees thereof – 2020" the sustainability topics included in its activities were, among others: - European energy policy: decarbonisation outlook to 2050 and sustainable investment plan. - Iberdrola's presence on sustainability indices. - Conclusions from Iberdrola's participation in the Davos World Economic Forum and at the BlackRock Global Summit 2020. The 2020 report also cited the activities regarding the Evaluation of the risks arising from climate change. 2021 priorities for this committee includes among others the Energy transition roadmap. During financial year 2020, The Business CEO has regularly appeared in this Committee. In addition, the Finance, Control and Resources Director (CFO), the Directors of Administration and Control and of Corporate Development, Director of Innovation, Sustainability and Quality and Director of Energy Policies and Climate Change have been invited on particular occasions
Board-level committee	The Audit and Risk Supervision Committee is an internal organ of the Board of Directors, with no executive powers, which was created for informational and consulting purposes and which has duties to inform, advise, and propose within its sphere of activities. Within its powers it is included to ensure that the Group's internal control and risk management system identifies at least: i. The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, or risks relating to corruption) facing the Company and the Group, including, among financial risks, contingent liabilities and other off-balance sheet risks. ii. The establishment and review of the risk map and levels that the Company deems acceptable. iii. The measures planned in order to mitigate the impact of identified risks in the event that they materialise. iv. The information and internal control systems that will be used to monitor and manage the aforementioned risks, including contingent liabilities and other off-balance sheet risks. This committee monitor the annual plan of the Risk Management. The Risk Management and Internal Assurance Division assists the Committee in the exercise of the powers thereof relating to the internal control and risk management systems and prepares the information requested by the Committee. During financial year 2020 the Audit and Risk Supervision Committee paid special attention to the comprehensive monitoring of risks at the Iberdrola group and particularly to those arising from the COVID-19 pandemic. Also the Report of the Board of Directors on the risk control and management systems quarterly and half-yearly analysis of risks was developed. It includes Reporting on the risks affecting the group businesses, risks arising from climate change, technological and cybersecurity risks, and risks associated with the activities of the Finance, Control and Resources Division. During 2019, the following members of the management team of the company has appeared in the Committee: Director of the Internal Audit Area, the Director of Administration and Control, the Director of Risk Management and Internal Assurance, Director of Energy Policies and Climate Change, among others.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Sustainable Development Committee is an internal organ of the Board of Directors, with no executive powers, which was created for informational and consulting purposes and which has powers to inform, advise, and propose in the areas of Sustainable Development, ESG Requirements and Corporate Social Responsibility. During 2020, it met on 11 occasions. Key topics addressed were the review of the Company's climate action, climate governance instrument, including the monitoring of the group's greenhouse gas emission reduction targets and its leading position in the industry, and review internal studies on sustainable economy and climate governance. Also to review Contribution of the Iberdrola group to the achievement of the SDGs and review of the level of implementation of the Corporate Social Responsibility Plan 2018-2020. 2021 priorities includes: Monitoring of the latest trends in the area of sustainability and circular economy The Audit and Risk Supervision Committee is an internal organ of the Board of Directors, with no executive powers, which was created for informational and consulting purposes and which has duties to inform, advise, and propose within its sphere of activities. It is responsible for monitoring the effectiveness of the system for managing risks, directly supervise the unit vested with the power to actively participate in the preparation of the Company's risk strategy and in significant decision thereof. In 2020, it met on 11 occasions. It continued its duties regarding Reporting on the risks affecting the group businesses, risks arising from climate change, technological and cybersecurity risks, and risks associated with the activities of the Finance, Control and Resources Division. The "Report of the Board of Directors on the risk control and management systems" quarterly and half-yearly analysis of risks was developed. 2021 priorities includes: Monitoring of regulatory risks in the different countries in which the group operates, including those derived from climate change and decarbonization schemes. The Executive Committee operates permanently as the representative of the Board of Directors. It supports the Board of Directors in ongoing supervision of the group's strategy and business plan 2020-2025 and Vision 2030, monitoring the operating indicators by business and by geographic area and the financial results of the Group companies. In 2020, it met on 16 occasions. 2020 key issues include: evaluation of the risks arising from the climate change. 2021 priorities include: Energy transition roadmap.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Sustainability Officer (CSO)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Risks Officer (CRO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Energy Policies and Climate Change Director)	<Not Applicable>	Other, please specify (Coordination climate actions initiatives relating to policy, awareness, adaptation and mitigation actions regarding climate change) *Coordination of all climate action initiatives, Iberdrola's liaison unit in the UNFCCC process and Global Climate Agenda, development of climate policy positions and assessments at global level, development of climate action programs in different areas (e.g Climate change awareness campaign plan)…*	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chairman &CEO (and the Board of Directors) has the power regarding approval of the strategic goals of the group and the definition of its organisational model, as well as supervision of compliance therewith and development thereof. The Chairman & CEO assumes the duty of organisation and strategic coordination within the group, with the technical support of the Operating Committee, by the Business CEO, with overall responsibility for all the businesses of the group, and by the rest of the management team. The strategic pillars for the company, and for the Chairman & CEO are sustainable development, profitable growth, operational excellence, customer-focused operations, the optimisation of capital, and innovation, following the Iberdrola's Corporate Purpose "To continue building together each day a healthier, more accessible energy model, based on electricity". This Corporate Purpose is aligned with the social dividend strategy, the principles of Sustainable Development, Corporate Social Responsibility, and thus the 2030 Agenda - Sustainable Development Goals of the United Nations, specifically SDG 7 and 13 related to Climate Change. He is the most senior individual with operational responsibility for the implementation of decisions taken at the board level. At management level there are three key areas reporting directly to the CEO & Chairman and to the Board of Directors in specific issues regarding climate change as emissions monitoring and reduction action plans, alignment with SDGs, risks and opportunities, policies or mitigation and adaptation actions. Those three areas support with their day-to-day work and appearance in previous Board Level Committees and CEO & Chairman direct contacts and monitoring reports, action plans, campaigns, working groups, etc. the management aspects related to climate change for the company.

Chief Sustainability Officer (CSO): Aspects relating to general sustainability development, sustainability management and environment issues are the responsibility of the Innovation, Sustainability, Environmental and Quality Division. This Division is in the Chairman's Area, and reports directly to the Chairman & CEO/ Board of directors, quarterly. They lead a specific Working group multidisciplinary gathers representatives from the main corporative and business areas to assess and coordinate bimestrial the state of the SDG action, including those regarding SDG 13 of Climate Change. Main climate change focus activities imply: - Monitoring the GHG reductions - Monitoring progress towards emission targets - The annual revision of the operational limits of the GHG emissions inventory - The revision of emission factors - the enactment of the environmental targets for the environmental management systems (ISO14001), - Monitoring the key performance indicators trends and SDGs indicators - The execution of the methodology for calculating direct and indirect emissions of IBERDROLA's activities and the accomplishment of the inventory and the Carbon Footprint Report. As of 1/1/2021 the Energy Policy and Climate Change Division has been integrated into the Innovation, Sustainability, Environmental and Quality Division. That sub-division includes into its duties aspects relating to policy, awareness, adaptation and mitigation actions regarding climate change

Chief Risk Officer (CRO): in charge of adequately identify, measure, manage and control the significant risks to all the activities and businesses of the group. Risks derived from climate change are integrated in the risk management processes and included in the periodic reports to the Chairman&CEO / Board of directors, quarterly. Main climate change focus activities imply: - Identification, analysis and management of climate change related risks for the Group - Support corporation and business to integrate the climate change variable in internal decision-making processes - Periodically asses long term risks using scenarios, as climate change scenarios.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Board Chair	Monetary reward	Emissions reduction target	During the last Shareholders Meeting (April 2020) was approved this Strategic Bonus for the professionals of the Iberdrola group linked to the Company's performance during the 2020-2022 period, to be paid through the delivery of shares. It is publicly stated at the Proposed Resolutions 2020 Report (Item number sixteen on the Agenda) (available in our web page). The 2020-2022 Strategic Bonus is intended for the executive directors, officers and other professionals of the Company and its group who, due to their position or their responsibility, are deemed to decisively contribute to the creation of value and are included in the 2020-2022 Strategic Bonus. The 2020-2022 Strategic Bonus is configured as a long-term incentive tied to the Company's performance with respect to the Outlook 2018-2022 approved by the Board of Directors and any updates presented to investors (the "Outlook"). The Company's performance at 31 December 2022 will be evaluated based on financial, business and sustainable development parameters, which present a challenging scenario for a company that continues with its profitable growth, is financially sound and is committed to the Sustainable Development Goals: Specific parameters relating to the Sustainable Development Goals ("SDGs"): It is included, within other parameters here the following target regarding the Reduction intensity of the Iberdrola group's CO2 emissions: it will be deemed to have been met if a level of 105 gr CO2/kWh in average intensity of own emissions of CO2 during the 2020-2022 period is met, taking into account a normal rainfall period. It will be deemed that this goal is not met if the intensity is not reduced on such terms to below the average levels for the period 2017-2019. This objective is an enormous challenge, as Iberdrola's emissions volume in 2019 was already 66% below that of comparable European companies and 10% below that of what other companies in the industry have set as their objective for 2030.
Executive officer	Monetary reward	Emissions reduction target	During the last Shareholders Meeting (April 2020) was approved this Strategic Bonus for the professionals of the Iberdrola group linked to the Company's performance during the 2020-2022 period, to be paid through the delivery of shares. It is publicly stated at the Proposed Resolutions 2020 Report (Item number sixteen on the Agenda) (available in our web page). The 2020-2022 Strategic Bonus is intended for the executive directors, officers and other professionals of the Company and its group who, due to their position or their responsibility, are deemed to decisively contribute to the creation of value and are included in the 2020-2022 Strategic Bonus. The 2020-2022 Strategic Bonus is configured as a long-term incentive tied to the Company's performance with respect to the Outlook 2018-2022 approved by the Board of Directors and any updates presented to investors (the "Outlook"). The Company's performance at 31 December 2022 will be evaluated based on financial, business and sustainable development parameters, which present a challenging scenario for a company that continues with its profitable growth, is financially sound and is committed to the Sustainable Development Goals: Specific parameters relating to the Sustainable Development Goals ("SDGs"): It is included, within other parameters here the following target regarding the Reduction intensity of the Iberdrola group's CO2 emissions: it will be deemed to have been met if a level of 105 gr CO2/kWh in average intensity of own emissions of CO2 during the 2020-2022 period is met, taking into account a normal rainfall period. It will be deemed that this goal is not met if the intensity is not reduced on such terms to below the average levels for the period 2017-2019. This objective is an enormous challenge, as Iberdrola's emissions volume in 2019 was already 66% below that of comparable European companies and 10% below that of what other companies in the industry have set as their objective for 2030.
Management group	Monetary reward	Emissions reduction target	During the last Shareholders Meeting (April 2020) was approved this Strategic Bonus for the professionals of the Iberdrola group linked to the Company's performance during the 2020-2022 period, to be paid through the delivery of shares. It is publicly stated at the Proposed Resolutions 2020 Report (Item number sixteen on the Agenda) (available in our web page). The 2020-2022 Strategic Bonus is intended for the executive directors, officers and other professionals of the Company and its group who, due to their position or their responsibility, are deemed to decisively contribute to the creation of value and are included in the 2020-2022 Strategic Bonus. The 2020-2022 Strategic Bonus is configured as a long-term incentive tied to the Company's performance with respect to the Outlook 2018-2022 approved by the Board of Directors and any updates presented to investors (the "Outlook"). The Company's performance at 31 December 2022 will be evaluated based on financial, business and sustainable development parameters, which present a challenging scenario for a company that continues with its profitable growth, is financially sound and is committed to the Sustainable Development Goals: Specific parameters relating to the Sustainable Development Goals ("SDGs"): It is included, within other parameters here the following target regarding the Reduction intensity of the Iberdrola group's CO2 emissions: it will be deemed to have been met if a level of 105 gr CO2/kWh in average intensity of own emissions of CO2 during the 2020-2022 period is met, taking into account a normal rainfall period. It will be deemed that this goal is not met if the intensity is not reduced on such terms to below the average levels for the period 2017-2019. This objective is an enormous challenge, as Iberdrola's emissions volume in 2019 was already 66% below that of comparable European companies and 10% below that of what other companies in the industry have set as their objective for 2030.
All employees	Monetary reward	Emissions reduction target	The environmental objectives mentioned in the Strategic Bonus received by the Management group are in cascade and affect all employees from the top managers in different percentages depending on their responsibility. Every employee has a percentage of its variable fee directly linked to the performance of his/her boss, therefore the mentioned environmental objectives are for every employee. There are also campaigns among ALL employees related to the CO2 emissions produced on their commuting. Furthermore are given free grants to buy electric vehicle cars (4,700 €).
All employees	Non-monetary reward	Other (please specify) (Climate change teachers at kids schools)	Through the volunteer programs, employees are offered specific training to deliver climate change workshops at their kid's schools as per specific courses for children and young people, becoming knowledgeable themselves and raising awareness among young children.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Due to the specific nature of the climate change risks, the time horizons included for the CDP are different to the normal ones for other risks. This horizon is consistent with: • The timeframe of Iberdrola's public investment plan "Perspectives 2020-2025", which envisages 75 €bn of investments in the period. From this figure it is estimated that 68 €bn will be organic capex, mostly devoted to activities free of CO2 (91% of the total will be in Networks and Renewables). • The review of regulated tariffs in the different countries where the Group operates, usually every 3-5 years. This is especially important in the case of the Network business, which is expected to contribute 47% of EBITDA 2025. • The fact that some impacts of climate change (mainly related to extreme weather events) have already started to materialize and will become worse in the future, for example higher-than-historical storms, floods, etc.
Medium-term	3	10	This timeframe is consistent with: • The consideration in our "Perspectives 2020-2025" of projections of operating figures up to 2030 (which, put it simply, equals today + 10 years). • We have also committed to be, by 2030, a carbon-neutral company in Europe, where our emissions in 2020 were 64 g CO2/kWh, and are a tenth of the emissions released by our European and American competitors, and to reduce our global CO2 emissions to 50g/kWh. • Plans to continuously implement in the short - medium term improvements in risks assessments, weather forecasting capabilities, digitalization, resilience of assets, etc.
Long-term	10	30	This horizon (2051) is consistent with: • 2050 is a reference for the international community (ie: EU) to achieve concrete positive milestones to fight against climate change. • 2050 is also the date of other public commitment of Iberdrola: the Groups expects to become carbon neutral globally by that year. • 2050 is the maximum time horizon considered in section "Iberdrola and the TCFD" of Iberdrola's Sustainability Report 2020, which covers transition risks. Time horizons for physical risk assessments are consistent with the expected useful life of new assets within the range (2021-2061) – up to 40 years, both for the structural components of onshore wind farms and transmission and distribution assets, considering longer time horizons for specific analysis. Moreover, the continuous monitoring of risks includes a review of state-of-the-art projections and their consideration in risks assessments and time horizons considered.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At corporate level, the executive reporting by the Risk Department to the Operating Committee and the Audit and Supervision Risk Committee of the Board of Directors of Iberdrola covers all relevant risks (including climate-related risks), which are selected on a quantitative and a qualitative basis, taking into consideration the operational, economic, strategic and reputational effects of the risks, in line with ERM best practices, as long as their estimated probabilities.

From a pure financial point of view, the integral risk control and management system of Iberdrola (through the internal standard “Preparation and reporting standard for key risks and risk Policies and limits of Iberdrola Group”, dated May 29, 2020) considers a 4-level classification of economic impact (accumulation of the following three years) of the risks: Very High >100M€, High 50-100M€, Medium 10-50M€ and Low <10M€. The above referred standard states that “Risks will be quantified, by default, in terms of impact on EBITDA or EBIT, where appropriate. In the case of tax related risks, the impact will be measured in terms of impact on Net Income after Taxes, using the same references”.

"Medium", “Very high” and “High” are the levels Iberdrola considers as “substantive” impact for CDP response purposes.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
From a strategic/Board of Directors point of view, climate change is a priority element for the company: the growth policy followed by the Group throughout its recent history has proven to be a success story, given the strong bet on the development of renewable energies and flexible smart networks. In any case, the opportunities that for the Group arise from the decarbonization of the global economy weigh more than its risks. The Group is aware that we are facing a systemic global risk. Companies, governments and individuals can reduce their emissions (mitigation) and/or adapt to the new future (increasing resilience); the Group is doing both. The Board´s commitments and vision are reflected in the "Policy against climate change". The implication of the Board is not due only to the opportunities involved and the size of the risk, but also due to its mostly long term nature (the impacts of climate change, despite being perceivable already in the short-term, are progressive and act over relatively long periods of time). From a management perspective, the identification, analysis and response of risks have been integrated, with a global focus, in the ERM (COSO) philosophy, under which IBERDROLA has oriented its risk management time ago. The overall process is approached from a multidepartment perspective, in which both the corporate functions and the businesses take part. As regards the process for identifying the risk related to climate change, Iberdrola's BoD and senior management are committed to identifying and evaluating the risks of the Group: a) Ex ante: the risk tolerance levels are reviewed and approved annually through risk policies and limits that establish the qualitative and quantitative risk appetite at the level of the Group and at each of the principal businesses and corporate functions. Also in this analysis, structural risks (in medium and long term, as climate change) are identified. The Investment Risk Policy includes the need to analyze climate change risks in the Investment Dossiers. b) Ex post: at least quarterly it takes place a review of i) major risks of the Group ("Key Risk Report" or "KRR") and ii) compliance with the limits and indicators of risk policies. In this process both business and corporate functions take place, with the main risks presented in different forums (Group Risk Committee, BoD of the subsidiaries, Operating Committee of the Group and Audit and Risk Supervision Committee of the BoD of the holding entity). The group's Risk Committee evaluates and monitors the main risks on a monthly basis. This committee is supported by monthly Credit Risk and Market Risk Committees. On at least a quarterly basis, the Audit and Risk Supervision Committee of the BoD reviews the Group's quarterly risk report. The Group has been dealing with the management of risks (such as market risks, physical risks and regulatory risks) for more than a century. In this sense, the different risks associated to climate change may be allocated to some of the risks categories defined in our General Risk Control and Management Policy. As any other major industrial nature company, the operational procedures developed and constantly updated by the businesses also consider climate change risks, specially the physical risks. The Board of Directors of Iberdrola undertakes to promote continuous improvement. In terms of assessing and responding to climate change risks, it must be emphasized that in the KRR previously mentioned the following items are (at least) included: probability, economic impact, mitigation actions, evolution versus previous quarter, reputational impact and responsible. As mentioned above, the Group not only invest in renewables to mitigate (reducing emissions), but also is analyzing and implementing operational measures to improve the resilience of its assets. Another examples of management tools are proactive relationship with regulators, intra-group transfer of best practices and risk analysis of new investments. The Group also transfer some of the risks to third parties (ie: insurance, hedges), and in some case accept other risks (ie: wind, solar and hydro resource). In most of the cases constant monitoring and control of positions is performed. The analysis of climate change risks is applied not only to the risks inherent to the Group, but also to credit risk of key customers (downstream) and suppliers (upstream). Example of transition risk: prices of electricity respond to several variables, among others prices of fuels and emission allowances, demand, availability of wind or water, potential operational problems in networks or other power plants, etc. Furthermore, the perception of players about governments and companies´ strategies about climate change is a factor with increasing significance in the formation of prices. In this regard, the evolution of prices in the wholesale electricity markets where Iberdrola Group operates is a source of volatility in the annual P&L. This is a structural risk, identified annually in the Risk Policy of the Renewables Business, but also constantly monitored through different limits and indicators, especially in the monthly Market Risk Committee. The natural hedge provided by the customers of Iberdrola, the diversified generation portfolio (in terms of technology) and the use of financial hedges help to mitigate the risk. Also internal resources are optimized, since management of market risk of the Renewables Businesses in Spain, the UK, Brazil and Mexico is transferred to the Liberalized Businesses of those countries so that it can be integrated into a single risk position. Management of market risk of the Renewables Business in the US is integrated within the business itself. Example of physical risk: the impacts of future physical extreme weather events on operational assets is a source of risk for any company. In this regard, Iberdrola assesses how its assets could be affected by events such as heat and cold waves, extreme precipitation, storms, hurricanes, wildfires, etc. This is a structural risk, identified annually in the Risk Policy of the Renewables Business, but also constantly managed during the design and construction phase (through engineering and contingencies) and during the operational life of the asset, by investing in improvements, training of employees, emergency plans, etc.according to internal operational procedures. For new FV developments, high efficiency panels are selected when applicable to minimize efficiency losses due to high temperatures. Iberdrola has been dealing with this kind of risks for decades, even before the concept of climate change was mainstream. Residual risk is in some cases transferred to 3rd parties through insurance. The insurance does not completely eliminate operational risk, since it is not always possible, or it is not in Iberdrola´s interest, to pass such risk on to insurance companies. In addition, cover is always subject to certain limitations.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Regulation is one of the most relevant items of climate transition risks/opp for Iberdrola, since a very relevant portion of its activities come from regulated and quasi regulated activities (networks and renewables). In this regard, policy actions that attempt to constrain CO2 emissions, or encourage clean activities, could affect companies (either positive or negatively). The Management Committees of every country where the Group operates monitor potential changes in regulation including that linked to climate change and energy transition. In those committees both the businesses and corporate functions are represented. In terms of new investments, the assessment of this kind of risks is made through the use of scenarios, qualitative analysis and sensitivities. Risk Policies include an identification of structural risks, including regulatory, and in some cases limits and indicators have been included in the Risk Policies to monitor, at least quarterly, the risks (ie: number of MWs under regulated regimes vs at market terms). Example Regulatory Risk in Network Business in UK: The framework of remuneration for electricity transmission and distribution activities in the UK is in accordance with a price control model based on the recognised cost of capital (WACC), the depreciation of assets, and operating and maintenance costs, plus an incentive which is obtained if management is better than the regulatory standard, and which the companies retain (in part) in the following tariff revision. The current regulatory model for SPD and SPM is based on the RIIO ED1 framework, and on the RIIO T1 framework in the case of SPT. The latest tariff revision for electricity distributors (RIIO ED1), including SPD and SPM, is valid from April 2015 to April 2023. The SPT revision (RIIO T1) is valid from April 2013 to April 2021. Recognised ROE after tax (in real terms) is 6% for SPD and SPM and 7% for SPT. The regulator (OFGEM) also establishes incentives/penalties for safety, environmental impact, consumer satisfaction, social obligations, connections and quality, which may have an effect on the income statement. In December 2020, OFGEM published its final proposal for the next RIIO T2 regulatory review, including an ROE of up to 4.25%, compared to the current rate of 7.0%. The proposal will take effect in April 2021.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	Example EU Taxonomy Regulation: on 18 June 2020 the European Parliament passed Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (published in the Official Journal of the European Union – OJEU on 22 June 2020). This new law is part of the Sustainable Finance Package and aims to define those activities that can be considered sustainable in order to attract capital for the energy transition. An activity shall qualify as sustainable if it contributes substantially to one or more of the objectives and does not harm the others. This contribution should be established on the basis of objective criteria to be set by detailed regulations (Commission Delegated Acts with the input of the Member States and stakeholders). The Regulation will take effect from December 2021 for the "climate change mitigation" and "adaptation" objectives, and from December 2022 for the other objectives. In any case, the Regulation considers that the following activities contribute to climate change mitigation: renewable energy, electricity transmission and distribution, clean or carbon-neutral mobility, production of fuels from renewable or carbon-neutral sources and the construction or use of CCS (Carbon Capture and Storage). The use of coal is expressly excluded from the taxonomy. Nuclear power production is not explicitly excluded (an issue to be resolved by subsequent regulation) and the Regulation also considers what are known as "other transitional economic activities" (compatible with a carbon-neutral scenario by 2050, using state-of-the-art technologies, avoiding the use of coal and not having a lock-in effect on emissions). At the start of 2021, the Delegated Act proposed by the Commission in November 2020 for the development of mitigation and adaptation taxonomies remained under discussion. Meanwhile, the Sustainable Finance Platform, an advisory body appointed by the Commission from among sectoral experts and stakeholders, is currently discussing its initial proposals to the Commission on the other taxonomies. The hole impact of this new framework is being analysed by corporate units together with all business, to identify in advance lots of opportunities arising from it, but also some risks.
Technology	Relevant, sometimes included	Climate-related technological risks, as the emergence of new technologies, or reduction of LCOEs of existing technologies, can result in threats and opportunities for Iberdrola, which could see its generation assets affected in the merit order. In the transition to a low carbon, energy-efficient economic system, some technologies may be winners but others not. In this regard it must be noted that most of Iberdrola´s generation portfolio is renewables, a technology aligned with a transition to a decarbonised energy model, with a lower contribution from CCGT and nuclear, but in any case based on mature technologies. No presence in potential stranded assets (ie: coal, oil) is held. This is why "Relevant, sometimes included" has been selected. When decisions are taken to invest in new renewable assets, in the Investment Dossiers the climate-related technological risks are addressed, including qualitative analysis, technical reviews and sensitivities. Example: During performance of all of the IBERDROLA Group's activities, direct or indirect losses may arise as a result of inadequate internal procedures, technical failures, human error or external factors (such as climate factors). The following specific risks are identified and monitored regarding operational and technological risks in Iberdrola, among others: • Malfunctions, explosions, fire, toxic spillages or polluting emissions in gas and electricity distribution networks and in both traditional and renewable generation plants. • Force majeure events. • Sabotage and/or terrorism. • Physical safety and cybersecurity. • System failures. Any of these risks could cause damage or destruction to the IBERDROLA Group's facilities and financial losses, as well as injuries or losses to third parties or damage to the environment, along with the ensuing lawsuits, especially in the event of power outages caused by incidents at our distribution networks, as well as possible penalties imposed by the authorities. Although many of these factors are unpredictable, the IBERDROLA Group mitigates these risks by carrying out the necessary investments, implementing operation and maintenance procedures and programmes (supported by quality control systems), planning appropriate employee training, and taking out the required insurance covering both material damages and civil liability.
Legal	Relevant, sometimes included	The IBERDROLA Group companies are party to certain in-court and out-of-court disputes within the ordinary course of their activities, the final result of which is generally uncertain. An adverse result or an out-of-court resolution of these or other proceedings in the future could have a material adverse effect on our business, financial situation, operating results and cash flows, as well as our reputation. As is standard practice, provisions have been made for this purpose, based on the opinion of the Group's legal advisors. Climate-related legal risks may have economic and (mostly) reputational impact, but the probability to occur is considered low (Iberdrola is mostly active in networks and renewables, not intensive polluters segments). Having said that, as any other risk, is must be followed and monitored. The businesses and the Legal Department should be the key actors in case of a demand. In addition, the IBERDROLA Group has provisions for responsibilities arising from litigation in progress and from indemnity payments, obligations, collateral and other similar guarantees, and those aimed at covering environmental risks. The latter have been determined on a case-by-case analysis of the situation of the polluted assets and the cost that will have to be incurred in cleaning them. Example: Administrative actions in Brazil: Brazil is known for being a jurisdiction with a high risk of litigation and there are multiple ongoing investigation actions, given Brazil's tax and administrative structure and the usual procedure followed by the tax authorities. However, NEONERGIA's directors do not expect any relevant impacts to arise from them and, overall, these procedures are rarely settled in favour of tax administrations. Example: Tax litigation in Spain: In June 2020, IBERDROLA was notified of the decisions of the Central Tax Appeals Board (TEAC) relating to claims lodged pursuant to contested tax inspection reports signed in 2016 in a general inspection process on the tax consolidation group of the common tax system (no 2/86) for the years 2008 to 2011. In the decision in Value-Added Tax, the TEAC ruling was favourable to the interests of IBERDROLA - thus annulling the inspectorate's certifications and settlements - while the decisions on income tax were unfavourable. On 7 July 2020, IBERDROLA brought administrative appeals against the latter decisions before the National High Court.
Market	Relevant, always included	Iberdrola has a specific committee devoted to monthly monitor and control market risk, the Group Market Risk Committee. In the Investment Dossiers for new renewable assets, the climate-related market risks are addressed, including probabilistic analysis, qualitative and technical reviews and sensitivities. Example: Commodity price risk in Spain Given the current market conditions, the production price of the combined cycle plants defines, to a large extent, the price of electricity in Spain since combined cycles provide the marginal technology necessary to cover electricity demand. Consequently, the price of natural gas conditions revenues from the other less expensive technologies which are used to cover demand. With variable costs of production from natural gas at around €54/MWh, a 5% change in such costs could give rise to an impact of ±19 M€ on operating results. The price of CO2 influences the cost of production in thermal power plants. With CO2 prices at around 30 euros per tonne, a 5% change in prices could give rise to an impact of ±5 M€ on operating results. In 2020, the Iberdrola Group supplied gas at prices indexed to European markets. The uncertainty associated with the difference between the purchase price and the sale price to customers or the price of gas consumed by combined cycle power plants is approximately ±17 M€. Example: market risks in Network business In general, the profitability of the IBERDROLA Group's network businesses is not exposed to demand risk, except for the Brazilian subsidiaries. (in Spain and in UK Iberdrola doesn'tsell energy, so it is not exposed to any market risk associated with energy prices). Brazil networks and some networks subsidiaries of Avangrid in USA sell energy to regulated customers at a previously approved tariff. In the case of prudent procurement management in line with the provisions established by the regulator, the regulatory frameworks in both countries guarantee that sums will be collected in subsequent tariff readjustment revisions for possible purchase price deviations from those previously recognized in the tarif. In case of extraordinary events (extreme drought in Brazil, catastrophic storms in the US, etc.), occasional temporary imbalances between payments and collections may arise with an impact on the cash flows of some of these businesses and potentially on profits recognised under IFRS.
Reputation	Relevant, always included	In the KRR periodically updated by every Business/Corporation all the key risks are identified, including the climate-related reputational risks. KRR includes a classification of risk into families: in this case the risks can be included in the chapter "Reputational risks" or select "Yes" in the section "Reputational impact" of any risk. Reputation is a strategic asset for the Group, under the philosophy that social contributions by the Company and the expectations of its stakeholders are key drivers, in addition to financial performance. Despite the fact that Iberdrola is perceived as a "green" player in the fight against climate change, there always could happen certain events with negative media coverage. It could also imply shifts in consumer preferences and stigmatization of the Group. Iberdrola has in place several tools to constantly monitor its reputation in the different countries where it operates. Examples: in the Group's Stackeholders managemen tool it has been included and monotonized the following reputational risks linked with climate change, among others: - Negative impacts on communities due the cease of activities: Coal power plant closures Spain. - Local Biodiversity impact, air quality, wáter and soil. Liberalized business. C.G. EW Aranda and C.G. EW Vitoria. Spain. - Costs of electricity. Wholesale and retail bussines. Spain
Acute physical	Relevant, always included	Iberdrola´s assets could be affected by physical extreme weather-related events such as heat and cold waves, extreme precipitation, storms, hurricanes, wildfires, etc. Iberdrola is fully aware of this risk, and manages it during the design and construction phase (through engineering and contingencies) and during the operational life of the asset, by investing in improvements, training of employees, emergency plans, etc. In general, these risks are linked to short term operational risks and specific Action Plans are created to deal with them, at business/asset level. It must be noted that Iberdrola has been dealing with this kind of risks for decades, even before the concept of climate change became mainstream. When decisions are taken to invest, in the Investment Dossiers of new renewable assets, the climate-related acute physical risks are addressed, including probabilistic analysis, qualitative and technical reviews and sensitivities. Example: Physical risks in Regulated business due to extreme conditions Greater frequency of extreme climatic events entail increased technical losses and reduced useful lives of assets, worse levels of services, a gentle though steady increase in operation and maintenance costs and annual capital expenditure, although in perfectly manageable amounts given the multi-year tariff reviews that take place at these regulated businesses. Extreme events linked to this specific risk and analysed at the Group level and their impacts are: - Heat waves/fires: greater technical losses, stronger and more frequent peak loads - Cold snaps: damage and outages, ice sleeves - Extreme precipitation (flooding and/or landslides): physical damage to infrastructure The investment and response plans already in place, together with accumulated experience and sound network design (meshing, digitalization, early warming systems and placing of lines underground) would act as mitigating factors.
Chronic physical	Relevant, always included	Physical risks resulting from climate change can be longer-term shifts in climate patterns, such as sea level variations, changes of precipitation patterns, rise of mean temperatures, etc. For a company like Iberdrola, with an extensive portfolio/projects of renewables generation and network assets, this could imply, for example, a change in the way Operation and Maintenance will take place in the future,or a higher variability of wind, solar and water resources. Added to the uncertainty associated to long-term global climate projections is the need to specify the impact on the geographical regions where our assets are located. This analysis is included into the company risk assessment process by virtue of: a) In order to determine with a certain level of confidence the potential impact of the variability of these resources on the regions/facilities of Iberdrola, specific studies are being performed in this area, supported by Iberdrola's own knowledge as well as by experts in the field. However, given the constant evolution of science and the uncertainty associated with studies on climate projection and the impacts thereof, the analysis must be continued and deepened in order to quantify the potential impacts and establish adjustment measures if necessary. b) In the KRR periodically updated by every Business/Corporation, all the key risks are identified, including the climate-related chronic physical risks. Time frame for these risks is usually medium and long term. c) Modeling of the risks when decisions about new assets (Investment Dossiers) are held. Example: Average precipitation variation impacts in Renewable business changing hydraulic resources in Spain (yearly sensitivity) The output of hydroelectric plants (not governed by RD 413/2014) is transferred to the Wholesale and Retail business for its retail supply to end customers and/or sale to the market. The lesser or greater availability of hydro-electric resources has an impact on the marginal hour prices of the Spanish electricity system. Despite having a large water storage capacity in Spain, the Group's annual results depend significantly on annual rainfall contributions. The changes in output from a dry year to a wet year with respect to the average reference value can be up to -4,000 GWh and +5,000 GWh respectively in Spain, with an estimated range of impact between EUR -125 million and EUR +155 million. In the medium to long term, dry years are offset by wet years.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Other, please specify (Decreased revenues as a result of future levels of annual water inflows lower than the ones today)

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Hydro is a natural resource. The capacity of Iberdrola to produce GWh directly depends on the volume of water flowing. In the dams Iberdrola has to some extend the capacity to storage energy in the form of reservoirs, with rain and snowbreak being the main inflows. These power plants consume water to produce electricity. Iberdrola 9.7 TW of hydro power plants in Spain (36% of its total installed capacity in that country as of the end of 2020). In that year 22% of the total electricity generated by Iberdrola in Spain came from hydro assets. In Brazil we have 3 TW of installed capacity, with a production in 2020 of 8.8 TWh. At group level hydro capacity at the end of 2020 amounted to 27% of total owned net installed capacity of Iberdrola. Taking into account the higher installed capacity in Spain, it is material this specific risk for our assets in Spain, mainly located in the center and northern half of Spain. Lower rain means lower GWh and therefore risk of less revenues could be increased, depending on market conditions in Spain that specific year.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
20000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Potential decrease in the future of average hydro production/year when compared to today in Spain for Iberdrola's hydro assets: There are several studies that forecast the long term evolution of rain in the areas where our hydro power plants are located. Please refer to page 269 of Iberdrola´s Consolidated Financial Report 2020, which states “In Spain, for illustrative purposes, a drop of 5 in production would have an estimated impact on the profit margin (net of current taxes and fees and excluding pumping of approximately EUR 20 million at 2021 forecasted energy prices as of the end of 2020”. (internal estimations that consider the results for our key basins of reference studies by the CEDEX (Spanish Ministry of Transport, Mobility and Urban Agenda).

Cost of response to risk
222000000

Description of response and explanation of cost calculation
Insurance (transfer) is not considered an efficient risk mitigation strategy for this risk, and therefore main strategy is accepting the risk (on an annual basis), while working on other measures. Years with lower than average water resource are offset by years with above-average water resource, and geographical diversification at basin and country level helps to mitigate the risk. Furthermore, our plan includes measures for the conversion of conventional plants (turbination only) to mixed pumping / turbination plants, preferably using existing reservoirs. In addition, measures to develop systems that optimize the operation of the power plants at low loads, both in the pumping regime and in the turbination regime has been implemented. In parallel, Iberdrola is investing heavily in new assets that increase diversification of the asset base which will decrease weight of hydro in the total generation mix. The potential permanent replacement of 0.6 TWh of missing hydro production (amount linked to the reduction previously identified) with new wind and FV could require to invest 222 €M in 120 MW of new wind farms and 130 MW of new FV installations. This assumes load factors of 33% (wind) and 21% (solar) and capex figures of 1.05 €M/MW in wind and 0.575 €M/MW in solar.

Comment
The Group manages a portfolio of 27 TW of generation capacity in Spain, with different technologies. An integrated management allows more flexibility. Furthermore, constant monitoring of volumes and exposure are carried out by the Market Risk Department

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Climate change could imply several risks for the Networks business of Iberdrola, among others increased technical losses, worse levels of services, reduced useful lives of assets, higher capex requirements, etc. One of them is that, as a result of changes in climate variables, the base of operating costs, accounted for between Gross Margin and EBITDA, increases. By way of example, higher temperatures could force Iberdrola Networks to carry out inspections of certain assets more frequently than today. If more costs are required to run the business but Iberdrola is not able to increase regulated revenues accordingly, then margins will decrease permanently. Iberdrola is an industrial company, with a very relevant asset base, 72 €bn of "Property, plant and equipment" in its consolidated Balance Sheet as of the end of 2020. In that year Iberdrola Global Networks incurred in 3,065 €M of operating costs (salaries + third party services). Reported EBITDA of the Networks Business of the Group in 2020 amounted to 4.8 €bn. RABs of our Networks business in each of our main countries were (as of Dec-2020): 9.3 €bn in Spain, 6.9 GBP bn in UK, 10.9 $bn in US and 26.5 BRL bn in Brazil.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
52000000

Potential financial impact figure – maximum (currency)
61000000

Explanation of financial impact figure
For the purposes of CDP the range considered is the one limited by increase of 1.7% (lower value) and 2.0% (higher value) over the existing operating cost figure at Global level for the Network business, based on preliminary internal qualitative analysis performed in 2018. The increase should not emerge in one specific year, but rather progressively.

Cost of response to risk
700000

Description of response and explanation of cost calculation
The cost of response to risks reported in this question refers to the estimated average human resources costs required for the definition, management and monitoring of Iberdrola's Global Networks O&M improvement strategies, considering an average cost per headcount of around 70,000 € and an estimated team of 10 people responsible (acting on a global basis). This team's mission is to identify changes in the way we run the Networks business in order to optimize processes and proactively increase resilience of the assets. It also stablishes internal standards and performs internal training, and identifies new equipment that contributes to absorb the negative effects of climate change by way of higher efficiency and lower maintenance requirements. It leverages on its existent (long) experience in managing climate risks, in regions currently exposed to relatively extreme weather conditions (ie: for example O&M protocols in areas of Spain in the Mediterranean sea with high levels of rain in Autumn already consider restrictions to average O&M).

Comment
The following aspects also help to mitigate the impact and manage the risk: • Likely recovery of the bulk of the O&M costs through regulated tariffs (multi annual tariff reviews). • Diversification of assets by geography • Constant replacement of existing assets with new ones (at the end of their operating life) • Development of new capabilities in weather forecasting. • Insurance cover. • Sound network design (meshing and placing of lines underground)

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Increase severity and frequency of extreme weather events such as heat-waves or cold-waves and storms, affecting electricity generation and demand)

Primary potential financial impact
Other, please specify (Gross margin impact due to potential contractual supply commitments (to deliver energy), joined with owned generation defaults due to extreme weather conditions, that forces Iberdrola to procure the electricity from the spot market.)

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
If heat-waves, cold-waves or storms occur in the markets where Iberdrola has generation assets, then the capability of these assets to generate electricity could be reduced or even become unavailable during a period of time (depending of the intensity of the natural events). Supply obligations (retail or PPAs) previously acquired could force Iberdrola to acquire the energy in the spot markets, at prices potentially very high, due to peak increases in demand, in order to honor the supply contracts. This risk could be material for Iberdrola in Spain, UK, USA, Brazil, Mexico and other countries (ie: Australia).

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
50000000

Potential financial impact figure – maximum (currency)
150000000

Explanation of financial impact figure
Iberdrola has conducted several stress tests exercises in the jurisdictions with potential impact. For example: for the renewable generation in USA the following assumptions have been considered: - 90% reduction in wind generation to be bought back in the market to cover firm contractual commitments (PPAs or wholesale) - Texas cap price in the spot market: 9,000 $/MWh Spain: it is assumed again a 90% reduction in wind generation, resulting in a deficit of approx. 11 €M/day (34 GWh/day). Other stress tests have been performed in UK, Brazil, Mexico and Australia. For the purposes of CDP response the numbers in the range are associated with scenarios (in the same year) of 2 days in USA and one day in Spain, for the low figure, and 5 consecutive days in Spain and USA for the high figure. Maximum impact calculated at market cap price and with no consideration of mitigants like backup generation or market management. The above mentioned figures do not include second potential derivatives, such as new regulatory obligations to be implemented to avoid similar episodes in the future, credit defaults of agents in the system or the imposition by the regulator of technical measures (ie: weatherization).

Cost of response to risk
60000000

Description of response and explanation of cost calculation
Cost calculation: up to 50 €M of weatherization and other technical measures in different assets to increase resiliency and up to 10 €M/year of changes in hedging policies (ie: to accept a lower supply margin by not selling in advance and remain exposed to market prices) Description of response: this is to some extend a structural risk. In the case of renewable assets the risk can be mitigated if PPAs are “as produced”, but this option if not a solution for a big number of customers. The Energy Management teams in each market, in collaboration with the Supply arms, closely monitors the position in each market, and manages this risk according with Iberdrola Group risk appetite for each market, defined by risk management policies. The decision is based, among others, how long/short you are, the price caps, how liquid the markets are, regulation, the composition of our generation mix in each country, etc. Total elimination of the risk is not feasible. The cost of an Insurance coverage is not competitive, but (partial) contractual transfer or risk is always explored and sometimes contracted if interesting. From an availability point of view other measures are taken to improve the performance of generation assets in front of extreme events including application of new materials and systems that can withstand higher/lower temperatures; improving firefighting systems, detection and warning systems; to strength emergency plans, enhancing of predictive systems (Meteoflow), potential weatherization, etc

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased production capacity

Company-specific description
Iberdrola’s renewable business has a growth opportunity, driven by the increasing demand on renewable energy services from our clients and from potential new clients, both residential and industrial clients, who are looking for clean solutions for its consumption, in the global path to the end users decarbonization. Renewable sources are at the epicentre of decarbonisation, to achieve the emission reductions needed for the Paris Agreement’s targets (a 45% reduction in emissions by 2030 compared to those in 2010 and achieving zero net emissions by 2050 “Special Report of the IPCC on Global Warming of 1.5 ºC”) Increasing awareness about corporate risks derived from climate change have made worldwide companies to redefine its strategies and to focus on reduce its CO2 emissions from its electricity consumption. The European Commission estimates a 65% of Renewable participation by 2030 in the Electricity System, and a 85% by 2050 (2030 Impact Assessment and Long term scenarios), with Global onshore wind and solar PV capacity to multiply by 2.5x, and offshore wind by 4.5x. Our historical leading position and strategy in renewable energy generation since more than 20 years ago, lets Iberdrola to take advantage of such opportunity in our core geographical areas by growing our renewable installed capacity and selling renewable energy. And furthermore, to expand to new key countries increasing our geographical diversification, by business in the following five years. Key growth vector

for Iberdrola in this 20-25 period in renewable business focuses in the offshore wind technology, taking advantage of our advanced position in the offshore wind market, current achieved success experience, key agreements with reference companies, strong presence in key geographical growth areas... etc. . Furthermore there are specific improvement drivers for our global growth acceleration in offshore wind: - Economies of scale: large size of turbines and windfarm (capex) - Standardization and modularity - Innovations in construction and operation (digitalization, predictive maintenance, controls, sensors and robots) - Floating offshore: new markets and areas to develop and innovation This context will let this offshore technology to achieve higher load factors (9% increase to 2030) and an expected installed capacity to be multiplied by 7 (from 35 GW to 235 GW) globally, expecting an offshore output of 850 TWh in 2030 (3% of global production) (IEA SDS Scenario. WEO'20).

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4650000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
EBITDA from renewable energy business is expected to grow up to 4650 M€ by 2025 (a share of 31% from the global EBITDA Group). This estimation has been updated in the last Outlook of the company 2020-2025, and presented in the Capital Markets Day (November, 5th, 2020). The Outook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (75-81% of the total investment Plan (€75 Bn) aligned with EU taxonomy); maintaining a strong financial position and enabling a sustainable dividend policy. Main financial assumptions for the 2020-2025 period: - Electricity demand growth (CAGR 2019-2025) o Spain: +0,4% o UK: -0,6% o USA: 0,8% o Brazil: +2,5% - Commodity prices 2025: o Oil, 63 $/bbl o Gas, 7 $/mmBtu o CO2, 31 €/t - Power prices 2025: o Spain,59 €/MWh (Average 2019-2025 46 €/MWh) o UK, 47 £/MWh (Average 2019-2025 45 £/MWh) - Average FX rates vs. Euro 2022: o $: 1.19 o £ : 0.90 o BRL: 6.65 - Interest rates 2025 o €: 0.7% o $: 1.6 % o £: 1.2 % - In line with EPS increase - 65-75% pay-out. Floor of 40 EUR/Share up to 22 and 0.44 up to 25 - Presence in low risk countries and business - Adequate liquidity and sources of financing diversified - Credit rations to support a BBB+, Baa1 rating - Growing cash flow generation

Cost to realize opportunity
34680000000

Strategy to realize opportunity and explanation of cost calculation
Iberdrola is moving forward to be at the head of the global decarbonization needs, accelerating with its 75-billion euro 2020-2025 investment plan, of which 68 billion are earmarked for organic investment. Fifty-one percent of this organic investment, more than 34 billion euros, will be channelled into Renewable Energy area (cost to realize opportunity figure), which will enable the group to increase its installed capacity to 44 GW by 2022 and 60 GW by 2025. (Cost to realize opportunity figure has been estimated using the same assumptions explained for the financial impact figure for the 2020-2025 period). Key case study in Renewable business is referred to Offshore wind technology. To address growth offshore opportunity trends Iberdrola had to revew its strategy and accelerate investments and cover more expected key growth areas for offshore wind. The new strategy has shown a significant gross expected investments growth in this technology (2,1 EUR Bn from 2020-2022 and 8,8 EUR Bn from 2023-2025), so meaning 10,9 EUR Bn investment plan (more than 31% of the total renewable expected budget for this period). This business is included in the 75-81% of the investment portion of the Group Plan aligned with the EU Taxonomy for green investments, facilitating access to capital. During the last 12 months, offshore wind power was confirmed to be one of the group's growth vectors: with the 1.3 GW installed set to triple with the construction of 2.9 GW up to 2025, reaching the 6% of the company capacity mix. Specific Offshore pipeline included 972 MW already under construction in St Brieuc (France) and Baltic Eagle (Germany), 1,604 MW under PPA secured in Vineyard I and Parck City (both in USA), and finally 17,600 additional pipeline in USA, UK, Germany, Sweden and Japan. With the developments of these projects, offshore wind capacity will account for 7% of our total renewable capacity by 2025. In 2020, offshore wind projects contributed €585 million to EBITDA after growing by 72 %. This contribution will rise to €2.3 billion by 2030. At the end of 2020, Iberdrola had already several projects in operation: West of Duddon Sands and East Anglia One in UK and Wikinger in Germany, with a total capacity of 1,3GW.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
For Iberdrola, the electrification of the economy accords an essential role to an efficient, smart and flexible electricity transmission and distribution infrastructure, capable of integrating more renewable energy and meeting new requirements in terms of connectivity, digitalisation and demand management (smart grids). Investments on development of the transmission and distribution networks and innovation to achieve more smart assets and have been already key for Iberdrola's strategy, to achieve an efficient, safe and reliable electricity system in the global transition to the decarbonization of the economy for all sectors to achieve Paris agreement's goals and NDC's targets per country. The Sustainable Development Scenario of the WEO'20 anticipates an average investment of around 829,000 M$/year in grids by 2040, (182% higher than the same figure in the WEO'19), to achieve the needed growth rates to let the global decarbonization happens. This unprecedent level of investment in Transmission and Distribution Networks are driven by: - New interconnections - Increasing need of renewables integration - Smart grids - Maintenance and reinforcement requirements - Measures to increase efficiency and to minimise the environmental impact Policy environment in Europe also drives our strategy for our network business in our key areas in Europe: the ECommission launched the Clean Energy Package, which includes a number of measures to help grid operators deploy smarter technology and solutions. Also the financial expenditure will significantly decrease due to lower interest rates for electric grids included in the European Taxonomy. Iberdrola has the financial capacity, technical experience for management and execution capacity, and it is ahead in innovation, smart grids and digitalization to be at the forefront of these investments, aiming to maintain its leading position to take advantage from this global oportunity. Iberdrola focuses its R&D in digitalization to improve monitoring, control and automation, to

attract customers because we enable them developing new business models and improving their efficiency. Furthermore, stable and geographically diversified returns in Iberdrola's Network business rate cases, approved through regulatory frameworks assumed a ≈80% secured to 2022 Iberdrola Networks some key figures 2020: more than 1,5 M high-medium & medium-low voltage transformer substations, more than 1,2 M km of transmission/distribution lines achieved in 2020

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4650000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The Networks business EBITDA is expected to have a growth up to 4650 M€ by 2025. (expected to be a share of 31% from the global EBITDA Group). This estimation has been updated in the last Outlook of the company 2020-2025, and presented in the Capital Markets Day, on November, 5th, 2020. The Outook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (75-81% of the total investment Plan (€75 Bn) aligned with EU taxonomy); maintaining a strong financial position and enabling a sustainable dividend policy. Main financial assumptions for the 2020-2025 period: - Electricity demand growth (CAGR 2019-2025) o Spain: +0,4% o UK: -0,6% o USA: 0,8% o Brazil: +2,5% - Commodity prices 2025: o Oil, 63 $/bbl o Gas, 7 $/mmBtu o CO2, 31 €/t - Power prices 2025: o Spain,59 €/MWh (Average 2019-2025 46 €/MWh) o UK, 47 £/MWh (Average 2019-2025 45 £/MWh) - Average FX rates vs. Euro 2022: o $: 1.19 o £ : 0.90 o BRL: 6.65 - Interest rates 2025 o €: 0.7% o $: 1.6 % o £: 1.2 % - In line with EPS increase - 65-75% pay-out. Floor of 40 EUR/Share up to 22 and 0.44 up to 25 - Presence in low risk countries and business - Adequate liquidity and sources of financing diversified - Credit rations to support a BBB+, Baa1 rating - Growing cash flow generation

Cost to realize opportunity
27000000000

Strategy to realize opportunity and explanation of cost calculation
Iberdrola's network development and digitalization has been in continuous improvement to set the blueprint for a Global Smart Grid model supported by a fully functional in-house innovation model to align the Energy Transition needs. Its strategy has been focusing in the opportunities for the decarbonisation model, to be the enabler who favouring energy transition towards a zero-emission economy, through expanding its network assets and positioning in the head of digitalization to maintain a leading position in our core countries: Spain, UK, USA and Brazil. New plan to cope this opportunity: Over the 2020-2025 period, investment will exceed €27,000 million (cost to realize opportunity) laying the foundations for higher growth in every country (using same assumptions as for the financial impact figure). Brazil Business Case for network strategy growth acceleration: -organic gross capex for 2020-2022 are 12,5 € Bn and 14,6 5 € Bn for 2023-2025 period: 21% Brazil -growth in asset base breakdown per country, to €47,000 million, by 2025, from €30,000 million baseline in 2019: 17% Brazil Neoenergia' s (100% Iberdrolas's brazilian company) network business expansion accompanies the needed renewable deployment in Brazil by enabling the distributed energy resource integration. In 2020, it had BRL 6.3 billion in consolidated CAPEX investments, 83.4% was in Networks. Those investments are related to the acquisition of CEB-D (BRL 2,5 billion); Networks improvement (BRL 400 million) - Energy of the Future Project, Digital Connection, SISCON Project (new ADMS), and The Management Center for Smart Grids; and Research and Development Projects regulated by ANEEL (BRL 55 million), such as Green Corridors, Microgrids, Multilink and Fernando de Noronha Energy Storage Project. Key 2020 innitiative Brazil: Bahia Geração de Energia S.A., a company wholly-owned directly by Neoenergia S.A., was awarded 100% of the share capital of the Brazilian company CEB Distribuição S.A. in a public auction. The privatisation process has been managed through a public auction on the Brazilian stock exchange. The total price for the entire share capital of CEB Distribuição amounts to approximately BRL 2,515 million (roughly EUR 399 million). This concession expires in 2045. In this way, the combination of Neoenergia and CEB-D will cover an area of more than 840,800 km2 and will serve 15.3 million customers, 7.7% more than those managed by the Brazilian subsidiary before the acquisition.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Iberdrola's Wholesale business growth is based, among others, in having its focus in the customer to provide innovation, flexibility, digitalisation and connectivity in its new products, as per the consumer preferences are demanding. Iberdrola focuses in providing all the products, services, tools and management to let end users the electrification of its consumptions to lead the decarbonization of the economy. Iberdrola see end uses decarbonization driven by the efficiency in two main segments: - Efficiency of transport technologies: electric vehicles and buses for the short term and heavy transport in medium term. - Efficiency of heating technologies: heat pumps for private users and in the medium term for industrial heat. Green Hydrogen has been identified by Iberdrola's technological Vision as: key opportunity niche area for decarbonization to focus from now on, where electrification is not possible or competitive, to develop of new products and services through R&D and innovation. The key drivers for green H2 cost reduction for Iberdrola are: - Reduction of electricity costs ~30-40% (solar PV, onshore and offshore wind) - Reduction of electrolyser Capex ~ 40-50% (due to economies of scale and innovations) - Increasing Electrolyser Load Factor ~10-20% (from higher load factors from renewables) So that, costs ranges of Green H2 production expected by Iberdrola to decrease 35-60% during the next decade (2020-2030), in range with Bloomberg NEF forecasts. From the demand side, the Sustainable Development Scenario (WEO 2020, IEA) expects an exponential increase in Green Hydrogen supplied by electricity, starting from 20% in 2020, 33% in 2030 and expected to cover 43% by 2050. Regulatory environment supporting this key opportunity: - Spain: The Hydrogen Roadmap, which identifies renewable hydrogen as a key solution for decarbonising those industries that are difficult to electrify, was approved in October 2020. The document sets national objectives to be reached by 2030,

including the installation of at least 4 GW of electrolyser capacity, a 25% minimum contribution of renewable hydrogen to total consumption by the industry, and specific minimums for the HGV fleet and hydrogen refuelling stations. - EU: The European Hydrogen Strategy, which sets milestones for three time horizons (2024, 2030 and 2050) and forms part of the policies to achieve carbon neutrality in the EU by 2050.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3300000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The growth in retail will lead an incremental of 3,3 Bn€ EBITDA by 2025 for the liberalised business and expected a total of 60 million of contracts with customers in 2025 (1.4x growth from 2019 contract figure). This estimation has been updated in the last Outlook of the company 2020-2025, and presented in the Capital Markets Day in November, 5th, 2020. The Outook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (75-81% of the total investment Plan (€75 Bn) aligned with EU taxonomy); maintaining a strong financial position and enabling a sustainable dividend policy. Main financial assumptions for the 2020-2025 period: - Electricity demand growth (CAGR 2019-2025) o Spain: +0,4% o UK: -0,6% o USA: 0,8% o Brazil: +2,5% - Commodity prices 2025: o Oil, 63 $/bbl o Gas, 7 $/mmBtu o CO2, 31 €/t - Power prices 2025: o Spain,59 €/MWh (Average 2019-2025 46 €/MWh) o UK, 47 £/MWh (Average 2019-2025 45 £/MWh) - Average FX rates vs. Euro 2022: o $: 1.19 o £ : 0.90 o BRL: 6.65 - Interest rates 2025 o €: 0.7% o $: 1.6 % o £: 1.2 % - In line with EPS increase - 65-75% pay-out. Floor of 40 EUR/Share up to 22 and 0.44 up to 25 - Presence in low risk countries and business - Adequate liquidity and sources of financing diversified - Credit rations to support a BBB+, Baa1 rating - Growing cash flow generation

Cost to realize opportunity
6120000000

Strategy to realize opportunity and explanation of cost calculation
Iberdrola's opportunity context for Green H2 is explained in companys specific description section. This specific opportunity has been identified for Iberdrola's Wholesale business: Iberdrola has set up a strategy to take advantage of this business niche linked with its fight against climate change and decarbonization of the economies global focus. Green Hydrogen is key for decarbonize industrial uses and hard-to-abate sectors, (16% of the current EU final energy demand comes from grey to green hydrogen in current uses as industrial feedstock and chemicals (as main current opportunities) and from hard-to-abate sectors as maritime transport, air transport and long-haul heavy transport (this are the future segment opportunities) (more context in theCompany-specific description section). So Iberdrola started its Green Hydrogen development in 2020 stating three key pillars in the hole value chain of this new product: - Increase the share of renewables energy demand for this industrial use - Supporting the creation of new manufacturers of electrolysers - Industrial alliances with leading companies From the >6 € Bn gross investment in Liberalized business in 2025, up to 0,7 € Bn are expected to be invested in the Group's Green Hydrogen strategy, so more than 11%. Investments are spread over the Outlook timeframe, corresponding a 0,1 € Bn for the 2020-2022 period, and 0,6 € Bn for 2023-2025. Regarding expected MW in the green H2 strategy, are envisaged to reach ~ 600 MW in 2025, 50 MW in 2022, starting from 0 MW in 2019. Translating this operational figures into H2 tons, ~15,000 tons H2 will be produced in 2025 and 1,000 tons H2 in 2022. 2020 saw the firsts steps in its strategy in Spain: - Development of the largest complex in Europe for green hydrogen for industrial use, in Puertollano (Ciudad Real) (operational in 2021), with a 20 MW electrolyser and an investment of 150 M€. The plant consists of a photovoltaic solar plant, an ion-lithium battery system and one of the world's largest hydrogen production systems using electrolysis. The hydrogen produced will be used at a Fertiberia ammonia factory. - Industrial alliance between Iberdrola and Fertiberia, a leading European producer of sustainable fertilisers. The plan will develop 800 MW of green hydrogen with an investment of 1,800 million euros by 202

Comment
Other Green H2 projects pipeline: - Iberdrola is leading a project in Aragon (Spain) for the generation of green hydrogen that includes the construction of a hydrogeneration plant in the PLAZA Logistics Platform in Zaragoza, with a power of 10 MW in electrolyzers, which will allow the production and supply of green hydrogen to heavy transport and thus moving towards increasingly sustainable mobility. It will represent an investment of more than €36 million and would include the construction of a self-consumption photovoltaic plant that, accompanied by the supply of renewable energy from Iberdrola, will allow the facility to only use electricity from energy sources emission free. - Agreement for the supply of hydrogen from renewable sources to the Barcelona urban bus fleet through a plant that will also be able to serve other fleets of electric vehicles. - In the UK, Iberdrola has launched the green hydrogen project that will allow the production of sustainable Scotch whiskey in the Highlands. It will develop a green hydrogen project in the Highlands that will allow Scotland to develop this technology and combat climate change in the production of whiskey, among other beverages. The North of Scotland Hydrogen Program aims to develop a state-of-the-art facility in the Cromarty Fjord to produce, store and distribute renewable hydrogen in the region.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, but we intend it to become a scheduled resolution item within the next two years	In Iberdrola's 2021 Shareholders General Meeting it was included the approval of a climate action plan

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (IEA Scenarios: Sustainable development scenario (SDS), Stated Policies Scenario (STEPS) & Net Zero 2050 (NZE2050))	In 2020 Iberdrola updated its strategy and published its Outlook 2020-2025. As part of the process, the company has reviewed and updated the analysis of climate transition scenarios. Selected scenarios are based on plausible forecasts by the International Energy Agency (World Energy Outlook'20). Iberdrola's Outlook 20-25 is based on a central scenario (Sustainable Development Scenario) and another 2 scenarios (Stated Policies Scenario (STEPS)) and Net Zero 2050 (NZE2050)) are considered to compare for the scenario analysis purpose. For 2025-2030 period: it has been applied a methodology that considers the impacts and opportunities as a result of the change in macroeconomic or sectoral parameters considered most significant for the group's businesses in each country. Key parameters considered are obtained from EIA public information. The analysed businesses of Iberdrola: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil & IEI. Main conclusions for 2025-2030 analysis: - STEPS: negative impacts are of relatively low importance: the retail business in Europe, associated with the lower unit consumption in this scenario; the generation business due to potential lower growth in installed capacity in the European area; and the network business in Europe, as a result of a lower level of electrification than forecast in the base scenario. The rest of the businesses will maintain the forecasted growth rates as a result of the great need for investments to strengthen networks and the penetration of renewables in USA and Brazil. - NZE2050: all of the group's businesses would benefit from varying levels of positive impacts degrees depending on the business and geographic area analysed. Opportunities identified for the renewables and networks businesses in USA, where the scale of the impact would be very high, as well as for the networks business in Brazil should be emphasised. Growth drivers would leverage increased investment in renewables and in transmission and distribution networks to accelerate the grid reinforcement and infrastructure improvement projects needed to ensure integration of the system and quality of supply. Financial Results: commercial and networks businesses could be impacted with losses of under €100 M in terms of expected EBITDA for 2030 for the STEPS scenario. The opportunities arising from a Net Zero scenario could have a positive impact on EBITDA of more than €300 M in 2030 for each of the three businesses: retail, wholesale and networks. The NZE2050 has been evaluated assuming organic growth and a stable balance sheet structure). Main output from scenario analysis is the Group's updated strategy: Outlook 2020-2025 to capitalize all the opportunities: focussing in Renewables, Networks and Commercial business. Green Hydrogen, a key new growth opportunity identified for Iberdrola. Iberdrola's 2020 business case: Green Hydrogen has been identified as key opportunity niche area for decarbonization to focus from now on, where electrification is not possible or competitive. So Iberdrola started its Green Hydrogen development in 2020 stating three key pillars in the hole value chain of this new product: - Increase the share of renewable energy demand for this industrial use - Supporting the creation of new manufacturers of electrolysers - Industrial alliances with leading companies (i.e. Fertiberia, producer of fertilisers) Iberdrola expected to achieve 50 MW in 2022 and ~600 MW in 2025 of Green Hydrogen. Investment are 0.1 €M by 2022 and 3.4 €M from 2023 to 2025.Expected EBITDA for Retail business to growth up to 3€Bn in 2025. In 2020 started the first projects in Spain: Puertollano & Palos, aligned with the 2030 strategy by the Government (4 GW), and also Iberdrola started to develop projects in other countries Benefiting from the European Green Deal support scheme. It is also a key 2020 decision to stop combined cycle power plants construction in Mexico.
Other, please specify (RCP 4.5 and RCP 8.5)	In addition to the 3 transition scenarios, Iberdrola included 2 physical scenarios in its analysis. - RCP 4.5 scenario: as the stabilization scenario. - RCP 8.5 as a base scenario to diagnose in such case more unfavourable physical risks that could be faced by the company. Iberdrola has analysed the principal climate threats to which the electricity sector might be exposed under these two scenarios in in the medium and long term. The analysis evaluated the risks arising from climate threats, like increasing temperature, changes in rainfall and increase in sea levels, considered to be chronic risks, as well as the increase in frequency and severity of extreme meteorological events (flooding, heat waves, hurricanes, etc.) for the various jurisdictions in which Iberdrola operates and for the different technologies, taking into account the vulnerability and exposure thereof, according to main climate models, reference bibliography and expert criteria. Further specific detailed studies had been performed in those sectors and locations that have been identified as most vulnerable to the impacts of climate change. Results: Based on the analysis conducted, in general and in accordance with the best knowledge available, it is concluded that many of the risks derived from climate change, both chronic and extreme, affect normal variables of the business and, consequently, variables managed, to a greater or lesser degree, in the normal processes of its operations. Climate change is expected to affect the likelihood of occurrence and potentially the intensity of the risks already managed, and so they do not constitute a new source of risk but it does raise the degree of sensitivity in view of these events, although a strong local and technology component is detected. Moreover, possible predicted impacts will be managed based on the level of adaptation and resilience of the facilities (for example, smart grids, vegetation management plans and networks automation which are carried out by Iberdrola contribute to network resiliency). Climate projections and the associated expected impacts are being integrated by the different business as part of their planning and management strategy. Some examples of management approach to key threats and related impacts and opportunities: - Average temperature variations: imply reduced solar-panel efficiency. Installation of high efficiency photovoltaic modules have been applicated. - Average precipitation variation: imply decrease in production from hydraulic resource. Key management Iberdrola's strategies include capacity for regulation and/or optimisation of functionality under low loads; automation of management and monitoring; increase pumped hydro storage; geographic diversification. - Increase in the frequency and severity of extreme events: imply emergency situations that require early warming and appropriate management. The system Meteoflow, which main purpose is to predict the electricity production of renewable facilities, has included the functionalities of predicting extreme meteorological phenomena, which allows for the activation of emergency plans sufficiently in advance and better management of maintenance equipment. Strategic planning: The diversification of generating assets allows the Group to better manage risks; considerate climate variability in traditional processes, like replacement of equipment and supply of spare parts and in the technical specification of equipment. Furthermore, the analysis of these risks is strengthened in the investment dossiers, documents on which investment decisions on new assets are based. Also Iberdrola boasts management processes that already contribute to resilience in terms of robustness (derived from design and construction procedures), recovery (derived from the early detection tools and action protocols) and adaptability (due to the application of lessons learned in the usual operations and the search for constant improvement in processes).

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	To meet climate targets, electricity consumption would have to multiply almost three times in just 30 years. However, it is difficult for technological reasons to electrify the consumption of some sectors, such as high temperature industrial processes and heavy transport. For them, the production of green hydrogen using renewable energy (electrolysis) is key to achieving climate neutrality by 2050. Green hydrogen becomes a new growth opportunity, identified by Iberdrola, as a strategic vector for the industrial segment and for sectors that are difficult to decarbonize. Iberdrola has launched in 2020 a strong strategy to lead the green Hydrogen production in Europe. It has created a new division within the Wholesale and Retail business, as key strategic new product, of generating Green Hydrogen for industrial use. The plan is to develop 600 MW by 2025 and 800 MW by 2027, to produce 15,000 tons of green hydrogen by 2027 with an investment of 1,800 million euros. The first milestone has been the installation of what will be the largest green hydrogen complex for industrial use in Europe, located in Puertollano (Spain) with a 20 MW electrolyser and with an investment of 150 million euros, as part of an ambitious plan to decarbonise the production of ammonia for fertilisers for the leading Spanish company Fertiberia. The initiative will create up to 700 jobs and prevent emissions of 39,000 tCO2/year. This first plant will be operating in 2021. During next 6 years, it will be multiplied the capacity of this first plant by 40 with the development of 3 other projects between 2023 and 2027, in Fertiberia's plants. This new business line will have a key contribution to the Wholesale and Retail business, that will be contributing to the global EBITDA in a 22% in 2025 as expected in the Outlook 2020-2025. Also, the Iberdrola's Hydrogen strategy includes leading the industrial development for local electrolyzer manufacturers and promoting alliances with other industrial groups to deploy hydrogen industrial development in Spain.
Supply chain and/or value chain	Yes	The Purchasing Department at Iberdrola has aimed, for more than 15 years, the improvement of the sustainability of its suppliers, to act as tractor agent for the decarbonization of the economy in the countries where it operates through its supply chain. GHG emissions from suppliers are one of the substantial categories for Iberdrola's Scope 3 emissions, and so, it has to be further addresed with the global suppliers engagement strategy. To do so, in 2020 in was included a corporate sustainability objective for Suppliers strategy, organised around 3 key sustainability pillars: ESG (Environmental, Social and Governance) The objective has been included as two parameters linked for the long-term incentive, and will be evaluated for the consecution of the 2020-2022 Strategic Bonus. Is was approved by the shareholders at the last General Shareholders' Meeting 2020 (item 16 on the Agenda). The 2 parameters are: ii. Increase the number of suppliers subject to sustainable development policies and standards, such as having: (i) a human rights strategy, (ii) a code of conduct for their suppliers, (iii) health and safety standards (SDG 3), and (iv) a global environmental sustainability strategy, including strategies regarding water (SDG 6), energy (SDG 7) and biodiversity (SDGs 14 and 15). iii. An ambitious objective is set for at least 70% of the company's main suppliers (those billing Iberdrola with a volume of more than 1M€) being subject to these policies by 2022. It will also be deemed that this parameter is not met if the number is equal to that at year-end 2019, i.e. 50%, by year-end 2022. During 2020, the Purchasing Division broadened the use of the new supplier sustainability evaluation model, which is conformed to the international reality of the Iberdrola group. The evaluation of a supplier includes the supplier's performance in highly significant attributes: identification of objectives linked to the SDGs, GHG emissions, management of climate change risk, circular economy strategy, human rights due diligence, etc. The model is agreed upon with internal stakeholders: Social Responsibility, Compliance, Sustainability and Environment Divisions, as well as having been confirmed with Forética, a specialist external entity with expertise in the area. Note: In 2020, Iberdrola placed orders with nearly 20,000 suppliers.
Investment in R&D	Yes	Iberdrola has been focusing smart grids as one of the fundamental pillars of its Strategy for years. In its last Outlook 2020, 40% of its organic investments planned for the 2020-2025 period (more than €27,000 million) will go to networks business and it is expected to contribute to 47% in 2025 EBITDA. During 2020, a total of €293 million was invested in R&D and specifically a 34% was dedicated to electric networks innovation. Our goal is to increase our investment in R&D to €330 million in 2022 and to €400 million in 2025 (from which around 31% will be dedicated to networks). In the frame of the R&D strategy for the network business, in 2020, Iberdrola has created the Global Smart Grids Innovation Hub in Bilbao (Spain), with a global character, and with the main objective of promoting and expediting the development of innovation in smart grids, which will be key to accelerating the energy transition and promoting the development of the associated industry. Iberdrola intends to duplicate its innovation projects in smart grids. Main objectives for this Innovation Hub are: - Respond to the challenges of the energy transition - Combine the company's technological capacity with that of collaborators: suppliers, universities, technology centres and startups - Attract the best international talent - Double the Iberdrola group's projects related to innovation in smart grids The Hub will have collaborative spaces and laboratories with high-tech equipment, dedicated to the development of solutions in collaboration with Stakeholders, in addition to promoting development and training in disruptive technologies. Also, the Hub will serve to attract strategic suppliers and international talent, thus strengthening the business ecosystem. These projects are intended to promote mutual collaboration and the growth of the company's regular suppliers and new entrepreneurs or start-ups. In this area, Iberdrola has already identified more than 120 innovation projects worth €110 million. R&D&i projects will be related to the challenges of the electricity networks of the future, among them, greater digitization, the treatment of the data generated by these infrastructures and the response, in terms of robustness and flexibility, of the electricity network to new consumption models, such as electric mobility and self-consumption.
Operations	Yes	During 2020 it has been decided to focus efforts in Pumping strategy: greater investment to ensure and guarantee supply for hydro resources, dependant on climate change physical risk. The short-term reliability of the electricity supply term is analysed by the System Operator (a role played by Red Eléctrica de España, S.A.), which periodically carries out studies of different operating scenarios to check the robustness of the system. Iberdrola makes a significant contribution to increasing reliability in system operation by providing great flexibility pumping capacity. Hydroelectric pumping technology is the most efficient system that allows to store energy in a large-scale today. It is more cost-effective and provides the electrical system with stability, safety and sustainability, whilst generating large amounts of energy with fast response times without resulting in any type of emission into the atmosphere. It also helps with the decarbonisation of the electricity system. Pumped hydroelectric plants thereby bring efficient energy storage, offer a long-term solution and facilitate the integration of renewable energies into the system and bring high returns. The company is leader in energy storage with a capacity of 4,500 MW installed using pump technology. But the global decarbonization framework for storage needs and the targets for improving the group's hydraulic power efficiency has been translated in a strong commitment to increase pumped storage solutions for the period 2020-2025 (Iberdrola's outlook launched in 2020). Specifically for the sort term, in 2020 Iberdrola states that by 2022, it is expected to reach a total of 90 gigawatts per hour (GWh) of storage capacity, which implies an increase of almost 30 % with regard to 2018: 20 GWh more, equivalent to 400,000 electric battery cars or 1.4 million of residential-use batteries. Also during 2020 the provision of pumping capacity to the existing hydroelectric plants is being studied, with an analysis of future energy requirements, the best location for this increase, and the technological improvements that will make it possible, such as reversible variable-speed turbines or lower-cost penstocks . This new storage capacity, along with the digitalisation of management and the hybridisation of technologies, will provide the necessary manageability for all renewable energy generation.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Acquisitions and divestments Access to capital Assets	Divestments To achieve the objectives of the Paris Agreement and as its global commitment for leading the decarbonization of the economy, Iberdrola has been first mover in the phase out strategy for closing coal assets. During 2020 Iberdrola has received the two last official closing proceedings for Lada and Velilla (both in Spain), its last two coal plants in operation, issued by the corresponding Industry Delegations. Access to capital For the last two decades, and in anticipation of the energy transition, Iberdrola has been developing sustainable solutions to support the increasing electrification of the global economy: more clean energy, more storage capacity, more backup power, more and smarter grids, and more digitalisation. Iberdrola is committed to an energy model that prioritizes the well-being of people and the preservation of the planet. In this sense, Investments in low-emission and sustainable development must increase. In this context, greenbonds play an increasingly important role. The market has shown exponential growth in this matter. Iberdrola is a Pioneer in Green Financing. Iberdrola covers its own capital requirements and at the same time create an attractive offer for the growing high demand on the market for green bonds. Iberdrola's approach to climate change, and its bet on renewables, has allowed the Group to become one of the world's largest issuer of green bonds at corporate level with €11,3 billion. It must be noted that our strategy aims to provide visibility to an increased portion of the investment community who pays attention not only to short-term returns (dividends), but also sustainable growth (ESG approach), under the principle of "social dividend". In 2020, Iberdrola was the first Spanish company to reopen the bond market during the coronavirus pandemic, and it did so with a green operation amounting to 750 million euros and maturing in more than five years (June 2025). The funds obtained will be used, in line with the group's strategy, to fully or partially finance and refinance renewable investments from Mexico and the United Kingdom, mostly onshore wind farms. With the development and start-up of these facilities, the company wants to contribute to the recovery of economic activity and the maintenance of employment in the current difficult situation. In 2020, AVANGRID issued a green bond for €750 million in April 2020. And Neoenergia also carried out another green operation —through its subsidiary Itapabapoana— for an amount of 300 million Brazilian reais to finance investment in transmission lines. The funds obtained through all these operations have been used to finance or refinance investments in projects that met certain environmental and sustainable development criteria, validated both by Iberdrola and subsequently by Vigeo Eiris (an independent entity). These projects are fundamentally framed in the field of renewable energies. Revenues Direct costs Indirect costs Capital expenditures Acquisitions Assets One of the main pillars for Iberdrola's Strategy for 2020-2025, launched in 2020 is the development of renewable capacity with offshore wind farms, to achieve its commitments to the global decarbonization of the economy through the provision of clean and reliable renewable energy. Iberdrola is planning to multiply its offshore wind capacity by 6 from 2020 to 2025 with expected investments of €10,9 billion for that period. Also, it is expected Offshore wind contribution to global EBITDA will be 25% in 2025 (about €2 billion). During 2020, the development of the following projects have continued: • USA: Iberdrola, through Avangrid Renewables, is taking part in the development of a large-scale offshore wind farm off the coast of the state of Massachusetts, United States. Vineyard Wind 1 will have a capacity of 800 MW, which will be able to meet the energy needs of over 400,000 homes. This offshore wind farm will be the first large-scale wind farm in the US and will enter service in 2023. • France: in the Saint Brieuc project (496 MW) started the preparatory work for the installation of foundations in the first 2021 semester. • Germany: the Baltic Eagle project (476 MW) kept going on the recruitment jobs and manufacturing: suppliers have been selected of manufacturing and installation contracts both wind turbines and foundations and cables, being in addition the works of manufacture of the marine substation already started and progressing as planned. • Japan: Iberdrola made the purchase in December of the Acacia Renewables K.K society for the development of a portfolio of wind farms offshore together with its partner Macquarie's Green Investment Group (GIG). • Sweden: Iberdrola, together with Svea Vind Offshore, the processing of the park has begun Utposten 2 located in the Gävle region, while that environmental studies are still being carried out for the rest of the projects in the portfolio.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2019

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) +3 (upstream & downstream)

Base year
2017

Covered emissions in base year (metric tons CO2e)
78162233

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
43

Covered emissions in target year (metric tons CO2e) [auto-calculated]
44552472.81

Covered emissions in reporting year (metric tons CO2e)
72737145

% of target achieved [auto-calculated]
16.1414064525642

Target status in reporting year
Revised

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
Iberdrola is commited to reduce absolute Scope 1, 2 and 3 GHG emissions 43% by 2030 from a 2017 base-year. Validated by Science Based Targets initiative (SBTi). The target was set in 2019 and revised in 2020.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1

Intensity metric
Metric tons CO2e per megawatt hour (MWh)

Base year
2015

Intensity figure in base year (metric tons CO2e per unit of activity)
0.185

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2030

Targeted reduction from base year (%)
73

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.04995

% change anticipated in absolute Scope 1+2 emissions
29

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.098

% of target achieved [auto-calculated]
64.4205849685302

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
Iberdrola has set an ambitious new environmental objective of reducing the intensity of its CO2 emissions to below 50 grams per kWh in 2030, a level 73% less than its emissions in 2015.

Target reference number
Int 2

Year target was set
2015

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1

Intensity metric
Metric tons CO2e per megawatt hour (MWh)

Base year
2007

Intensity figure in base year (metric tons CO2e per unit of activity)
0.185

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2022

Targeted reduction from base year (%)
46

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.0999

% change anticipated in absolute Scope 1+2 emissions
35

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.098

% of target achieved [auto-calculated]
102.232667450059

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
Iberdrola has set an ambitious new environmental objective of reducing the intensity of its CO2 below 100gCO2/kWh in 2022.

Target reference number
Int 3

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1

Intensity metric
Metric tons CO2e per megawatt hour (MWh)

Base year
2015

Intensity figure in base year (metric tons CO2e per unit of activity)
0.185

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2025

Targeted reduction from base year (%)
62

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.0703

% change anticipated in absolute Scope 1+2 emissions
37

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.098

% of target achieved [auto-calculated]
75.8500435919791

Target status in reporting year
New

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain (including target coverage)
Iberdrola has set an ambitious new environmental objective of reducing the intensity of its CO2 below 70gCO2/kWh in 2025.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Int1
Int2
Int3

Target year for achieving net zero
2050

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
Iberdrola is committed to be carbon neutral in 2050. We are waiting the methodology because no corporate net-zero targets have been approved by the SBTi

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	0
To be implemented*	3	1000
Implementation commenced*	4	18000000
Implemented*	7	11955370
Not to be implemented	1	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Other, please specify (Wind offshore and onshore, Hydro and Solar PV)

Estimated annual CO2e savings (metric tonnes CO2e)
2817404

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
771000000

Investment required (unit currency – as specified in C0.4)
4760000000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
Principal activities 2020: 2,890 MW of new installed capacity was added during the year: • Onshore wind: 287 MW in Spain, 468 MW in the United States, 88 MW in Mexico, 670 MW in Australia (Infigen), 118 MW in France (Aalto Power), 44 MW in the United Kingdom and 16 MW in Greece. • Offshore wind: 294 MW in the United Kingdom, which complete East Anglia ONE (total of 714 MW). • Photovoltaic solar: 600 MW in Spain, notably Ceclavín, and 274 MW in Mexico. • Batteries: 6 MW in the United Kingdom and 25 MW in Australia. • There are also approximately 7,000 MW under construction, of which more than 1,800 MW are onshore wind in Spain, the United States, Brazil and Mexico, and more than 2,800 MW are photovoltaic solar in Spain, the United States, the United Kingdom, Brazil, Australia, Italy and Portugal. Batteries are also being installed the United Kingdom and Spain. Construction of the Tâmega hydroelectric complex, with 1,158 MW, continues in Portugal. • Following the construction of the 714 MW East Anglia ONE project in the United Kingdom, offshore wind continues to grow with the construction of the 496 MW St. Brieuc project in France and the 476 MW Baltic Eagle project in Germany, the 800 MW Vineyard project and 804 MW Park City project in the United States, and the development of the other projects in the portfolio.

Initiative category & Initiative type

Transportation	Other, please specify (Videoconferences)

Estimated annual CO2e savings (metric tonnes CO2e)
20000

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1000000

Investment required (unit currency – as specified in C0.4)
50000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Videoconferences promotion is included in Iberdrola's Sustainable Mobility Plan to avoid business travels and emissions.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
41630

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
4500000

Investment required (unit currency – as specified in C0.4)
300000000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
Efficiency in operations and investments ● Over the years, Iberdrola has maintained a constant focus on operational excellence as well as on the efficiency of its investments by optimising processes, standardisation and capturing synergies over the lifetime of the investment. ● Building on the progress made last year, efficiencies of almost €1,500 million are expected to be achieved over the 2020-2025 period, of which €1,000 million will be in 2023-2025. Efficiency • Digitalisation of processes and services to improve the customer experience. • Optimisation of production and increase in availability of thermal facilities. • Flexible operation to participate in complementary markets.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Green products and services)

Estimated annual CO2e savings (metric tonnes CO2e)
9066418

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1000000

Investment required (unit currency – as specified in C0.4)
100000000

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
Photovoltaic solar energy instaled for three parties, Energy audits and plans, Gas maintenance service, Other savings and efficiency activities, Green energy supplied. For customers: • Loyalty-building and development of new digital products and smart solutions adapted to the needs of customers, which promotes efficiency and the consumption of renewable energy. • Retail development in Mexico concurrently with the energy reform. • Sustained growth of retail activities of electricity, gas and Smart Solutions in the rest of Europe.

Initiative category & Initiative type

Transportation	Other, please specify (Electronic Billing)

Estimated annual CO2e savings (metric tonnes CO2e)
300

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1800

Investment required (unit currency – as specified in C0.4)
150000

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
ELECTRONIC BILLING. Promotion of electronic billing as an ecological alternative to the use of paper, through awareness-raising campaigns, mailings, promotions, APP for customers, etc. Electronic billing promotion is included in the Iberdrola´s Sustainable Mobility Plan to avoid travel courier and emissions.

Initiative category & Initiative type

Transportation	Employee commuting

Estimated annual CO2e savings (metric tonnes CO2e)
566

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
450000

Investment required (unit currency – as specified in C0.4)
450000

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
These initiatives include Iberdrola's launch of a new edition of the Electric Vehicle for Employees programme in Spain and the United Kingdom, which consists of special advances and financial assistance for the purchase of electric vehicles. Thanks to this initiative, in 2020 the local emission of 566 tonnes of CO2eq in employee travel to the workplace in Spain and the United Kingdom was avoided.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (100% renewable energy consumption in buildings)

Estimated annual CO2e savings (metric tonnes CO2e)
9052

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
90000

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment
100% renewable energy consumption in buildings.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	SDG 7.3 is a sustainability development goal for the Group (2015-2030) from 4 points of view: 1) As an electric utility, by incorporating clean, advanced and efficient production and distribution technologies. 2) As a vendor, by informing and educating customers and providing them with solutions that help enhance their energy efficiency and reduce the environmental impact of their energy habits and consumption. 3) As an energy consumer, by ensuring continuous improvement in energy efficiency at its work centres, buildings and vehicles, developing mobility plans and raising awareness among employees. 4) As a purchaser, by including environmental and social commitment clauses in supplier contracts and by preparing awareness and carbon footprint measurement campaigns within the supply chain.
Dedicated budget for low-carbon product R&D	1) Renewable Energy: Developing R&D projects to improve efficiency of existing technologies and to develop new generation technologies. Offshore wind projects: Sedar, Innpacto Openfoam and FP7 Eera Dtoc. Energy resource field: Low-Impact gravity foundations, Leanwind offshore technology, and various lines within OWA programme, promoted by the Carbon Trust in UK. In Scotland: study into fatigue in offshore pilings for chalky soils (TLPWind project). The European Best Path project has been launched, with a view to demonstrating new technologies that enable the incorporation of renewable energy sources into networks. SmartWind project is working on storage and simulations relating to wind farms. 2) Clean Generation Technologies: Focused operational flexibility and efficiency, respect for the environmental, and improved safety at facilities. Iberdrola is firmly committed to reducing the environmental impact of its generating facilities. Underway projects: Filtraciones, Migres and Resonuc. 3)Smart Grids: Various projects that seek to implement a modern electric grid based on remote management. In Europe: Grid4eu and iGreenGrid projects, Discern projects, Advanced and UpGrid project and Price. UK: ARC and Flexnet projects: strengthen smart grids in Scotland. In Brazil: Vants and Robô to inspect distribution grids. Also noteworthy is the Elektrobus project, prototype of a vehicle with an electrical propulsion system using ultra-condensers. In USA: Integrated Aerial Damage Assesment System project, to develop an aerial system to assess damages to the electrical grid after heavy storms. Iberdrola has an R&D technology centre in Qatar. 4) Iberdrola has launched its Sustainable Mobility Plan with more than 20 measures to reduce CO2 emissions, focused on employees, business, customers and suppliers, promoting the use of electric vehicles.
Dedicated budget for other emissions reduction activities	In this context, investments are being made: 1) To strengthen transmission and distribution networks reducing losses. 2) To develop smart grids. 3) To promote green mobility with electric vehicles and Smart Mobility (promotion of electric Charging points) . 4) To promote e-billing for customers. 5) Committed to SDG (Sustainable Development Goals). 6) Collaboration with campaigns of the Energy Diversification and Savings Institute (Instituto para la diversificación y el ahorro energético) (IDAE). 7) Conducting information campaigns and commercial activities. 8) Providing information on the website and in invoices. 9) Sponsorship of fairs and participation in events such as World Environment Day and the European Mobility Week. 10) The Iberdrola Bus. 11) Participation in forums, seminars and industry task forces. 12) Cooperation agreements and training sessions with the main consumer and business associations and public institutions. 13) Customer engagement: promoting electric vehicles. 14) Positioning as a global leader in the offshore area, where it develops more advanced and innovative projects. Note the Offshore Wind Accelerator (OWA) initiative, a special programme promoted by the Carbon Trust (United Kingdom), in which specialist companies and engineering firms join forces, pooling their knowledge to find solutions that enable a reduction in the costs and risks of offshore technology, thus facilitating and speeding up their development in UK waters.
Partnering with governments on technology development	Among Others: 1) Green eMotion, a four-year cross-European initiative to promote electromobility. 2) Iberdrola's Sustainable Mobility Plan with more than 20 measures to reduce CO2 emissions, focused on employees, business, customers and suppliers, promoting the use of electric vehicles. 3) Other projects financed by national programs are being developed, such as Mugielec, in the Basque Country, Surtidor, with funds from the Ministry of Industry, and ICT4. 4) Agreements and alliances with companies such as Opel, Mitsubishi, and Peugeot to facilitate access to and the use of electric vehicles by citizens and businesses and develops projects with government authorities in the autonomous communities of Castile and Leon, Valencia, the Basque Country, Murcia, Andalusia, Catalonia and Extramadura. The Company also participates in electromobility projects in Scotland and the United States of America. 5) Agreement with Volvo to boost electrification of public transport in urban areas 6) Agreements to launch a corporate electric car-sharing service 7) Installation of recharge points in collaboration with government authorities in the autonomous communities. 8) First public services of e-carsharing. 9) Electric bus service, by the substitution of lines of conventional buses. 10) Electric fleet and electric recharge points for differents goverments. 11) Smart Mobility - charging Points.
Employee engagement	First Spanish company to launch a shared electric car service among its employees to handle commercial activities in Madrid, Bilbao, Seville, Valencia, Valladolid and Barcelona. Installation of 150,000 charging points for electric vehicles until 2025. Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030. Awareness campaign among all employees on emissions produced on commuting. Iberdrola launched the Electric Vehicle for Employees within the Sustainable Mobility Plan of Iberdrola providing support to employees for the purchase of electric vehicles.
Compliance with regulatory requirements/standards	1) In UK, work continues on the Carbon Emissions Reduction Target project, within the context of the UK government's carbon emissions reduction program, pursuant to which actions have been taken to improve insulation in homes and buildings and to distribute low-consumption lighting. 2) In Brazil, Elektro is developing various projects within the Energy Efficiency Programme (PEE), alongside the National Electrical Energy Agency: major energy efficiency programmes for public buildings, such as municipal governments, schools, assistance centres, etc.
Internal finance mechanisms	Iberdrola's Smart Mobility Plan: first comprehensive Spanish solution to facilitate real access by citizens to electromobility. The Company continues to develop and expand this solution, which allows customers to buy electric vehicles (cars, motorcycles and bicycles) from among a broad range of brands, financing, the supply of 100% renewable energy, and the systems and services needed for recharging, conforming to each situation, requirement and type of customer. As an example: Smart Mobility, a comprehensive solution that includes the acquisition of a charging point, installation and warranty, operation by means of an app, and a personalised supply contract. The promotion of electric mobility through the Smart Mobility plan pursuant to which Iberdrola will install 150,000 charging points for electric vehicles until 2025. Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Company-wide

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

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year
12.55

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Company-wide Iberdrola generates and supplies low carbon electricity to its customers and offers energy efficiency services. Initiatives to reduce emissions are undertaken through a broad range of products and services promoting energy efficiency and savings. Avoided emissions Consumption equivalent to 258,501,792 GJ/year in non-renewable primary energy was avoided in 2020 through the generation of renewable energy, including hydroelectric energy, and the supply of steam to industrial customers. In total, the emission of 21,571,092 tCO2 was avoided fon renewables and steam supplyed. Other: Emission factor for each country is applied for the corresponding production Iberdrola generates and supplies low carbon electricity to its customers and offers energy efficiency services. More information in Sustainability Report: GRI 302-4 & 305-5. (% revenues from low carbon products comes from Renewable revenues)

Level of aggregation
Company-wide

Description of product/Group of products
Transmission and Distribution power lines

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year
38.9

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Transmission and distribution infrastructure or equipment in Systems which are on a trajectory to full decarbonisation. (% revenues from low carbon products comes from net revenues)

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Iberdrola is a program partner of Natural Gas STAR Program (Methane Challenge Program Partner) through its subsidiary in USA (Avangrid) from 2016. As a founding partner in the federal EPA's "Natural Gas STAR Methane Challenge," AVANGRID continues its voluntary efforts to identify sources of natural gas or greenhouse gas emissions and reduce those emissions beyond regulatory requirements. The challenge will result in a cleaner environment and a more efficient natural gas distribution system.

Iberdrola reduced methane emissions in USA by 1.6% from 2019 through fixing leaks and cast iron main replacements.

Avangrid (Iberdrola in USA), represents 99,99% of methane emissions. The rest of emissions are located in United Kingdom.

The efforts in the generation area focused on flexibility and operating efficiency (including reduction of methane), respect for the environment and the improvement of facility safety.

In Grid Engineering area: TABÓN project: project to develop a technology for verifying, inspecting and predicting power lines by measuring the earthing resistance to increase the efficiency in managing these assets.

Flexibility and Efficiency Measures in cogeneration plants: A project was launched to improve the design of the degasser at the EW Aranda cogeneration plant, ultimately with the objective of optimising its performance at low flow levels of steam and, in doing so securing an estimated savings of 0.3t/h in terms of steam. The EW Cartagena cogeneration plant is hosting a project to replace the third stage of guide vanes in the Gas Turbine (GT), through the new model with an optimised profile to improve the GT Heat Ratio by 0.8%.

DESOx: Advanced desulphurisation process control system. Implemented at the Lada Coal-fired power plant in Asturias (Spain), the project focuses on developing an integrated and technologically advanced system for reducing SOx emissions and other effluents from desulphurisation to considerably reduce the environmental impact generated and the methane losses, while increasing the overall generation process and determining the optimal conditions for plant operation during its remaining operation in the year (the coal plant was closed during 2020).

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
13427107

Comment
Direct GHG emissions from GHG sources owned or controlled by the Company. These include: • Emissions from electricity generation facilities (fuel consumption). • Emissions of methane (CH4) and nitrous oxide (N2O) associated with generation and non-generation fuel consumption. • Emissions from non-generation facilities: gas storage and sludge drying (fuel consumption). • Fugitive emissions of methane (CH4) (natural gas storage and transmission). • Fugitive emissions of hexafluoride (SF6) in distribution networks. • Emissions from facilities that provide services to buildings (fuel consumption). • Emissions associated with road transport involving employees driving company vehicles, (mobile source fuel combustion).

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
2082636

Comment
Indirect GHG emissions are those that come from electricity, heat or steam generation of external origin consumed by the organisation. These emissions are: • Emissions associated with the consumption of electrical energy during the outages of thermal, renewable and nuclear power plants, and pumping operations in hydroelectric power plants. • Emissions associated with the consumption of electricity in buildings. • Emissions associated with losses during the electricity distribution process.

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
2081744

Comment
Indirect GHG emissions are those that come from electricity, heat or steam generation of external origin consumed by the organisation. These emissions are: • Emissions associated with the consumption of electrical energy during the outages of thermal, renewable and nuclear power plants, and pumping operations in hydroelectric power plants. • Emissions associated with the consumption of electricity in buildings. • Emissions associated with losses during the electricity distribution process.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
Other, please specify (GHG Inventory Information Management)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Iberdrola's Group has its own document explaining the procedure following the official methodologies: "Greenhouse Gas Inventory Information Management". This protocol describes the management of information on the quantification and reporting of greenhouse gas emissions (hereinafter GHG) of the Group's activities.

Please, see more informatino in the Iberdrola´s Greenhouse Gas Report, https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
13002609

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
13427107

Start date
January 1 2019

End date
December 31 2019

Comment
To consider in 2019: Iberdrola has assigned to Scope 3 of the emissions inventory those emissions generated by the plants that Iberdrola operates in Mexico as an Independent Power Producer (IPP), based on its understanding that Iberdrola does not have operational control of those plants because the CFE is responsible for making decisions regarding the dispatch and entry into operation (or not) of said plants.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Scope 2 – Indirect GHG emissions Indirect GHG emissions are those that come from electricity, heat or steam generation of external origin consumed by the organisation. These emissions are: • Emissions associated with the consumption of auxiliary energy when stopping thermal, renewable and nuclear power plants, and pumping operations in hydroelectric power plants. • Emissions associated with the consumption of electricity in buildings. • Emissions associated with network losses (Section added in 2017)

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
1890456

Scope 2, market-based (if applicable)
1882654

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Scope 2, location-based
2082636

Scope 2, market-based (if applicable)
2081744

Start date
January 1 2019

End date
December 31 2019

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5483189

Emissions calculation methodology
Estimated emissions data on the emission factor per euro invoiced obtained through supplier survey in 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions included in section Purchased goods and services.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
34142433

Emissions calculation methodology
Emissions associated with energy purchased for sale to end users (16,495,518 tCO2e) - Upstream (WTT) emissions from fuel acquired and consumed (Including emissions associated with fuel transportation) (3,898,575 tCO2e)- Emissions associated with power generated for third parties (13,748,340 tCO2e); To calculate emissions associated with the transportation of fuel (coal and uranium) to power stations, the distance travelled in kilometres by road, rail or boat is determined and then multiplied by the emissions factors given in the UK Department for Environment Food & Rural Affairs (DEFRA) guide.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
7940

Emissions calculation methodology
Emissions associated with staff business travel by various means (car, plane, train etc.) obtained from the distances travelled and using the specific emission factors for the means of transport obtained from: • DEFRA for Spain and UK • EPA for the US, Mexico and Brazil

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
27910

Emissions calculation methodology
The company conducted its supplier greenhouse gas awareness and measurement campaign on employee transit from their residence to their workplace. To do so, every Iberdrola Group employee was sent a questionnaire in order to calculate their transit emissions via an emissions calculator which works out emissions for travel. The compiled data is loaded into a database and extrapolated to all Iberdrola Group employees.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Included in other categories (Scope 1, Scope 2 and Scope 3)

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Iberdrola´s products do not need downstream transportation and distribution.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Iberdrola´s products do not need a post-sale processing.

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
18190409

Emissions calculation methodology
This category includes the indirect emissions associated with the use of the natural gas sold to final client.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Iberdrola´s sold products do not need end of life treatment.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions from the fuels consumed by Transferred and posted in Scope 1. Iberdrola's fleet of vehicles, which are leased assets: Each Region is responsible to introduce into the software Sygris the data of km made by Iberdrola's fleet vehicles. To calculate these emissions the following formula is used: km by fleet vehicles x emission factor. Emission factor come from DEFRA "Greenhouse Gas Conversion Factor Repository".

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions not relevant as they are below 0.01 % of total emissions for the Iberdrola Group.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Imports of electricity from different countries where Iberdrola does not generate electricity. This category was reported under Scope 2.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Emissions not relevant as they are below 0.01% of total emissions for the Iberdrola Group.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.089

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
14885263

Metric denominator
megawatt hour generated (MWh)

Metric denominator: Unit total
166583000

Scope 2 figure used
Market-based

% change from previous year
10.32

Direction of change
Decreased

Reason for change
Renewable energy producion has grown from 39% in 2019 to 42% in 2020.

Intensity figure
403

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
14885263

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
36915

Scope 2 figure used
Market-based

% change from previous year
8.69

Direction of change
Decreased

Reason for change
Reduction in emissions and inrease in FTE (35120 in 2019 and 36915 in 2020).

Intensity figure
0.000449

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
14885263

Metric denominator
unit total revenue

Metric denominator: Unit total
33145000000

Scope 2 figure used
Market-based

% change from previous year
5.51

Direction of change
Increased

Reason for change
Reduction of revenues in 2020.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	12656298	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	218026	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	60293	IPCC Fourth Assessment Report (AR4 - 100 year)
Other, please specify (CH4+N2O)	67992	IPCC Fourth Assessment Report (AR4 - 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	23280	218026	60293	301599	Emissions from Non-generation (Storage of gas and drying); Leaks (CH4) (Gas storage and transmission); Leaks (SF6)(Electricity distribution)
Combustion (Electric utilities)	12518865	67922	0	12586787	Emissions from Energy Generation (Fuel consumption)
Combustion (Gas utilities)	0	0	0	0	Iberdrola is Electric Utility
Combustion (Other)	35708	0	0	35708	Emissions in buildings (fuel combustion)
Emissions not elsewhere classified	78514	0	0	78515	Emissions from mobile combustion (fleet cars) and figitive emissions refrigerant gases

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Spain	4714905
United Kingdom of Great Britain and Northern Ireland	29001
United States of America	1466766
Mexico	6031094
Brazil	750128
Other, please specify (Iberdrola Energy International)	10715

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division
By facility
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Generation	12585291
Renewables	1496
Distribution	278319
No Generation	27684
Corporate	109819

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Spain Coal	256582	43.268282	-2.93861
Spain Combined Cycles	3066382	43.2675	-2.93861
Spain Cogeneration	1356062	43.2675	-2.93861
Spain Nuclear	4745	43.2675	-2.93861
Spain Dist/Trans Elect.	29762	43.2675	-2.93861
Spain Renewables	1197	43.2675	-2.93861
United Kingdom Dist/Trans Elect.	15122	54.59664	-5.92081
United Kingdom Renewables	1048	54.59664	-5.92081
United Kingdom Other Generation	5420	54.59664	-5.92081
Avangrid Cogeneration	1170228	41.258135	-73.001512
Avangrid Renewables	14271	41.258135	-73.001512
Avangrid Dist/Trans Gas	151330	41.258135	-73.001512
Avangrid Other Generation	34351	41.258135	-73.001512
Avangrid Dis/Trans Elect.	84225	41.258135	-73.001512
Neoenergia Combined Cycles	687417	-22.926952	-43.173964
Neoenergia Other Generation	12391	-22.926952	-43.173964
Neoenergia Dist/Trans Elect.	49355	-22.926952	-43.173964
Neoenergia Renewables	965	-22.926952	-43.173964
Mexico Combined Cycles	5285586	19.428809	-99.204357
Mexico Cogeneration	765261	19.428809	-99.204357
Mexico Renewables	194	19.428809	-99.204357
IEI Other Generation	8560	43.2675	-2.93861
IEI Renewables	2155	43.2675	-2.93861

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Generating Facilities	9334518
Cogeneration	3250773
Gas Distribution: CH4 leakage	218026
Distribution networks: SF6 releases	60293
Non-generation facilities	27664
Renewables generation	1496
Corporate	109819

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	12518865	<Not Applicable>	Emissions from Energy Generation (Fuel Consumption)
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	9053	Decreased	0.06	Increase in green electricity consumption in buildings in wich means a reduction of emissions in buildings (9,053 tCO2 avoided. 9,053/15,508,851 (SC1+SC2 in 2019) = 0.06%
Other emissions reduction activities	432028	Decreased	3.96	Energy efficiency allows smart and innovative energy production and consumption and is one of the key factors in the fight against climate change and reducing greenhouse gases. It should be noted that the intensity of emissions at the Group's thermal plants has dropped over the past years, from 412 kg CO2/MWh in 2019 to 398 kg CO2/MWh in 2020. Energy Generated for Thermal plants (not nuclear incuded) was 31300 GWh in 2020 and the CO2 emissions were 12463572 tCO2. We calculated the savings in CO2 emissions, due to the investment in efficiency, by multiplying the production of 2020 by the emission factor of 2019, subtracting the emissions of 2019 ((31300 · 412) - 12463572 = 432,028 tCO2 avoid); Emissions avoided in electricity distribution and transmissions due to the reduction of losses (increased efficiency): 160,458 tCO2; Emissions avoided because of efficiency in consumption for auxiliary systems during stopages and pumping: 22,027 tCO2; 432,028+160,458+22,027 = 614,513 tCO2 avoided. 614,513/ (SC1+SC2 in 2019) = 614,513 / 15,508,851 = 3,96 % (Decrease)
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	138943951	138943951
Consumption of purchased or acquired electricity	<Not Applicable>	50798	3669638	3720436
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	88383	<Not Applicable>	88383
Total energy consumption	<Not Applicable>	139181	142613589	142752770

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
137080362

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
341

Unit
kg CO2e per MWh

Emissions factor source
The direct emissions is based on the activity (fuel consumption) data and the emission factors calculated by and obtained from official sources and the global warming potential (GWP) values published by the IPCC for a horizon of 100 years (Values taken from AR4). MAPAMA for Spain, EPA for USA and México and Ferramente for Brazil.

Comment

Fuels (excluding feedstocks)
Fuel Oil Number 1

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
288287

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
3.16976

Unit
kg CO2 per liter

Emissions factor source
DEFRA

Comment

Fuels (excluding feedstocks)
Coal

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
895003

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
1073

Unit
kg CO2 per MWh

Emissions factor source
The direct emissions is based on the activity (fuel consumption) data and the emission factors calculated by and obtained from official sources and the global warming potential (GWP) values published by the IPCC for a horizon of 100 years (Values taken from AR4). MAPAMA for Spain, EPA for USA and México and Ferramente for Brazil.

Comment

Fuels (excluding feedstocks)
Gas Oil

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
186530

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
74.1

Unit
kg CO2 per GJ

Emissions factor source
MAPAMA for Spain, EPA for USA and México and Ferramente for Brazil

Comment

Fuels (excluding feedstocks)
Other, please specify (OffGas)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
471241

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0.95279

Unit
kg CO2e per liter

Emissions factor source
DEFRA

Comment

Fuels (excluding feedstocks)
Petrol

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
13117

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
2942

Unit
kg CO2 per metric ton

Emissions factor source
DEFRA, 2021 MITERD calculator, and EPA

Comment

Fuels (excluding feedstocks)
Other, please specify (Ethanol)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
9411

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
2601

Unit
kg CO2e per metric ton

Emissions factor source
DEFRA

Comment

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
258

Net electricity generation (GWh)
237

Absolute scope 1 emissions (metric tons CO2e)
255039

Scope 1 emissions intensity (metric tons CO2e per GWh)
1076

Comment
The last Iberdrola´s coal plant was closed in 2020.

Lignite

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Oil

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Gas

Nameplate capacity (MW)
8777

Gross electricity generation (GWh)
25003

Net electricity generation (GWh)
24513

Absolute scope 1 emissions (metric tons CO2e)
8979705

Scope 1 emissions intensity (metric tons CO2e per GWh)
366

Comment
N/A

Biomass

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Waste (non-biomass)

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Nuclear

Nameplate capacity (MW)
3177

Gross electricity generation (GWh)
25414

Net electricity generation (GWh)
24316

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Geothermal

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Hydropower

Nameplate capacity (MW)
12864

Gross electricity generation (GWh)
22475

Net electricity generation (GWh)
22034

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Wind

Nameplate capacity (MW)
20855

Gross electricity generation (GWh)
46219

Net electricity generation (GWh)
45303

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Solar

Nameplate capacity (MW)
1100

Gross electricity generation (GWh)
509

Net electricity generation (GWh)
509

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Marine

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Other renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
N/A

Other non-renewable

Nameplate capacity (MW)
1190

Gross electricity generation (GWh)
6740

Net electricity generation (GWh)
6550

Absolute scope 1 emissions (metric tons CO2e)
3228828

Scope 1 emissions intensity (metric tons CO2e per GWh)
492

Comment
N/A

Total

Nameplate capacity (MW)
47963

Gross electricity generation (GWh)
126618

Net electricity generation (GWh)
123462

Absolute scope 1 emissions (metric tons CO2e)
12463572

Scope 1 emissions intensity (metric tons CO2e per GWh)
101

Comment
Scope 1 emissions intensity: if Iberdrola takes into account steam production 2020 (3,742 GWh), the intensity of emissions would be 98 tCO2/GWh.

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?
Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region
Spain

Voltage level
Distribution (low voltage)

Annual load (GWh)
88390

Annual energy losses (% of annual load)
6.5

Scope where emissions from energy losses are accounted for
Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)
228945

Length of network (km)
270129

Number of connections
11210000

Area covered (km2)
190000

Comment

Country/Region
United Kingdom of Great Britain and Northern Ireland

Voltage level
Distribution (low voltage)

Annual load (GWh)

31779

Annual energy losses (% of annual load)
6.78

Scope where emissions from energy losses are accounted for
Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)
424932

Length of network (km)
105919

Number of connections
3540000

Area covered (km2)
80000

Comment

Country/Region
United States of America

Voltage level
Distribution (low voltage)

Annual load (GWh)
37474

Annual energy losses (% of annual load)
3.99

Scope where emissions from energy losses are accounted for
Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)
266392

Length of network (km)
156740

Number of connections
2270000

Area covered (km2)
272000

Comment

Country/Region
Brazil

Voltage level
Distribution (low voltage)

Annual load (GWh)
9831

Annual energy losses (% of annual load)
17

Scope where emissions from energy losses are accounted for
Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)
487576

Length of network (km)
654890

Number of connections
14280000

Area covered (km2)
836000

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Other, please specify (Water use)

Metric value
434

Metric numerator
Water use (cubic meters)

Metric denominator (intensity metric only)
Electricity Production (GWh)

% change from previous year
25.5

Direction of change
Decreased

Please explain
Increased efficiency reduces water consumption considerably, as does increased production of renewable energy that does not require water consumption.

C-EU9.5a

(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.

Primary power generation source	CAPEX planned for power generation from this source	Percentage of total CAPEX planned for power generation	End year of CAPEX plan	Comment
Other, please specify (Renewable energy)	34680000000	100	2025	Outlook 2020-25. Eur 68Bn: 51% of organic investments in renewables and ~85% in Europe and the USA, more than 83% allocated to A-rated countries. Renewable Installed Capacity 2x by 2025 from 2019.

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Other, please specify (Green Hydrogen)	Iberdrola is spearheading the development of green hydrogen to meet the electrification and decarbonisation needs of sectors such as industry and heavy goods transport.	2500000000	1.6	2030
Charging networks	Installation of 150,000 charging points for electric vehicles until 2025	6000000000	4	2025
Electric vehicles	Iberdrola will electrify its entire vehicle fleet in Spain and the United Kingdom (3,500) and provide charging facilities for its staff by 2030	105000000	0.07	2030
Other, please specify (Networks (smartgreeds, smartmeters, etc...))	Networks (efficiency, new lines, smartgreeds, smartmeeters...)	27200000000	18	2030

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Renewable energy	Large scale commercial deployment	21-40%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.
Infrastructure	Full/commercial-scale demonstration	21-40%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.
Demand side response programs	Full/commercial-scale demonstration	21-40%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.
Digital technology	Large scale commercial deployment	≤20%		• Development of R&D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – More and smarter storage. – More and smarter grids. – More and smarter customer solutions.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
1
CDP-verification-Iberdrola 2021.pdf
2020_IBE_GHG Report.pdf

Page/ section reference
Whole in CDP-verification-Iberdrola 2021.pdf. In 2020_IBE_GHG Report.pdf, data in page 11-12 and verification from page 19 to 23

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
1
CDP-verification-Iberdrola 2021.pdf
2020_IBE_GHG Report.pdf

Page/ section reference
Whole in CDP-verification-Iberdrola 2021.pdf. In 2020_IBE_GHG Report.pdf, data in page 11-12 and verification from page 19 to 23

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
1
CDP-verification-Iberdrola 2021.pdf
2020_IBE_GHG Report.pdf

Page/ section reference
Whole in CDP-verification-Iberdrola 2021.pdf. In 2020_IBE_GHG Report.pdf, data in page 11-12 and verification from page 19 to 23

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3 (upstream & downstream)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
1
CDP-verification-Iberdrola 2021.pdf
2020_IBE_GHG Report.pdf

Page/section reference
Whole in CDP-verification-Iberdrola 2021.pdf. In 2020_IBE_GHG Report.pdf, data in page 11-12 and verification from page 19 to 23

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year emissions intensity figure	This data is published in the Sustainability Report, verified by PwC. Renewable energy products Iberdrola Green Energy comes exclusively from 100% renewable energy sources, as per European Directive 2009/28/EC.	This is a key performance indicator for the Group. Available evolution in our webpage: https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory/intensity-emissions gsm21_IA_SustainabilityReport20 (1).pdf
C3. Business strategy	Emissions reduction activities	This data was published in the Sustainability Report, verified by PwC, and also published in our Integrated Report and General Shareholders's Meedting's	Emission-free installed capacity has been increased being our emission free output our main initiative to comply with emission reduction target. Objective for Executive directors and management personnel linked to the Company's performance's variable fee. gsm21_IA_SustainabilityReport20 (1).pdf
C3. Business strategy	Renewable energy products	Iberdrola Green Energy comes exclusively from 100% renewable energy sources, as per European Directive 2009/28/EC, characterised by full environmental respect by avoiding the emission of CO2 and other pollutant gases. Iberdrola Green Energy is doubly certified: At source, by IRECS (International Renewable Energy Certificate Services) certificates issued and managed by an Issuing Body which guarantees that the energy generated comes exclusively from renewable sources. Renewable source of all the energy supplied, certified by Bureau Veritas Quality International.	This certification implies the existence of an internal methodology for managing these IRECS certificates and the allocation of that energy to the customers who buy it, so that only energy from renewable sources and certified at source can be sold as green energy. gsm21_IA_SustainabilityReport20 (1).pdf
C2. Risks and opportunities	Other, please specify (TCFD)	Task Force on Climated-related Disclosures	Iberdrola was one of the first companies to publicly commit to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As part of this, in 2017, the company created an internal multidisciplinary working group to coordinate all the work performed in this area. In this report, the company currently reports the progress made in each of the four thematic areas in which the TCFD's eleven recommendations are structured. gsm21_IA_SustainabilityReport20 (1).pdf
C4. Targets and performance	Emissions reduction activities	This data was published in the Sustainability Report, verified by PwC. Also published in Iberdrola's web page.	This data was published in the Sustainability Report, verified by PwC. Also published in Iberdrola's Sustainability Scorecard: https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard gsm21_IA_SustainabilityReport20 (1).pdf
C8. Energy	Renewable energy products	This data was published in the Sustainability Report, verified by PwC. Also published in Iberdrola's web page.	This data was published in the Sustainability Report, verified by PwC. Also published in Iberdrola's web page. gsm21_IA_SustainabilityReport20 (1).pdf
C6. Emissions data	Other, please specify (The Corporate Environmental Footprint (CEF) is defined as a multi-criteria measure of the environmental performance of a goods/services providing organization from a life cycle perspective.)	This data is published and verified by AENOR under ISO/TS 14072:2014. Environmental management — Life cycle assessment — Requirements and guidelines for organizational life cycle assessment.	The environmental impact assessment methodology used for calculating Iberdrola's Corporate Environmental Footprint is ReCiPe (based on UNE-EN ISO 14040:2006 and UNE-EN ISO 14044:2006 standards), which is applied to quantitatively analyse the life cycle of company products/services. The ReCiPe methodology was created by the Netherlands National Institute for Public Health and the Environment (RIVM), the Institute of Environmental Sciences of the University of Leiden (CML), the consultancy PRé Consultants and the Faculty of Science at Radboud University. IB_Environmental_Footprint_Report.pdf

gsm21_IA_SustainabilityReport20 (1).pdf
IB_Environmental_Footprint_Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS
EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT

% of Scope 1 emissions covered by the ETS
100

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
211404

Allowances purchased
128002

Verified Scope 1 emissions in metric tons CO2e
128002

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Other, please specify

Comment
Facilities we own and operate + Facilities we operate but do not own + Facilities we own but do not operate Facilities we operate but do not own + Facilities we operate and only a % owned

EU ETS

% of Scope 1 emissions covered by the ETS
100

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
11732

Allowances purchased
4558000

Verified Scope 1 emissions in metric tons CO2e
4322314

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Other, please specify (Facilities we own and operate + Facilities we operate but do not own)

Comment
EU ETS in Spain

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Only the generation facilities located in Europe (Spain, UK) and USA are subject to an emission rights trading system, for which reason this indicator does not affect the thermal generation facilities in Mexico or Brazil. In the UK Iberdrola has no conventional generation assets becoming 100% renewable energy company in that country.

The facilities located in Spain have not received free trading rights since 2013, for which reason they have to acquire the necessary rights at auction to offset the emissions produced.

In 2020, only the Tarragona Power facility in Spain has been assigned 11,,732 emissions rights, within the emissions trading system (ETS) market.

The IBERDROLA Group is a major player in the European Emissions Trading Scheme, which began to operate in Europe on January 1st, 2005. IBERDROLA has played an active role throughout 2018 in the EU-ETS trading through both bilaterally and in exchanges, mainly buying allowances for compliance. The main goal is to minimise the carbon market risk while optimising the value of the European thermal electricity generation assets.

A significant amount of the Avangrid Renewables western U.S. activity includes the import of energy into the State of California. The California Cap-and-Trade program commenced in 2013 and relies on the mandatory reporting of greenhouse gas emissions and purchase of equivalent allowances. To comply with the Cap-and-Trade regulation, we have registered with the California Air Resources Board, tracked and reported our annual GHG emissions on Avangrid Renewables resources imported into California, created the necessary allowance accounts, and designated authorized account representatives. We met the 2016 deadline by submitting the details of our emissions-related activities to an independent verifier. Upon approval from the verifier, Avangrid Renewables will surrender the required compliance instruments by the established deadlines.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Other, please specify (Voluntary offsetting: Sustainable Event & Gas sells in France)

Project identification
During 2020, Iberdrola has cancelled 2343 emission reduction credits to offset the Stakeholders Annual Meeting carbon footprint and 140000 credits to offset the footprint of gas sells in France.

Verified to which standard
Other, please specify (UNE-ISO 20121)

Number of credits (metric tonnes CO2e)
142343

Number of credits (metric tonnes CO2e): Risk adjusted volume
142343

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope
Scope 1
Scope 2
Scope 3

Application
Iberdrola uses an internal carbon price to alternatively assess comparative economic impact of different investment scenarios. It is included as one additional factor to be taken into consideration when informing capital and operational decision making, and is linked with our strategy for R&D investments and divestment plans, mainly related to power generation technologies and innovation plans. Direct and indirect emissions are considered when using internal carbon price, and that is as a key factor reinforcing the strategy of Iberdrola that has started more than 20 years ago by focusing in renewable energy and decarbonization. With our foreseen renewables investments included in our Strategic Plan for 2025 and the switching from gas to Renewables we include the potential cost of projects CO2 emissions in all major investment decisions, using an average cost of €50 per ton of CO2.

Actual price(s) used (Currency /metric ton)
50

Variance of price(s) used
This carbon price is a “Differentiated pricing” which is forecasted quarterly in order to assess different long term impacts. IBERDROLA has a tool to calculate the cost of emitting CO2 in each country (this price provided is an average) where it operates taking into account their national decarbonization policies. We are active members of CO2 Carbon Pricing Leadership Coalition - CPLC (World Bank) and participated in the Carbon Pricing Corridors project (promoted by CDP, We Mean Business and the Carbon Pricing Leadership Coalition) that, provided market insights into the future impact of carbon pricing and explored the carbon-related price signals that would decarbonize electricity generation and heavy industry through the short to medium-term (2020, 2025, 2030 and 2035) and help deliver a sub-2°C world as defined by the Paris Agreement. In an analysis of the electricity sector, it concluded that for its decarbonization in 2050, prices in the range of $ 24-39 / tCO2e were needed in 2020, increasing to $ 30-60 / tCO2e in 2025 and to $ 30-100 / tCO2e by 2030. As an example of effectiveness of carbon pricing in the power sector it is worth highlighting the case of the UK where the increase of the Carbon Price Support to 18 GBP/tCO2 in April 2015 has encouraged significant coal to gas switching. So, in 2018 Iberdrola sold conventional generation assets in the United Kingdom, becoming the first 100% renewable energy company in that country. At a global level, a carbon price of 75 USD/tCO2 by 2030 would be needed to be in line with Paris Agreement targets as per analysis by the IMF in line with the analysis by Stern and Stiglitz under the High Level Commission on Carbon Prices which concluded that the explicit carbon-price level consistent with achieving the Paris temperature target is at least US$40–80/tCO2 by 2020 and US$50–100/tCO2 by 2030, provided a supportive policy environment is in place.

Type of internal carbon price
Shadow price

Impact & implication
The internal carbon price is studied together with other commodities (as gas, coal) and served as a basis to foresee a switch from coal to CCGT in 2020 and a future switch from gas to renewables if prices are higher enough. In November 2020, Iberdrola unveiled the most ambitious investment plan in its history, totalling 75,000 million euros until 2025. 51% of this amount will be allocated to promoting clean energy, with the aim of doubling the group’s renewable capacity in only 5 years and reaching 60,000 MW by the end of the period. At year-end 2020, the Iberdrola group had 55,111 MW of total installed capacity of which 34.820 MW are renewable. For its part, 79,2% of total own installed capacity is associated with emission-free technologies. This clean energy investment strategy and commitment to favouring measures to combat climate change have led the Group to continue reducing its own emissions to 96 grams per kWh in 2020 (2.6 times lower than the European average). The company has publicised its commitment to decarbonisation, setting demanding objectives: "to being a carbon neutral company in Europe by 2030 and to reducing our CO2 emissions 86% globally, to 50g/kWh". It should be noted that Iberdrola already generates 100% of its energy with zero emissions in countries like the UK, Germany and Portugal. Regarding Scope 2 and 3, Iberdrola has designed an internal awareness campaign aligned with a “carbon budget” concept in business and key areas within the group, to give better understanding on internal carbon pricing impacts and further action plans. Iberdrola continues to reduce its indirect emissions, with special mention of the reduction of energy emissions in buildings due to the increased use of green energy. In 2020, the electrical power consumed by the offices in the UK was 100% green, whilst in Spain it was 97% green, with emissions due to energy consumption in buildings reduced by more than 50%. Products and services promoting energy efficiency and savings for clients, key examples in 2020: • Spain: Continuous development of products and services meeting the needs of customers • UK: A cumulative total of 1.7 million smart meters has also been installed in the UK • Europe: Growth of retail activity and connection to customers through Smart Solutions, which has led to a total of 9.3 million smart contracts worldwide during 2020.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change
Climate change performance is featured in supplier awards scheme
Other, please specify (Supplier's of the Year Award - Environmental category: promoting suppliers' environmental responsibility and publicly recognising those who go the extra mile.)

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
Supplier's of the Year Award - Environmental category: Promoting suppliers' environmental responsibility and publicly recognising those who go the extra mile. The aim of Iberdrola's Supplier Awards is to incentivise and recognise excellence, sustainable development, quality, internationalisation, innovation, corporate social responsibility, job creation and the prevention of workplace risks. This action driver for suppliers have generated a progressive convergence of suppliers and supplies toward the sustainable parameters required by the company, resulting in a multiplying effect throughout the supply chain, since what is currently being requested from first-level suppliers will gradually be assumed by the entire supply chain. In 2020, global awards were to be presented to the Group's suppliers "United by our values"; but due to the exceptional global situation generated by the COVID-19 pandemic, the decision was made to hold a special ceremony in 2021 where the Iberdrola RETO Awards will be presented to the suppliers, with a focus on Recovery, Clean Energy, Energy Transition and the Sustainable Development Goals (SDGs), as well as to recognise the suppliers who collaborated with Iberdrola to supply health material that was donated by the company to support during the most critical moments of the pandemic. This initiative is open to all our supplier group-wide, who can present their nominations for the awards. This is because we think all our suppliers are equally relevant for us.

Impact of engagement, including measures of success
Active engagement with the most active sustainable suppliers. Iberdrola works and shall continue to work with excellent and sustainable suppliers, and to do so, it establishes clear traction and measurement mechanisms with resources in the Purchasing Division allocated to these tasks. The Company likewise establishes personal objectives with its management team that are linked to continuously improving the sustainability ratios of its suppliers. Only in this way, Iberdrola can continue to grow and serve the societies in which it is present and to which it is committed. With the awards to suppliers, Iberdrola wants to encourage, promote and recognize excellence, sustainable development, quality, internationalization, innovation, corporate social responsibility, job creation and occupational risk prevention. In addition, the Prize was born as a tool and mechanism of thanks to the supplier of his contribution to the achievement of the Group's objectives. This award is also a way for dialogue and communication with relevant suppliers. Iberdrola measures success arising from this initiative through the interest shown by suppliers and the nominations received. This type of actions has produced a progressive approach of suppliers and supplies towards the sustainable parameters required by the company, causing a multiplier effect on the entire value chain, since what is demanded from first-class suppliers today, will be gradually assumed by the entire supply chain. In 2020, eight companies were awarded, standing out due to their commitment to the ecological transition, innovation, entrepreneurship, employability, talent, contribution to the SDGs and involvement with COVID-19.

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)
Other, please specify (Environmental clause in hiring condition)

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
Iberdrola Group's conditions of purchase are documents of a general nature that regulate the relationships between the companies of the Iberdrola Group and their suppliers, usually included as a basic part of the contractual documentation. In such way, suppliers must comply with specific environmental clauses during the contract. These conditions contain contractual clauses that oblige the parties to act with environmental respect and have a preventive approach to environmental issues in order to achieve sustainable development, limiting activities whose impact on the environment is doubtful. Suppliers must also sign the Ethics Code, incorporates principles in environmental matters. This criteria is applied to all our supplier group-wide, we do not make any distinction between them.

Impact of engagement, including measures of success
The company also performs tracking and reporting activities on an on-going basis. This mechanism is a filter which allows selecting best suppliers and raise awareness among suppliers about the importance of reducing their impacts, or in changing the external conditions that surround them, thus producing more sustainable products and services. This mechanism is used to measure how suppliers reduce their impacts in environment. The Procurement Department at Iberdrola has had the goal of improving the sustainability of its suppliers for more than 15 years, linked to the team's variable remuneration. In 2020, this objective was translated into a corporate sustainability objective organised around three fundamental pillars of sustainability that come under the acronym ESG: Environmental, Social and Governance. Iberdrola's commitment to ESG criteria and its extension to its main suppliers is embodied in the ambitious goal of ensuring that at least 70% of the Group's main suppliers are subject to sustainable development policies and standards by 2022. This objective is directly reflected in the inclusion of this scale in the evaluation of the Strategic Bond 2020-2022, approved in point sixteen of the resolutions passed at the Iberdrola, S.A. General Shareholders' Meeting held on April 2, 2020. During 2020, the Purchasing Division broadened the use of the new supplier sustainability evaluation model, which is conformed to the international reality of the Iberdrola group and organised around three core pillars of sustainability, summarised with the initials ESG: Environmental, Social and Governance. The supplier must provide evidence and supporting documentation for their claims and performance. The model assesses 43 ESG-related variables using the Go-Supply platform, including: identification of goals linked to the Sustainable Development Goals (SDG), management of risks resulting from climate change, circular economy strategy, due diligence in human rights, etc. In 2020, 12,376 billion euros, 89.8% of the total amount awarded, was allocated to suppliers that had been evaluated on the basis of this ESG model. For 2021, improvement targets have been set for the Procurement Department related to the percentage of main suppliers that achieve these sustainability levels.

Comment

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services
Other, please specify (Engagement with Sustainable Development Goals (United Nations))

% of suppliers by number
85

% total procurement spend (direct and indirect)
85

% of supplier-related Scope 3 emissions as reported in C6.5
85

Rationale for the coverage of your engagement
Inside the 7th Supplier Satisfaction Survey, which was sent out to Iberdrola's suppliers in 2020, a section was included to analyse the alignment of suppliers with the Sustainable Development Goals (SDGs) and the initiatives they are developing. The survey was sent to almost 4,900 suppliers, which represent 85% of the total volume of procurement spend. Iberdrola considers this is a very relevant sample of our suppliers. 1,960 responses were obtained, representing 40% participation with an average of 3.5 SDGs reached for each provider who responded to this section.

Impact of engagement, including measures of success
The results on the survey on SDGs show that 561 suppliers have specific objectives and plans to undertake their commitments, and many of the actions are coordinated from Foundations or corporative volunteering teams. Regarding the creation of alliances between Iberdrola and its suppliers to accelerate compliance with the 2030 Agenda, many suppliers highlighted that it would be interesting to hold joint online sessions between the parties, in order to share good practices, future plans and company commitments. Our supply chain is mainly invloved with SDGs 3, 7, 9 and 13.

Comment

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers
Other, please specify (Supplier Mobility Plan)

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
Iberdrola's commitment to sustainability has been transferred to suppliers in recent years, through actions undertaken in the Purchasing area, which has resulted in bringing the supply chain closer to the socially responsible parameters required by the Company. In the database management of suppliers, it is intended to have knowledge of initiatives and sustainable mobility plans that our suppliers have. That is why Iberdrola has incorporated an issue in the basic register of suppliers of the following type: "Does your organization have a sustainable urban mobility plan?" This covers all suppliers from Iberdrola Group, as Iberdrola is very focused on sustainable mobility. Iberdrola considers sustainable mobility as a very important matter in the path to decarbonisation, and tries to keep all of its suppliers aware of this matter. Electric mobility contributes to emissions reduction in the transport sector. As part of its commitment to sustainability and the environment, and as an effective way to fight climate change, the company wants to promote and lead the transition towards sustainable mobility and the electrification of transport. This is applied to all our suppliers group-wide, as we consider them equally relevant.

Impact of engagement, including measures of success
In this way, Iberdrola has information about its suppliers and is aware of the initiatives that are being carried out or are programmed in its supply chain and will be able to monitor new sustainability actions in order to promote sustainable mobility. Impact from this engagement can be measured by number of initiatives being develop by suppliers, and by interest shown by suppliers on sustainable mobility. The inclusive nature of Iberdola's Sustainable Mobility Plan involves employees, the business activity, customers and suppliers, covering many actions in which the company seeks to strengthen its support of sustainability. The volume of purchases made in the year by the Company, translates into an engine of indirect jobs in the auxiliary industry and companies that provide services. Choosing local suppliers considerably shortens the trips due to the acquisition or contracting of materials, equipment, works and services that they can offer, thus reducing the emissions derived from this transport. In 2020, 89% of purchases were made from local suppliers.

Comment

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
In its firm commitment to fight climate change, Iberdrola attempts to extend to its suppliers the effort to comply with the emission reduction objectives. During 2020, the Purchasing Division broadened the use of the new supplier sustainability evaluation model, which is conformed to the international reality of the Iberdrola group and organised around three core pillars of sustainability, summarised with the initials ESG: Environmental, Social and Governance. Supplier evaluation is more detailed and rigorous than the previous scoring system as it includes the supplier’s performance in wide-ranging areas: identification of goals linked to the Sustainable Development Goals (SDG), management of risks resulting from climate change, circular economy strategy, due diligence in human rights, etc. The supplier must provide evidence and supporting documentation for their claims and performance. The model has been agreed upon with internal stakeholders (the Departments of Social Responsibility, Compliance, Sustainability and Environment) and has also been validated by Forética, an external organisation specialising in this area.

Impact of engagement, including measures of success
The model assesses 43 ESG-related variables using the Go-Supply platform (http://www.mygosupply.com) and is summarised in the KPIs that are part of each supplier. Following the analysis, suppliers are classified into two levels: acceptable if their score is over 51 points out of a possible 100 (and at least 30% of the points in each of the ESG axes), and not acceptable in all other cases. Suppliers that do not reach the required levels are sent a personalised ESG improvement plan indicating the areas in which they can improve. In 2020, 12,376 billion euros, 89.8% of the total amount awarded, was allocated to suppliers that had been evaluated on the basis of this ESG model. In 2020, proposals for improvement plans were sent to 172 suppliers of the Group For 2021, improvement targets have been set for the entire Procurement Department related to the percentage of main suppliers that achieve these sustainability levels. The target for 2021 is 65% at management level, with the target being rolled out at the business and country levels. To monitor this objective, a weekly report has been defined that allows monitoring by business, country and procurement category, as well as identifying suppliers that require an improvement plan. By 2021, the aim is to move to a Business Intelligence tool with daily updates.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Company's projects in the area of commercial and industrial customers are focused on energy savings, cost reductions and CO2 emissions. These include projects for managing connectivity at buildings and audits to identify low-cost and easily-applied energy saving measures. As stated in our Sustainable Management Policy, we pursue the safety in the supply of energy products, resorting whenever possible to locally-produced primary energy sources, using renewable energy resources, and ensuring the reliability and availability of generation, transmission, and distribution facilities. We are engaged with all our customers, in the countries where we operate, in order to show them that we are a reliable company to be trusted in the process of the electrification of the economy. Iberdrola's main objective is to improve energy efficiency and the smart use of active electrical grids, thus contributing to the more efficient use of energy by consumers, and thereby reducing CO2 emissions and contributing to the fight against climate change. The types of actions taken include those relating to information, training and supply of solutions and technologies that help them to improve energy efficiency and reduce the environmental impact of their energy habits and consumption. Iberdrola engages in demand-side management in all of its geographic areas and for its various types of customers. The reason for this engagement is helping customers to improve their energy efficiency, in order to fight together against climate change. This engagement is extended to all our customers group-wide.

Impact of engagement, including measures of success
Strategy: We offer to our customers many programmes, prodcts are services in place, like: - Products: Smart Solutions (https://www.iberdrola.es/en) or Smart Services: gas Maintenance Pack, Home Electricity Protection, Electrical Emergencies, Household Appliance Protection, Iberdrola Home support, energy Certificate, Gas Assistance, Gas Protection and Air. - Conditioning Protection. - Smart Mobility: solution for electric vehicles: Charging point, electric Vehicle Plan, App. - Smart Solar: The easiest and smartest way to connect to the sun. - Smart Home: Smart Lighting, Smart Thermostat, consumption Monitor, Smart Clima (aerothermal, air conditioning, Gas equipment upgrade, electrical equipment upgrade, - Electric mobility: Electric Vehicle Plan, access to electric mobility, recharge ant home and recharge outside the house Iberdrola measures the number of customers who contract these products, and how satisfied are those customers with such products and services. There are plenty of products and services with high success and acceptance among our customers. This engagement campaigns show them the capacity of the electricity to decarbonize their common habits and make them partners in this challenge. As a measure of success, Iberdrola measures the number of customers who contract these products, and how satisfied are those customers with such products and services. We are focused on a long term strategy, and the clients are one of our main stakeholders to participate in partnerships focused on climate change fight. 222,249,153 GJ have been saved for green products and services in 2020 (GRI 302-5): Photovoltaic solar energy, Energy audits and plans, Gas maintenance service, Other savings and efficiency activities, Green energy supplied. 31,299,730 tCO2 were avoided from commercial initiatives for reducing emissions in 2020 (GRI 305-5): Energy savings and efficiency through green products and services.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
As part of its commitment to sustainability and the environment, and as an effective measure to combat climate change, the company is driving and leading the transition to sustainable mobility and electrification of transport. The Sustainable Mobility Plan is part of the commitment undertaken by the company in its Sustainable Management Policy, which requires the assumption of policies that promote sustainable exploitation of the group's corporate purpose. The objectives of this initiative are to reduce emissions, promote energy efficiency, improve the quality of life of the people living in the areas where the group operates and raise awareness among employees. Iberdrola offers to all its custommers sustainable mobility solutions, Iberdrola offers its customers smart charging solutions at a 10th of the cost of traditional combustion engines.

Impact of engagement, including measures of success
As examples of engagement, we have the following: - Joined forces with the BNP Paribas Group to revolutionise the leasing market in Spain, with an innovative solution called All-inclusive, focused on the electrification of fleets associated with the distribution of online commerce. The solution, aimed at individuals and companies, includes

leasing of electric vehicles through Arval, the installation of a charging point financed by BNP Paribas Leasing Solutions and energy consumption at home and on public roads for the contracted kilometres supplied by Iberdrola in a single package. - Agreements with vehicle manufacturers to promote sustainable mobility. Among these are: Volvo Car España andSEAT and Volkswagen Group España Distribución. Iberdrola will supply renewable energy to the Volkswagen Group facilities in the Iberian Peninsula, and together they will develop a public charging infrastructure network. - Agreement with the Quadis dealership network, through which Iberdrola will contribute solutions for installing charging stations at its premises and the possibility of offering its customers and employees the purchase of an electric vehicle. - Electric motorbikes: together with Cooltra — with a fleet of more than 7,500 shared electric motorbikes throughout Europe — and Inetum, will roll out the service in cities where they operate. The smart charging stations each have capacity to house 20 chargers and multibrand motorbike batteries. The banks will be installed in public spaces such as shopping centres, car parks and mobility hubs. - In September 2020, Iberdrola signed a green loan with the Official Credit Institute for 59.4 million to install 2,500 charging points on public roads in Spain and Portugal. - Iberdrola's mobility electrification plan also has the support of the European Commission, through a €13 m grant, awarded to the company within the framework of the CEF Transport Blending Facilities invitation from the Innovation and Networks Executive Agency (INEA), which will contribute towards financing the installation of 2,339 rapid, super-rapid and ultra-rapid charging stations in Spain and Portugal in the run up to 2023. As a measure of success, Iberdrola measures the number of customers who contract these products, and how satisfied are those customers with such products and services (through a customer satisfaction survey).

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Global warming is a challenge that urgently requires the active participation of all civil society actors. As an international leader in the fight against climate change, the Iberdrola group carries out different awareness-raising initiatives within the framework of its Plan for Raising Social Awareness on Climate Change. The fight against climate change and everything it implies — the reduction of greenhouse gas emissions (GHG), the energy transition towards a decarbonised economy, energy efficiency, the change in consumer habits, etc. — requires a greater awareness and improved willingness to act by all civil society actors. As part of our commitment to the environment, in 2016 the Iberdrola group incorporated a Plan for Raising Social Awareness on Climate Change as an additional focal point for its climate change actions, which it has been developing since then through different initiatives aimed at different audiences. Iberdrola also promoted EducaClima, a website with education resources on climate change and sustainability created by teachers, for teachers. Some of the main objectives of EducaClima are to alert young people of the causes, impact and consequences of climate change, teach them about the vulnerability of nature to human pressures, and help them understand the role that energy and mobility have as the solution to this global challenge. It also aims to encourage responsible and efficient consumption of resources. The platform (created with the collaboration of teachers specialized in educational innovation so their contents fit into the school curriculum) offers free teaching, learning and assessment totally downloadable.

Impact of engagement, including measures of success
As early as 2016, Iberdrola had already incorporated a Plan for Raising Social Awareness on Climate Change, which it has since been carrying out with various activities focussed on the creation of knowledge and the mobilisation and encouragement of climate action in society, directed toward various internal and external audiences, and coordinated through an internal working group at the global level. This plan consists of four main lines of conduct, which in 2020 included various activities including: internal communications to employees, external communications to customers through high-quality content on Iberdrola’s website, a dedicated section for the dissemination of materials, podcasts on climate change, and activities (such as education and workshops) aimed at young people (EducaClima project, an online platform of educational resources on climate change and sustainability prepared by and for teachers, and driven by Iberdrola), and podcasts on climate change. Some of the main objectives of EducaClima are to alert young people and young cutomers of the causes, impact and consequences of climate change, teach them about the vulnerability of nature to human pressures, and help them understand the role that energy and mobility have as the solution to this global challenge. It also aims to encourage responsible and efficient consumption of resources. Measures are made of the use of the EducaClima platform. During 2020, results were the following: - 9,800 visits to the website - Social media: 2,500 followers on Facebook, Twitter and Instagram - 1060 Newsletter subscribers - Online training course: Offered by 8 education ministries - About 800 teachers received the course, which will impact about 20,000 students. Moreover, resources and materials on climate change can be found at Iberdrola's website, as a specific section on "Twelve action against climate change".

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Partnership with other companies

Iberdrola and Fertiberia set a partnership on green hydrigen production. Iberdrola partnered with fertilizer company Fertiberia to install over 800MW of green hydrogen capacity over the next seven years. In July 2020, the two companies announced their plan to construct the largests green hydrogen plant for industrial use in Europe, by investing €50 million ($58.5 million) in the construction of the plant in Puertollano. Iberdrola and Fertiberia are expanding their partnership with an investment of up to €1.8 billion ($2.09 billion) to be made over the next seven years. Three additional projects will be developed by the two between 2023 and 2027, in the Fertiberia plants of Puertollano (Ciudad Real) and Palos de la Frontera (Huelva), to deliver 40 times the capacity of the first plant. The projects will reduce Spain's energy dependence and consumption of fossil fuels while promoting economic and social development. The projects will also improve the technological maturity of green hydrogen and turn it into a solution for efficient decarbonisation in the medium term.

Green hydrogen constitute an important step in the fight against climate change, reducing CO2 emissions when producing hydrogen for industrial uses. It is a a key factor on the path to climate neutrality.

This partnership is alligned with the European Union's Green Hydrogen Strategy.

Iberdrola also partnered with the world's leading electrolyzer manufacturer to make Spain a technological and industrial leader in green hydrogen. A deal was signed with Norwegian company Nel to build and develop large-scale electrolysers in Spain. To enable this partnership, Iberdrola and Basque company Ingeteam created Iberlyzer, a company dedicated to the integration, installation and maintenance of electrolyser plants. Iberlyzer will begin operations next year and will integrate over 200 MW of electrolysers by 2023, investing €100 million to create 150 direct jobs. This agreement strengthened Iberdrola and Fertiberia's green hydrogen project

El Día Después

In 2020, Iberdrola launched the initiative "El Día Después", an incubator for transformative partnerships, addressing the challenges posed by the Sustainable Development Goals through collective intelligence. "El Día Después" connects experts, professionals, activists, decision-makers to generate innovative proposals. It is a patternship between Iberdrola, ltd-UPM, REDS, ISGlobal and Sustainable Development Solutions Networks.

In July 2020, the Environment and Health Community of "El Día Later", within the framework of its line of work of contribution to public policies, has carried out an analysis and a series of proposals for improvement of the Draft Law on Climate Change and Energy Transition in Spain. The document, which was submitted to the Ministry of Ecological Transition , presented a generally good assessment of many of the articles. Among others, it considers very positively points as: the need of specific objectives for reducing emissions, of the penetration of renewables in the electricity mix and energy efficiency, the need of achieving net zero emissions in 2050 or earlier, the need to divest in fossil energy sectors, and

the need to mark the limits of adaptation to climate change.

Conferences and participations in forums

During the Climate Week in New York in September 2020, Iberdrola's chairman had a digital meeting with the vice president of the European Commission, Frans Timmermans, during which they analysed the new emissions reductions targets set by the European Commision and the role of technologies such as green hydrogen. Climate Week NYC aims to rebuild the global economy for people and for the planet as a pathway to a better future. To this end, it seeks to reduce global greenhouse gas emissions by half between now and 2030.

The chairman of the group, Ignacio Galán, joined the manifesto of business leaders for renewed global cooperation promoted by the United Nations Global Compact to encourage progress towards a more equitable, inclusive and sustainable world. More than 1,200 CEOs from more than 100 countries signed the declaration to show their support for the UN principles and to promise more international cooperation to protect all citizens, promote peace and save the planet. Galán also supported the European Commission (EC) proposal to step up climate ambition and reduce greenhouse gas emissions by at least 55 % by 2030. He therefore signed a manifesto with a further than 150 business people and investors that urges European Union leaders to support these objectives and align with the European Green Deal.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	ISO 14064 external verification since 2010. Participation in European Commission pilot project.	Carbon reporting should be compulsory for big companies.
Cap and trade	Support	Iberdrola participates in the EU ETS. As a stakeholder, Iberdrola plays an active role in the EU regulatory dialogue regarding cap and trade structural design and rules, specifically in the review of the Directive of the EU-ETS and in the Effort Sharing Decision. Iberdrola is also member of the Carbon Pricing Leadership Coalition, a multilateral partnership, that promotes robust carbon pricing mechanisms as a climate action tool.	Recognition of the important role of cap&trade to tackle the decarbonisation of EU energy model. In the context of EU ETS, long term goals are essential to provide a CO2 price which consolidates as a signal to the investment in low carbon technologies. A strong carbon price signal able to encourage investments in decarbonisation. To reinforce this signal, through a carbon price floor should be explored to bring visibility and stability to investors.
Carbon tax	Support	Iberdrola operates throughout markets where there are carbon price instruments equivalent to a carbon tax (EU ETS, carbon price floor in UK...). Iberdrola is also member of the Carbon Pricing Leadership Coalition, a multilateral partnership, that promotes robust carbon pricing mechanisms as a climate action tool.	Carbon tax should be an element of a rigorous Environmental Tax Reform, which would cover all sectors, including transport, heating and cooling. Part of the Transport sector (road transport, diesel rail and inland waterway, which cover 33% of the non ETS emissions) is not so far covered by EU ETS. This sector currently contributes to a quarter of the total EU GHG emissions and its share its growing since this is the only EU sector where the emissions have risen since 1990. At the same time, some of the energy sources of heating; cooling are not covered by the EU ETS, despite of the fact that it represents the highest share final energy consumption in EU (over 50%). The so called “Fit for 55” package released by European Commission in July 2021 has already proposed an expanded ETS to transport and buildings. It will be some of the main policy package to be negotiated at EU level in the coming years.
Energy efficiency	Support	Iberdrola has created its own Energy Services Company (ESCO) ,to deploy specific actions in the field of efficiency, together with other suppliers in Iberdrola Group who plays and active role in the regulatory dialogue at international and national level.	Energy efficiency (EE) is one of the main targets to tackle energy model challenges. Electrification of economy is the most important element for the improvement of energy efficiency, due to competitive and technical advantages of the electricity sector to introduce EE measures. Energy price signal (e.g. taxation), information, and standards are proved to be the most efficient and effective tools to mitigate barriers and market failures that prevent market to provide the optimal level of energy efficiency investments.
Clean energy generation	Support	Iberdrola was founded at the beginning of the past century based on hydroelectric power and 18 years ago pre-empted the rest of the sector with a focus on renewables that has made it world leader in wind power and pioneer in measures to combat climate change.	Iberdrola is one of the largest electricity companies in the world and a global leader in wind power. We have achieved this position by strengthening our commitment to sustainable development and care for the environment using cleaner technologies with the lowest CO2 emission levels. The Company proposes an efficient energy mix, based on efficient renewable energy, combined cycle gas turbines, and nuclear. Iberdrola current energy mix is 79% free of carbon emissions and plans to become carbon neutral in 2050.
Adaptation or resilience	Support	Iberdrola plays and active role in the regulatory dialogue at international and national level. Building on previous engagements like the collaboration with the United States Department of Energy’s (DOE) Partnership for Energy Sector Climate Resilience program, or in the UK the Adaptation Reporting Power, Iberdrola is following and engaging in the EU regulatory dialogue regarding the review of the EU adaptation strategy, as well as giving input with its views to the new Spanish National Adaptation Plan approved in September 2020.	Governments should set global strategies to promote adaptation resilience across all economy sectors. Iberdrola’s contribution to the new Spanish National Adaptation Plan and the EU adaptation strategy has highlighted the relevance of providing accessible and user friendly tools in order to get homogeneous information on climate scenarios and common metrics that allow a comparison between regions as well as risks priorization. In addition, for better addressing extreme events, an area of analysis shall be global (systemic) action plans versus individual action at asset level to understand effectiveness and efficiencies achieved. Furthermore, the need of specific financial instruments that encourage investment, especially in the private sector, where measures such as direct subsidies or favourable taxation has been also included. The relevance of the energy sector in the new energetic context and its contribution to socio-economic resilience has been strongly highlighted.
Climate finance	Support	Iberdrola plays and active role in the regulatory dialogue at international and national level.	In general terms, finance is one of the main elements to tackle climate change. Iberdrola is fully involved in the main policy conversations to promote sustainable finance. It is especially remarkable the participation of Iberdrola in the Technical Expert Group on Sustainable Finance at EU, that has been deeply involved in the developing on the EU taxonomy for climate change mitigation and climate change adaptation. Additionally, Iberdrola has been really involved in working groups that support ambitious approaches on sustainable finance within its activities in organizations such as OECD, UN Global Compact or Corporate Leaders Group. Within climate advocacy activities, the company has engaged at the highest level with the main action streams (mitigation, energy transition, just transition…) and joined some of the most relevant pledges such as the Business Ambition 1,5ºC declaration, aimed at aligning business activities with limiting global temperature rise to 1.5°C above pre-industrial levels, and the Just Transition and Decent Jobs Pledge, encouraging companies to following ILO core labour standards with respect to our own employees, and use contractors who also comply with these standards.
Other, please specify (Assumption Environm. costs internally)	Support	Some of these principles have not been fully adopted in some of the countries in which it operates and are the subject of a social debate, in which Iberdrola participates, for their possible inclusion in regulations.	Active participation in national and international forums. For instance, WEF Summit in Davos, High-level Climate Summits in the context of the UN General Assembly, COP 25 in Madrid in 2019, Climate Dialogues and Race to Zero Dialogues in 2020 . Our Chairman and CEO joined key high level panels in all of them supporting ambitious approaches in climate action (e.g. climate neutrality goal).
Other, please specify (Carbon Pricing)	Support	Iberdrola is member of Carbon Pricing Leadership Coalition - CPLC (World Bank) and participated in the Carbon Pricing Corridors project (promoted by CDP, We Mean Business and the Carbon Pricing Leadership Coalition) that, provided market insights into the future impact of carbon pricing and explored the carbon-related price signals that would decarbonize electricity generation and heavy industry. We believe that is necessary to put in place the right incentives, in electricity and in all other sectors, to invest and consume in low carbon technologies. This will move from the current model that rewards polluters to a new system based on the principle “polluter pays”. The most efficient tool to achieve this goal is putting a price on carbon, as it provides technology-neutral incentives, promotes the most efficient clean production sources and can generate revenues.	A strong carbon price signal based on the “polluter pays principle” and faced by the whole economy should be the main tool for driving cost-effective decarbonisation and low carbon investment. Carbon pricing will not be fully effective unless all agents are in a level playing field, removing subsidies to carbon-intensive producers because in the energy sector, subsidies to fossil fuels are five times more costy than subsidies to renewables. Additionally, technological development is making energies compete with each other in energy uses (eg electric vehicles vs internal combustion, heatpumps vs fossil fuel based boilers), so implementing the polluter pays principle is even more critical. Additionally carbon pricing can generate revenues to fund the energy transition and compensate unwanted impacts on vulnerable communities.
Other, please specify (Climate events in the context of the UN General Assembly and the New York Climate Week)	Support	Leadership in the Summits organized under the UN auspices in the context of the General Assembly in September 2020	Iberdrola was the only Spanish company to take part in the debates on the state of multilateralism at the highest level and was present in the main declarations assumed by the private sector on matters of climate, sustainability and global cooperation. The chairman of the group, Ignacio Galán, joined the manifesto of business leaders for renewed global cooperation [PDF]External link, opens in new window. promoted by the United Nations Global Compact to encourage progress towards a more equitable, inclusive and sustainable world. Iberdrola also supported the European Commission (EC) proposal to step up climate ambition and reduce greenhouse gas emissions by at least 55 % by 2030.

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (European Green Deal and the 55% emission reduction goal by 2030 at EU level)	Support	Support to the European Green Deal presentation by the European Commission in December 2019 and to an ambitious approach at EU level to set a 55% emission reduction target by 2030.	Iberdrola was one of the leading companies that publicly endorsed the European Green Deal and the EU climate neutrality target by 2050. Within the roadmap towards climate neutrality, Iberdrola has advocated for an ambitious approach to fully decarbonize the energy sector at EU level by 2050 as a source of opportunities. In collaboration with the Afry consulting group, it has been developed (during 2019 & 2020) a thorough assessment of this transition towards a decarbonized energy sector at EU level. This report was launched at a high level webinar with the participation of the European Commission, co-organized with Euractiv in June 2020. Iberdrola was also one of the 170 business and investors that urged the EU o raise EU 2030 GHG emissions targets to at least 55 per cent

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Eurelectric

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

Eurelectric in Europe, decarbornisation in 2050.

How have you influenced, or are you attempting to influence their position?

We are participating focused on clean energy promotion instead of the general rule of coal generation in Europe. Members of Groups relating Climate Change are committed to design the energy roadmap in order to decarbonise European utilities.

Trade association

Transparency Register

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Created by European institutions to give adequate transparency to the relations of such institutions with companies, NGOs, citizens' associations, think tanks, among others.

How have you influenced, or are you attempting to influence their position?

In February 2012, Iberdrola registered within the Transparency Register. Existence of government and regulatory support mechanisms to facilitate the implementation of these programmes and help achieve the global targets. The company is also engaged by the input from expert stakeholders to the sustainability report.

Trade association

Club de Excelencia en Sostenibilidad

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Created by leading corporations in order to point out the public authorities best practices regarding sustainability issues: GHG emissions, mobility, biodiversity and energy efficiency projects...

How have you influenced, or are you attempting to influence their position?

We have participated in all the publications and we have coordinated within the institutions several Working Groups. The most recent is the Biodiversity Catalogue.

Trade association

Call of eight leading energy companies to EU leaders for a revitalized energy policy

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The eight energy companies agreed on a joint statement to underline the seriousness of the current challenges facing European carbon market able to support climate-friendly technologies and in which a reliable perspective is provided, notably, by establishing ambitious but realistic and stable post-2020 greenhouse gas emissions targets.

How have you influenced, or are you attempting to influence their position?

Iberdrola has supported the event. Information published in Iberdrola's webpage.

Trade association

Grupo español de Crecimiento Verde

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The aim of this Group is increasing participation of companies, sharing information, identifying opportunities and supporting Spanish presence in international forums. Main spanish companies belong to this Group which was created by the Spanish Ministry for Agriculture, Alimentation and Environment.

How have you influenced, or are you attempting to influence their position?
Iberdrola is present in this Group since its creation on September 2014. It is one of the few utilities present. Iberdolaholds the vice-presidency of the Group and coordinates the climate policy working group.

Trade association
CDP Roadmap to Paris

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Iberdrola reaffirmed its unwavering commitment to combating climate change at the Climate Change Summit organised by the United Nations in New York in September 2014. In this regard, the company endorsed the goals set by CDP via its Road to Paris 2015 initiative, which aims to ensure that more ambitious and binding measures will be taken by States at the Climate Summit scheduled for the French capital.

How have you influenced, or are you attempting to influence their position?
Iberdrola, when attending the New York Climate week in September 2014, signed the basic purposes of this initiative and has joined the effort in order to go on bringing down greenhouse gas emissions, limit global warming to less than 2º Celsius and promoting transparency in the reporting.

Trade association
UN Global Compact Lead

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
By bringing companies together with relevant experts and stakeholders, Global Compact LEAD provides a collaborative space to generate and implement advanced corporate sustainability practice. As an integral part of the United Nations and the UN Global Compact, LEAD is uniquely positioned to inspire widespread uptake of sustainability solutions among businesses around the world.

How have you influenced, or are you attempting to influence their position?
Iberdrola takes an active part in this Group, especially as patron of UN GC Climate Action Platform

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C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Iberdrola participated in the COP25 in 2019 and in the key Climate Action Summit during 2020 (5th PA Anniversary, Climate Dialogues, Race to Zero Dialogues, UN Climate events…),. The company is actively engaged in these Goals, which were already included in its business strategy, its General Sustainable Development Policy and its Sustainable Management Policy.

In 2020 Moving for Climate NOW could not take place in its usual format due to COVID-19. However, it showcased its unconditional support to ambitious and urgent climate action, presenting its Manifesto virtually organizing a Special Event during the online UNFCCC Climate Change Dialogues 2020 and mobilizing its participants across the world. This event also included a high-level dialogue including interventions from the HL Climate Champions of COP25 and COP26 and Moving for Climate NOW participants to showcase progress and transformations over the last 5 year since the signature of the Paris Agreement in 2015.

Additionally, Iberdrola develops a broader *Plan to Raise Social Awareness on Climate Change,* directed towards different public audiences, mostly through alliances with experts and third–parties.

ScottishPower, Iberdrola's subsidiary in UK, is one of the principal partners who will support the delivery of a successful and ambitious COP26 in November 2021. This partnership showcases Iberdrola's robust engagement with COP26 Presidency's action streams and the commitment of the UK Presidency with businesses who have credible science-based carbon emission reduction plans that are in line with the goals of the Paris Agreement.

A partial summary of organizations and initiatives:

- World Economic Forum (WEF) –CEO Climate Leaders

- World Business Council of Sustainable Development (WBCSD)

- EV100 (The Climate Group)

- UN Global Compact LEAD

- European Round Table of Industrialists.

- Corporate Leaders Group (Europe & UK branches)

- Green Growth Platform

- Carbon Pricing Leadership Coalition

- Powering Past Coal Alliance

- Energy Transition Commission

- REDS, Red Española de Desarrollo Sostenible

- SE4ALL

- We Mean Business

- European Climate Foundation

- Bruegel

We support research organisations who produce public work on climate change:

- Academic

Various Universities and colleges to facilitate technology, training and research into climate mitigation techniques (Universities of Strathclyde, Edinburgh, Durham, Liverpool, MIT, etc)

The Utility of the future- MIT Edinburgh Centre for Climate Change Innovation

berdrola chair in Energy and Innovation at the University of Comillas - ICAI

Iberdrola chair at the University of Salamanca

Iberdrola chair at Polytehcnic University of Madrid for the Sustainable Development Goals

Iberdrola Hall and Iberdrola-UPSA Innovation Club at the Pontifical University of Salamanca

Partnership with the Conference by Nicholas Stern “Energy, a key factor in a more sustainable economy”

Sponsorship of the "Rey Jaime I" Award for the Protection of the Environment

Our Foundation continuous in 2018 the annual Scholarship and Research Aid Programme specialising in energy and environment, with the aim of contributing to excellence in training and research in the energy field, with special emphasis on renewable energy, the improvement of Biodiversity, as well as the efficiency of the energy system.

- Business

CBI – through work in respect to the business response to climate change

Green Alliance – work in research, behaviour change and lobbying

Carbon Trust – to investigate technology improvement for climate mitigation, especially in relation to renewables

PERSEO program, where Iberdrola Venture Capital is dedicated to investing in innovative technologies that ensure the sustainability of the energy model

Supporter of Foundation COTEC that promotes technological innovation in Spanish business fabric and Spanish society

- Trade Body

Eurelectric: European electricity association, where IB participates in different groups (climate change, renewables, etc)

WindEurope: IB is member of the European wind industry association

AELEC: IB is member of Spanish electricity association

AEE: IB is member of Spanish wind association

APPA: IB is member of Spanish renewable producers association

ScottishPower Renewables – undertakes research into increasing deployment of renewables and low carbon electricity generation in Scotland

Energy UK – research and influencing activity to help reduce the carbon intensity of the UK electricity generating portfolio and increase energy efficiency measures

Electricity Networks Association – to facilitate the development of a low carbon electricity system through research and development activity in relation to grids

NEOTEC Program - investment committee member

Innvierte Program - in conjunction with the Centre for Industrial Technological Development (CDTI), for studying and development of new technologies for the energy sector.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Iberdrola supports ambitious approaches to 2030 and 2050 within the framework of the climate policies and has made commitments to the main international organisations and business coalitions, playing a leadership role in the fight against climate change at the international institutional level. An example of this leadership is Iberdrola, along with 11 other European companies, joining the European CEO Alliance, an initiative that supports the objectives of the Paris Agreement for 2050, the EU's Green Deal and even greater ambitions in terms of the EU's climate goals.

Moreover, as a sign of the Group's commitment to transparency in managing the risks and opportunities of climate change, Iberdrola was one of the first companies to publicly commitment to implementing the recommendations issued by the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosure (TCFD) working group in its 2020 public reports. In 2016 Iberdrola included a Plan for Raising Social Awareness on Climate Change, with initiatives aimed at different audiences, as an additional focal point for its climate change activities.We promote relationships geared to the enactment of efficient regulatory provisions allowing the development of a competitive market. To that end, there is a continuous and constructive dialogue where information, knowledge, and opinions are exchanged. Iberdrola is thus acquainted with the concerns and proposals of regulatory entities and puts forward the Company's own opinions in the legitimate defence of its interests and those of its shareholders, customers, and users. It also actively participates both 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 energy policies, and in the official processes of enactment of the laws and regulations and the monitoring of the application thereof.
The Company maintains smooth and cordial relationships with European Union institutions through its office based in Brussels and with the entities of Spain, UK and Scottish governments.
The existence of government and regulatory support mechanisms to facilitate the implementation of these programmes and help achieve the global targets. The company is also engaged by the input from expert stakeholders to the sustainability report.
For example, Iberdrola supports an ambitious approach in the implementation of the European Green Deal (e.g. climate neutrality, a robust climate law, an inclusive climate pact,…) through its participation in public events and in consultation processes.

Other example, in the UK context, is our collaboration with the UK and Scottish Governments to facilitate new low carbon sources of electricity generation through the Electricity Market Reform process. We have also been involved with Government and external stakeholders in the past in the achievements of CERT/CESP and we are nowadays involved in the development of the Green Deal/ECO framework that is designed to encourage energy efficiency for households and businesses.
In the fight against climate change, adaptation measures are also essential to face the unavoidable changes in climate. Iberdrola is engaging also in processes and consultations towards the integration of adaptation and resiliency measures aligned with its internal actions to anticipate future climate risks as a result of climate change and increase the resilience of the company.
As a general rule, Iberdrola works for the approval of and respect for the principles of good regulation: proportionality, effectiveness and efficiency, responsibility and independence, consistency and credibility, and, finally, transparency and clarity.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
gsm21_IA_SustainabilityReport20 (1).pdf

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports

Status
Complete

Attach the document
2021_Integrated_Report.pdf
2020_IB_Annual_Financial_Information.pdf

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status
Complete

Attach the document
2020_IB_Annual_Financial_Information.pdf
gsm21_IA_SustainabilityReport20 (1).pdf

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Iberdrola supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose financial information relating to climate change. The company believes that this initiative will facilitate Stakeholders' evaluation of the risks and opportunities arising from climate change. For these reasons, in September 2017, Iberdrola joined a group of ten companies that were the first to assume the commitment to implement the recommendations of the TCFD within a period of three years.

Publication
In voluntary communications

Status
Complete

Attach the document
2020_IBE_GHG Report.pdf

Page/Section reference
All

Content elements
Strategy
Emissions figures
Emission targets

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer (CSO)	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

- Iberdrola is a world leader in clean energy, focused on promoting CO2 free installed capacity in its generation mix.

- Iberdrola's emissions per kWh were already 63% lower than the average of the European electricity sector in 2019; Source: European carbon factor Benchmarking of CO2 emissions by Europe's largest electricity utilities (December 2020, PwC) .

- Iberdrola is the world leader in renewable energies, smart grids and electric vehicle development and top of the main sustainability indices.

- Iberdrola commits to reduce absolute Scope 1, 2 and 3 GHG emissions by 2030 from a 2017 base-year. Validated by Science Based Targets initiative (SBTi). Iberdrola commits to be carbon neutral by 2050.

- Iberdrola commits to reduce the intensity of CO2 emissions up to 50 gCO2/kWh by 2030, which represents a reduction of 73% since 2015.

- Iberdrola operates in more than 40 countries and has over 34 million customers. At Iberdrola, we have spent more than 150 years moving forward in a single direction. We have created an industrial growth project sustainable in the long term, by focusing on the core business, on stable activities and growth through a balanced business portfolio, on leadership in wind power, on operating efficiency and on financial soundness, becoming a number one worldwide energy group.

- Iberdrola´s indexes and data of sustainability: https://www.iberdrola.com/sustainability/sustainable-management/indexes-data-sustainability

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	33145000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?
Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	ES	0144580Y14

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Cellnex Telecom SA

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by Iberdrola, consumed by Cellnex Telecom SA.

Verified
Yes

Allocation method
Other, please specify (We don't allocate emissions per customer)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

KPMG UK

Scope of emissions
Scope 1

Allocation level
Business unit (subsidiary company)

Allocation level detail
ScottishPower

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by ScottishPoer, consumed by KPMG UK.

Verified
Yes

Allocation method
Other, please specify (We don't allocate emissions per customer.)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

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Requesting member
Pirelli

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by Iberdrola, consumed by Pirelli.

Verified
Yes

Allocation method
Other, please specify (We don't allocate emissions per customer.)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

---

Requesting member
Renault

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by Iberdrola, consumed by Renault.

Verified
Yes

Allocation method
Other, please specify (We don´t allocate emissions per costumer)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

---

Requesting member
SABIC

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by Iberdrola, consumed by SABIC

Verified
Yes

Allocation method
Other, please specify (We don´t allocate emissions per costumer)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

---

Requesting member
Senior Plc

Scope of emissions
Scope 1

Allocation level
Business unit (subsidiary company)

Allocation level detail

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by Iberdrola, consumed by Senior Plc

Verified
Yes

Allocation method
Other, please specify (We don´t allocate emissions per costumer)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

---

Requesting member
Vodafone Group

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions
Electricity generated by Iberdrola, consumed by Vodafone Group

Verified
Yes

Allocation method
Other, please specify (We don´t allocate emissions per costumer)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

---

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Iberdrola's GHG Inventory is publicly available, covering Scopes 1, 2, and 3.

https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory

Specific emissions from global mix (kg/MWh) in Sustainability Report:

https://www.iberdrola.com/wcorp/gc/prod/en_US/corporativos/docs/gsm21_IA_SustainabilityReport20.pdf

and

https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	- Customers who are asking for this iformation in CDP could ask for detailed track emissions prior starting the reporting year. - Customer could provide contract details ideally to be included in this scope as: contract numbers, kind of products, uses for that products, location where our products are consumed.
Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult	- Customer could provide contract details ideally to be included in this scope as: location where our products are consumed.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Through smart meters and digitalisation of information, it would be easier to allocate consumed electricity to each customer, and with such information, we will be able to allocate CO2 emissions to them.

Also further analysis of our supply chain GHG emissions related to use of sold products would provide more information.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member
Cellnex Telecom SA

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member
KPMG UK

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member
Pirelli

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member
Renault

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member
SABIC

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member
Senior Plc

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback

Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

Requesting member
Vodafone Group

Group type of project
Other, please specify (Reduce emissions due to green electrical energy consumption)

Type of project
Other, please specify (Green electrical energy consumption and electrification of energy consumption (heat pump, transport electrification...))

Emissions targeted
Actions to reduce customers' operational emissions (customer scope 1 & 2)

Estimated timeframe for carbon reductions to be realized
0-1 year

Estimated lifetime CO2e savings

Estimated payback
Please select

Details of proposal
Reduce emissions by contracting green electric energy consumption. Iberdrola offers electrification solutions for energy consumption such as heat pumps, transport electrification and solar solutions.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
Yes, I will provide data

SC4.1a

(SC4.1a) Give the overall percentage of total emissions, for all Scopes, that are covered by these products.
17.21

SC4.2a

(SC4.2a) Complete the following table for the goods/services for which you want to provide data.

Name of good/ service
Energy - electricity

Description of good/ service
Energy produced to final customer

Type of product
Final

SKU (Stock Keeping Unit)
kWh

Total emissions in kg CO2e per unit
0.09

±% change from previous figure supplied
-10.9

Date of previous figure supplied
December 31 2019

Explanation of change
Increase in investment in renewable energies and commitment to energy efficiency.

Methods used to estimate lifecycle emissions
Other, please specify (ISO 14064-1)

SC4.2b

(SC4.2b) Complete the following table with data for lifecycle stages of your goods and/or services.

Name of good/ service
Energy - electricity

Please select the scope
Scope 1

Please select the lifecycle stage
Energy/Fuel

Emissions at the lifecycle stage in kg CO2e per unit
0.098

Is this stage under your ownership or control?
Yes

Type of data used
Primary

Data quality
Emissions verified

If you are verifying/assuring this product emission data, please tell us how
Emissions verified in GHG Report 2020

SC4.2c

(SC4.2c) Please detail emissions reduction initiatives completed or planned for this product.

Name of good/ service	Initiative ID	Description of initiative	Completed or planned	Emission reductions in kg CO2e per unit
Electricity	Initiative 1	Emissions reductions initiatives. Reduce the intensity of CO2 of emissios 73% by 2030 compared to 2015 and to become carbon neutral in 2050.	Ongoing	0.13

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?
No

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below
I have read and accept the applicable Terms