

## C0. Introduction

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### C0.1

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

Iberdrola is fully engaged with the global climate agenda and the main climate policy conversations in different jurisdictions, supporting "ambition loops" to meet the 1,5oC scenario in the journey to a net zero economy. This engagement is backed by its own ambitious climate action plan (net zero emissions for all scopes before 2040) and by a robust investment pathway in renewables and smart climate solutions.

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 more than 40,000 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 1.5°C 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 70% lower than the average of the European electricity sector in 2021; *Source: European carbon factor Benchmarking of CO2 emissions by Europe's largest electricity utilities (October 2022, 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 Group publicly announced its targets for 2030:

- To reach net-zero greenhouse gas emissions across the value chain by 2039 from a 2020 base year.
- To reduce absolute scope 1, 2 and 3 GHG emissions 65 % by 2030 from a 2020 base year, which is in line with a 1.5°C trajectory.
- To reduce scope 1, 2 and 3 emissions 90% by 2039 from a 2020 base year, aligned with the SBTi's 1.5 °C mitigation pathways for reaching net-zero before 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.

In preparing the consolidated Financial Statements for financial year 2022, in its commitment to the Paris Agreement and the energy transition, IBERDROLA's Climate Action Plan sets out an ambitious roadmap with the objective of achieving carbon neutrality for Scope 1 and 2 carbon equivalent emissions by 2030 and aims to achieve zero net CO2 equivalent emissions for all scopes, including Scope 3, before 2040. To achieve this ambitious goal, levers and associated actions are also being defined which, in turn, will contribute to the decarbonisation of the economy as a whole, as well as the values, tools and indicators for the achievement thereof.

Beyond its own activities, Iberdrola embraces an ambitious and robust approach to climate advocacy in support of the 1,5oC scenario, actively engaging within a diverse range of organizations across various sectors, including international organizations, industrial associations, alliances, foundations, think tanks, and NGOs.

### C0.2

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(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

- 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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|--|--------------------------------|
| Yes, an ISIN code  | ES0144580Y14                   |

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 or committee | Responsibilities for climate-related issues   |
|-------------------------------------|---|
| Board-level committee               | <p>The primary purpose of Iberdrola's Board of Directors is to establish, supervise and implement the strategy of the Company and its Group. In addition, it defines its management guidelines, and formulates and continuously updates the Governance and Sustainability System.</p> <p>Since 2021, the Board of Directors has within its powers the following matter: "Approve and regularly update a climate action plan to achieve neutrality in the emission of greenhouse gases, following a report from the Sustainable Development Committee. This plan shall set out the intermediate objectives, the strategy and the investment plan designed to meet these objectives and shall define the methodologies used to assess the implementation thereof".</p> <p>Besides that, during 2022 activities the key issues addressed by the Board included, among others:</p> <ul style="list-style-type: none"> <li>● Update of the Climate Action Plan</li> <li>● Monitoring of risks and opportunities arising from climate change.</li> <li>● Monitoring of greenhouse gas emission reduction targets</li> <li>● Monitoring of the performance and expectations of each of the Iberdrola Group's Businesses, as well as issues with a strategic impact on them: regulatory and technological changes, as well as risks and opportunities arising from the energy transition, public energy policies, decarbonisation and climate change.</li> <li>● Monitoring of the Group's activities with a strategic impact related to climate change and economic recovery.</li> <li>● Analysis of current issues in the energy sector in the countries in which the Iberdrola Group operates, including decarbonisation and electrification as the main challenges.</li> <li>● Monitoring of the Group's activities with a strategic impact related to climate change and economic recovery.</li> <li>● Continuous review of the Governance and Sustainability System and, in particular, of the rules of Book Three on the environment and climate action.</li> <li>● Control of the Group's environmental and climate risks.</li> </ul> <p>During financial year 2022, Director of Innovation and Sustainability gave regularly updates participating actively</p> <p>Priorities for 2023 includes the monitoring of the implementation of the Climate Action Plan</p>                    |
| Board-level committee               | <p>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.</p> <p>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.</p> <p>The Sustainable Development Committee current powers includes, among others, the following duties (included since 2021), in connection with the Climate Action Plan:</p> <p>e. Report on the climate action plan prior to the approval thereof by the Board of Directors, as well as monitor and review the level of achievement thereof and of subsequent updates.</p> <p>g. Determine the general guidelines, standards and principles that should govern the preparation of the statement of non-financial information, verify that the content thereof 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 the committee, and of any updates thereof.</p> <p>In financial year 2022, the Sustainable Development Committee paid special attention to presenting and reviewing the Company's main plans and policies (such as the proposed update of the Climate Action Plan).</p> <p>During financial year 2022, the Director of ESG and Director of Compliance have regularly appeared before the Committee. Also the Director of Innovation, and Sustainability and the Director of Climate Change and Alliances have appeared, among other heads/executives.</p> <p>Priorities for 2023 includes, among others, the Monitoring of the main European rules on taxonomy of non-financial information.</p>  |
| Board-level committee               | <p>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.</p> <p>Within its powers it is included to ensure that the Group's internal control and risk management system identifies at least:</p> <p>(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.</p> <p>During financial year 2022 the Audit and Risk Supervision Committee paid special attention to the following issues, among others:</p> <ul style="list-style-type: none"> <li>● Report to the Board of Directors on the risk control and management systems.</li> <li>● Analysis of the quarterly and half-yearly risk information for financial year 2022.</li> <li>● Monitoring of the involvement of the statutory auditor in the analysis of Iberdrola's Climate Action Plan.</li> <li>● Monitoring of the risks of the Group's Businesses, those arising from climate change, technological, environmental and social risks associated therewith, regulatory, reputational and cybersecurity risks, as well as those related to the activities of the Finance, Control and Corporate Development Division. Analysis of alert mechanisms for the different types of risks.</li> </ul> <p>During 2022, the following members of the management team of the company has appeared in the Committee as: the Director of the Internal Audit Area, the Director of Risk Management and Internal Assurance, the Director of Administration and Control, Director of Climate Change and Alliances, among others.</p> |

## 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  | Overseeing major capital expenditures<br>Overseeing acquisitions, mergers, and divestitures<br>Overseeing and guiding employee incentives<br>Reviewing and guiding strategy<br>Overseeing and guiding the development of a transition plan<br>Monitoring the implementation of a transition plan<br>Monitoring progress towards corporate targets<br>Reviewing and guiding the risk management process | <Not Applicable>               | <p>The Board of Directors, the Sustainable Development Committee and the Audit and Risk Supervision Committee are high-level committees of Iberdrola's Governance and Sustainability System in charge of the oversight of climate-related issues including in strategies and business development, attending related risks and opportunities to assess and monitoring global performance and take all into account in reviewing strategies and action plans.</p> <p>Included in the activities of the Board of Directors and of the Committees '22 was, among other:</p> <p>Board of Directors:</p> <ul style="list-style-type: none"> <li>●Monitoring of the Outlook 20-25 and formulation of the Strategic Plan 23-25</li> <li>●Monitoring of the performance and expectations of the Iberdrola Group's Businesses, and issues with a strategic impact as risks and opportunities arising from the energy transition, public energy policies, decarbonisation and climate change</li> <li>●Update of the Climate Action Plan</li> <li>●Monitoring of risks and opportunities arising from climate change</li> <li>●Monitoring of the Group's activities with a strategic impact related to climate change and economic recovery</li> <li>●Continuous review of the Governance and Sustainability System and the Book 3 on the environment and climate action</li> <li>●Monitoring of corporate transactions</li> <li>●Calculation of the remuneration of members of the Board of Directors and senior management for financial year 2021, as well as determination of fixed remuneration and definition of any objectives linked to 2022 annual variable remuneration</li> </ul> <p>Sustainable Development Committee:</p> <ul style="list-style-type: none"> <li>●Monitoring and update of the Climate Action Plan</li> <li>●Monitoring of work on the circular economy and climate governance</li> <li>●Review of the level of implementation of the Sustainable Development Plan 2020-2022</li> <li>●Monitoring of the main developments in the European rules on taxonomy of non-financial information</li> </ul> <p>Audit and Risk Supervision Committee:</p> <ul style="list-style-type: none"> <li>●Report to the Board of Directors on the risk control and management systems</li> <li>●Analysis of the quarterly and half-yearly risk information for financial year 2022</li> <li>●Monitoring :</li> <li>-the risks of the Group's Businesses, including those arising from climate change</li> <li>- the involvement of the statutory auditor in the analysis of Iberdrola's Climate Action Plan</li> <li>●Report to the Sustainable Development Committee regarding the process of preparation and submission of the Statement of Non-Financial Information</li> <li>●Approval of the annual activities plan, budget and objectives of the Internal Audit Area for financial year 2023</li> </ul> <p>Climate related topics are scheduled in all meetings as Decarbonization is the key driver for Iberdrola's strategy to take advantages from all the related opportunities in our Global Strategy, while attending potential risks.</p> <p>During financial year 2022 the following meetings were held:</p> <ul style="list-style-type: none"> <li>-The Board of Directors:11 meetings</li> <li>-The Sustainable Development Committee: 10 meetings</li> <li>-The Audit and Risk Supervision Committee: 15 meetings</li> </ul> <p>All these meetings were attended by all the directors.</p> |

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

|       | Board member(s) have competence on climate-related issues | Criteria used to assess competence of board member(s) on climate-related issues   | Primary reason for no board-level competence on climate-related issues | Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future |
|-------|---|---|--|---|
| Row 1 | Yes   | <p>The Group's devotion to leadership in the fight against climate change, in the development of clean energy (which contributes to the decarbonisation of the economy) and in respect for the environment are the pillars of its energy production model and the factor that distinguishes it in the energy industry as a world leader in this area. This takes form in the following basic principles of conduct: (...) d) integrate climate change into internal strategic planning and decision-making processes.</p> <p>Some key experience for grounding climate related and decarbonization global knowledge includes:</p> <ul style="list-style-type: none"> <li>- Renewable energy development and energy transition strategies</li> <li>- Previous experience in public policies and regulations linked to climate change</li> <li>- Previous experience in environmental issues</li> <li>- Previous experience in electric sector in Iberdrola's core countries</li> </ul> <p>For example: One of the independent Director of the Board, member of the Sustainable Development Committee, was Minister of Agriculture, Fisheries, Food and Environment of the Spanish Government between 2014 and 2018. She was responsible for the national climate change policy and for international negotiations in this field, including her participation in several United Nations Climate Summits, including the Paris Summit in December 2015.</p> <p>In line with the need for professionalisation, diversification and qualification on relevant topics, the Board has a training and refresher programme for its members. In 2022, there were 8 meetings to discuss topics pertaining to climate change within the corporate decision-making of Iberdrola, S.A.</p> <p>During financial year 2022 key related climate and decarbonization training sessions included:</p> <ul style="list-style-type: none"> <li>- Non-financial information, and particularly climate taxonomy and measurement of climate risk impacts.</li> <li>- Technological perspectives in the electricity sector and opportunities in the decarbonisation of demand.</li> <li>- Regulatory environment in Europe and Spain.</li> <li>- Four training sessions on non-financial reporting.</li> <li>- Current risks of the Renewables Business.</li> <li>- Current risks of the Networks Business</li> <li>- Environmental and social risks associated therewith and alert mechanisms for these types of risks.</li> <li>- Accounting developments and information on the statutory auditor's work in relation to the Climate Action Plan</li> <li>- Net Zero. Impact on the entire value chain and the need to decarbonise and report.</li> </ul> | <Not Applicable>   | <Not Applicable>  |

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

President

**Climate-related responsibilities of this position**

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&amp;D)

Managing climate-related acquisitions, mergers, and divestitures

Implementing a climate transition plan

Integrating climate-related issues into the strategy

Monitoring progress against climate-related corporate targets

Other, please specify (The president (and the board of directors) focuses his activity on approving strategic goals at the Group level, on defining its organisational model and on supervising compliance therewith and further development thereof)

**Coverage of responsibilities**

&lt;Not Applicable&gt;

**Reporting line**

Reports to the board directly

**Frequency of reporting to the board on climate-related issues via this reporting line**

More frequently than quarterly

**Please explain**

The Executive Chairman (president), the CEO (and the Board of Directors) focus their activity on approving strategic goals at the Group level, on defining its organisational model and on supervising compliance therewith and further development thereof.

Without prejudice to the non-delegable powers provided for by law and the Governance and Sustainability System, the Board of Directors shall generally entrust the duties of strategic supervision, organisation and coordination at the Group level to the chairman of the Board of Directors, to the chief executive officer and to the management team, who shall disseminate, implement and monitor the overall strategy and basic guidelines established by the Board of Directors for the management thereof.

So, the Executive Chairman and the CEO assume 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.

The Executive Chairman is the most senior individual with operational responsibility for the implementation of decisions taken at the board level.

**Position or committee**

Chief Executive Officer (CEO)

**Climate-related responsibilities of this position**

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&amp;D)

Managing climate-related acquisitions, mergers, and divestitures

Implementing a climate transition plan

Integrating climate-related issues into the strategy

Monitoring progress against climate-related corporate targets

Other, please specify (The CEO (and the board of directors) focuses his activity on approving strategic goals at the Group level, on defining its organisational model and on supervising compliance therewith and further development thereof)

**Coverage of responsibilities**

&lt;Not Applicable&gt;

**Reporting line**

Reports to the board directly

**Frequency of reporting to the board on climate-related issues via this reporting line**

More frequently than quarterly

**Please explain**

The Executive Chairman (president), the CEO (and the Board of Directors) focus their activity on approving strategic goals at the Group level, on defining its organisational model and on supervising compliance therewith and further development thereof.

Without prejudice to the non-delegable powers provided for by law and the Governance and Sustainability System, the Board of Directors shall generally entrust the duties of strategic supervision, organisation and coordination at the Group level to the chairman of the Board of Directors, to the chief executive officer and to the management team, who shall disseminate, implement and monitor the overall strategy and basic guidelines established by the Board of Directors for the management thereof.

So, the Executive Chairman and the CEO assume 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.

**Position or committee**

Chief Sustainability Officer (CSO)

**Climate-related responsibilities of this position**

Providing climate-related employee incentives  
Developing a climate transition plan  
Monitoring progress against climate-related corporate targets

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

CEO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

Quarterly

**Please explain**

At management level there are three key areas reporting directly to the Executive Chairman, to the CEO, 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 have appearance in different Board Level Committees and have direct contacts with the Executive Chairman and with the CEO and they are in charge of key targets, reports, action plans, campaigns, working groups, etc. Globally, they hold the head of the management aspects related to climate change for the company.

Chief Sustainability Officer (CSO): Aspects relating to global climate action in Iberdrola and environment issues lays in this Division. Within this organisation there is a specific Climate Change and Alliances Division, leading climate policy advocacy, climate action engagement and alliances linked with climate change. This Division is in the Chairman's Area, and reports directly to the Chairman / CEO/ Board of directors, quarterly. They coordinate and update overall strategy and activities related to climate advocacy and engagement with the global climate agenda and climate action plan, or biodiversity plan. They lead a specific Working multidisciplinary group from the main corporate and business areas to assess and coordinate bimestrial the state of the SDG action, regarding SDG 13 of Climate Change. Main climate change related activities imply: - The development and monitoring of the Climate Action Plan – Reviewing the proposals for long term incentives- 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), - The execution of the methodology for calculating direct & indirect emissions of IBERDROLA and the accomplishment of the inventory and the Carbon Footprint Report, -Climate lobbying activities and alliances, -Climate scenarios -Technology innovation – Other incentives to employees linked with climate change awareness.

In 2022, there were 8 meetings to discuss topics pertaining to climate change within the corporate decision-making boards of Iberdrola. In particular, the directors of Innovation and Sustainability and of Climate Change and Alliances met on a recurring basis with the Sustainable Development Committee, and the director of Risk and Internal Assurance met with the Audit and Risk Supervision Committee. Both environmental risks and the risks associated with climate change were discussed at these meetings, as were the corresponding alert mechanisms to properly monitor them.

The CSO presented at several meetings in the Sustainable Development Committee the proposed amendment to the Climate Action Plan, which was ultimately approved by the Board of Directors in October 2022.

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**Position or committee**

Chief Risks Officer (CRO)

**Climate-related responsibilities of this position**

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)  
Managing climate-related acquisitions, mergers, and divestitures  
Providing climate-related employee incentives  
Assessing climate-related risks and opportunities

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

CEO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

Quarterly

**Please explain**

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, and also to the Audit and Risk Supervision Committee. 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 assess long term risks using scenarios, as climate change scenarios.

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**Position or committee**

Other C-Suite Officer, please specify (Corporate Sustainability/ESG reporting line Director)

**Climate-related responsibilities of this position**

Providing climate-related employee incentives  
Developing a climate transition plan  
Monitoring progress against climate-related corporate targets

**Coverage of responsibilities**

<Not Applicable>

**Reporting line**

Finance - CFO reporting line

**Frequency of reporting to the board on climate-related issues via this reporting line**

More frequently than quarterly

**Please explain**

Corporate Environmental, Social and Governance Director (Beforehand known as Corporate Social Responsibility and Reputation) in charge of sustainable development at group level and corporate non—financial reporting, coordinating TCFD working group with a multidepartmental scheme, and attending investors and indexes about ESG matters as SDGs. Reporting directly to the CFO and the Sustainable Development Committee.

Also is the referent for establishing and/or guiding coordinately ESG targets, specifically emission reduction targets (and so linked to the development and monitoring the Climate Action Plan), and monitoring GHG reductions, monitoring progress towards emission targets and monitoring the key performance indicators trends and globally manages the ESG targets, last updated during the Capital Markets Day/ESG Day, on November the 9th, 2022. Link ESG targets with long term remuneration schemes.

#### Position or committee

Other C-Suite Officer, please specify (Director of Climate Change and Alliances)

#### Climate-related responsibilities of this position

Managing public policy engagement that may impact the climate

#### Coverage of responsibilities

<Not Applicable>

#### Reporting line

Corporate Sustainability/CSR reporting line

#### Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

#### Please explain

Coordination of all climate action and lobbying initiatives, and alliances, in the UNFCCC formal process and UN ecosystem, Global Climate Agenda and the multilateral architecture; development of climate policy positions, campaigns, planning and assessments.

## 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

President

#### Type of incentive

Monetary reward

#### Incentive(s)

Shares

#### Performance indicator(s)

Achievement of climate transition plan KPI

Progress towards a climate-related target

Reduction in emissions intensity

#### Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

#### Further details of incentive(s)

During the Shareholders Meeting of 2020 (April '20) it 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 16 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 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 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.

2023 UPDATE: The Last Annual General Meeting (April'23) has approved a strategic bonus linked to the reduction in the intensity of specific CO2 emissions of the Iberdrola Group: This parameter shall be deemed to have been met if, taking into account a normal rainfall period, a level equal to or less than 70 grCO2/kWh in the intensity of own CO2 emission is reached by 2025. This target represents a demanding 27% reduction compared to the intensity of the Iberdrola Group's 2021 specific CO2 emissions and an even greater reduction compared to the 200 grCO2/kWh of the average specific CO2 emissions intensity in 2021 of all electricity companies included in the Euro Stoxx Utilities Index.

#### Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The Governance and Sustainability System is the Company's internal system of rules. It configures Iberdrola as an integral company that enriches its purely corporate dimension with plural (economic, social, environmental and governance) business activities. It is structured in 5 books:

- Book 3 - Environment and Climate Change:(...) The corporate policies entail a sensible limitation to the discretion that the directors and professionals of Iberdrola must have in the performance of their duties, thereby defining safe lines of conduct within the framework of respect for and observance of human rights, of the contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), of compliance with environmental, social and governance (ESG) requirements and with the goals established by the Paris Agreement (...).

The environmental policies are included within the sustainable development strategy and constitute the Company's decisive response to the challenges, objectives and

goals associated with climate change, environmental preservation and biodiversity loss, while helping to identify and take advantage of the opportunities arising from the energy transition.

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

Furthermore, the Iberdrola's Climate action plan: establishes the strategy, work plans and goals for reducing emissions and combating climate change, as established in its climate action policy.

Iberdrola's Climate Action Plan establishes an ambitious roadmap aimed at achieving zero net emissions of CO2 equivalent by 2040. This Plan establishes the levers, actions, and associated metrics which in turn contribute to the decarbonisation of the economy as a whole, as well as the values supporting it. Specific emission reduction in intensity KPI has been included as reference KPI in the long-term remuneration strategies, as stated before. So, its fulfilment contributes to achieve the Group's climate action plan globally, and to fulfil the Governance and Sustainability System requirements stated before.

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**Entitled to incentive**

Board/Executive board

**Type of incentive**

Monetary reward

**Incentive(s)**

Shares

**Performance indicator(s)**

Achievement of climate transition plan KPI

Progress towards a climate-related target

Reduction in emissions intensity

**Incentive plan(s) this incentive is linked to**

Long-Term Incentive Plan

**Further details of incentive(s)**

During the Shareholders Meeting of 2020 (April '20) it 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 16 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 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 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.

2023 UPDATE: The Last Annual General Meeting (April'23) has approved a strategic bonus linked to the reduction in the intensity of specific CO2 emissions of the Iberdrola Group: This parameter shall be deemed to have been met if, taking into account a normal rainfall period, a level equal to or less than 70 grCO2/kWh in the intensity of own CO2 emission is reached by 2025. This target represents a demanding 27% reduction compared to the intensity of the Iberdrola Group's 2021 specific CO2 emissions and an even greater reduction compared to the 200 grCO2/kWh of the average specific CO2 emissions intensity in 2021 of all electricity companies included in the Euro Stoxx Utilities Index.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

The Governance and Sustainability System is the Company's internal system of rules. It configures Iberdrola as an integral company that enriches its purely corporate dimension with plural (economic, social, environmental and governance) business activities. It is structured in 5 books:

- Book 3 - Environment and Climate Change:(...) The corporate policies entail a sensible limitation to the discretion that the directors and professionals of Iberdrola must have in the performance of their duties, thereby defining safe lines of conduct within the framework of respect for and observance of human rights, of the contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), of compliance with environmental, social and governance (ESG) requirements and with the goals established by the Paris Agreement (...).

The environmental policies are included within the sustainable development strategy and constitute the Company's decisive response to the challenges, objectives and goals associated with climate change, environmental preservation and biodiversity loss, while helping to identify and take advantage of the opportunities arising from the energy transition.

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

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**Entitled to incentive**

Management group

**Type of incentive**

Monetary reward

**Incentive(s)**

Shares

**Performance indicator(s)**

Achievement of climate transition plan KPI

Progress towards a climate-related target



Reduction in emissions intensity

**Incentive plan(s) this incentive is linked to**

Long-Term Incentive Plan

**Further details of incentive(s)**

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**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

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**Entitled to incentive**

All employees

**Type of incentive**

Monetary reward

**Incentive(s)**

Salary increase

Shares

**Performance indicator(s)**

Achievement of climate transition plan KPI

Achievement of a climate-related target

Reduction in emissions intensity

**Incentive plan(s) this incentive is linked to**

Long-Term Incentive Plan

**Further details of incentive(s)**

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**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

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**Entitled to incentive**

All employees

**Type of incentive**

Non-monetary reward

**Incentive(s)**

Other, please specify (Climate change teachers at kids schools)

**Performance indicator(s)**

Implementation of employee awareness campaign or training program on climate-related issues

**Incentive plan(s) this incentive is linked to**

Short-Term Incentive Plan

**Further details of incentive(s)**

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.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**

Iberdrola's Climate Action Plan establishes an ambitious roadmap aimed at achieving zero net emissions of CO2 equivalent by 2040. This Plan establishes the levers, actions and associated metrics which in turn contribute to the decarbonisation of the economy as a whole, as well as the values supporting it.

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

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<br>(years) | To<br>(years) | Comment   |
|-------------|-----------------|---------------|---|
| Short-term  | 0               | 3             | <p>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:</p> <ul style="list-style-type: none"><li>• The timeframe of Iberdrola's public Strategic Plan for the period 2023-2025, launched on November 2022, As part of the Strategic Plan, the company aims to make its growth in renewables and grids compatible with the goal of becoming carbon neutral by 2030 in scope 1 and 2 and reaching net zero in all 3 scopes before 2040.</li><li>• 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 reach an EBITDA of 8000-8500 M€ by 2025.</li><li>• The fact that some impacts of climate change (both transition risks and also those related to extreme weather events) have already started to materialize, as energy prices crisis or storms, floods, etc more severe/frequent than historical.</li></ul> |
| Medium-term | 3               | 10            | <p>This timeframe is consistent with:</p> <ul style="list-style-type: none"><li>• The consideration in our Strategic Plan 2023-2025 of projections of operating figures up to 2030 (which, put it simply, equals today + 10 years).</li><li>• We have also updated our emission reduction commitments, to achieve carbon neutrality for Scopes 1 and 2 by 2030 Globally.</li><li>• Plans to continuously implement in the short - medium term improvements in risks assessments, weather forecasting capabilities, digitalization, resilience of assets, etc.</li></ul>   |
| Long-term   | 10              | 30            | <p>This horizon (around 2050) is consistent with:</p> <ul style="list-style-type: none"><li>• 2050 is a reference for the international community (ie: EU) to achieve concrete positive milestones to fight against climate change.</li><li>• Also, Iberdrola updated its commitment to achieve Net Zero emissions before 2040.</li><li>• 2050 is the maximum time horizon considered in section "Analysis of transition scenarios" of Iberdrola's Sustainability Report 2022, which covers transition risks.</li></ul> <p>Time horizons for physical risk assessments are consistent with the expected useful life of new assets within the range (2023-2063) – up to 40 years, both for the structural components of renewable infrastructure and transmission and distribution assets, considering longer time horizons for specific analysis.</p> <p>Moreover, the continuous monitoring of risks includes a review of state-of-the-art projections, climate scenarios and their consideration in risks assessments and time horizons considered.</p>                                       |

**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 Board's commitments and vision are reflected in the "Climate Action Policy". 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.

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 analyse 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 part, 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, most of the risks categories defined in our General Risk Control and Management Policy are accelerated or restrained by factors linked to climate change and global decarbonization. Since 2021 a specific analysis of climate risks is carried out as part of the investment dossiers, on which investment decisions on new onshore wind and PV assets ("FID", in international terminology) are based (to be expanded to offshore wind farms). The model, promoted by several corporate divisions with the help of Renewables, has been constructed on the basis of the analysis. This document must be completed by the Business (from a technical perspective), taking into account the particularities of each site, as well as best climate projections available from reference data sources, with different levels of granularity and time frames depending on specific locaton and asset lifespan, which are provided to the Business for each specific project. Based on the survey, appropriate conclusions are drawn and included in the Investment Dossier.

Investments in renewables contribute to mitigation (reducing emissions) but also to improve climate resilience. In addition, the Group is analysing, desingning and implementing operational measures to improve the resilience of its assets. Another examples of management tools: 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/or 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 more frequent and severe xtreme weather events on operational assets in the future is a source of risk for any company. In this regard, Iberdrola assesses how its assets could be affected by events such as heat 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. Residual risk is in some cases transferred to third 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, coverage 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 |
|-----------------------|----------------|
|                       |                |

|                     | Relevance & inclusion        | Please explain   |
|---------------------|------------------------------|--|
| Current regulation  | Relevant, always included    | <p>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 Iberdrola (either positive or negatively).</p> <p>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.</p> <p>In terms of new investments, the assessment of this kind of risks is made through the use of scenarios, qualitative analysis and sensitivities.</p> <p>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).</p> <p>Example Regulatory Risk in Network Business in UK for Scottish Power:</p> <p>The framework of remuneration for electricity transmission and distribution activities in 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 obtained if management is better than the regulatory standard. The current regulatory model is based on the RIIO ED1 framework, and on the RIIO T2 framework. Recognised ROE after tax (in real terms) is 6% and 4.25%. The SPT revision (RIIO T2) is valid from April 2021 to April 2026. The latest tariff revision for electricity distributors (RIIO ED1), is valid from April 2015 to March 2023, whereupon the five-year RIIO ED2 period will begin (until March 2028), with an ROE of 5.23%. 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:</p> <p>- In 2022 ScottishPower Transmission achieved recognition for over-delivery in asset management during RIIO-T1. Ofgem recognised the cost increase and granted an incentive to SPT of £16 million, with a positive impact from 2023. We are the only company that has been recognised for over-delivery, for which other electricity companies and gas distributors were also eligible.</p>   |
| Emerging regulation | Relevant, always included    | <p>The exceptional situation of the energy markets as a consequence of Russia's invasion of Ukraine in 2022 has led to the adoption of various extraordinary and temporary regulatory measures in Europe designed to prevent high energy prices in the wholesale markets from being passed on to customers and also to cap any extraordinary profits that electricity generators and retail suppliers might make. The duration of this situation is uncertain.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• In October 2022 the Regulation establishing the conditions for emergency intervention to address high energy prices by the Member States entered into force. This Regulation gives a great deal of flexibility to States to set their own measures and benchmarks. The main elements of the measure include:</li> <li>• Coordinated reduction of electricity demand: 10% voluntary monthly reduction of gross consumption, and 5% binding reduction of consumption at peak hours.</li> <li>• Price cap for infra-marginal technologies: Maximum of €180/MWh, applicable until 30/6/23, on revenues from wind, solar, nuclear, hydro and other markets.</li> <li>• Mandatory, solidarity-based contribution for the oil, gas, coal and refining sector: to be temporary, of at least 33% and applicable on profits in 2022 and/or 2023 that are more than 20% higher than the average profit made during the 2018-2021 period.</li> <li>• Consumer support measures: Allow States to introduce feed-in tariffs not only for domestic electricity consumers and micro-enterprises, but also for SMEs.</li> </ul>   |
| Technology          | Relevant, sometimes included | <p>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.</p> <p>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.</p> <p>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 physical factors). The following specific risks are identified and monitored regarding operational and technological risks in Iberdrola, among others:</p> <ul style="list-style-type: none"> <li>• Malfunctions, explosions, fire, toxic spillages or polluting emissions in gas and electricity distribution networks and in both traditional and renewable generation plants.</li> <li>• Technological failures, human error and technological obsolescence;</li> <li>• Force majeure events.</li> <li>• Climate change, extreme natural events and pandemics;</li> <li>• Sabotage and/or terrorism.</li> <li>• Physical safety and cybersecurity.</li> <li>• System failures.</li> </ul> <p>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</p> |
| Legal               | Relevant, sometimes included | <p>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.</p> <p>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.</p> <p>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.</p> <p>Example: Administrative actions in Brazil (Neoenergia):</p> <p>Brazil is known for being a jurisdiction with a high risk of litigation and there are multiple inspections in progress, given Brazil's tax and administrative structure and the usual procedure followed by the tax authorities. However, these procedures are rarely settled in favour of the tax authorities.</p> <p>Example: Network Business in USA (Avangrid).</p> <p>In January 2021, construction began on the New England Clean Energy Connect (NECEC) project, after obtaining all the necessary permits granted by public administrations, and was halted in November 2021 pending a court decision to determine the legality of a citizens' initiative that, among other requirements, called for the approval of Congress for certain transmission lines when they cross or use public land. On 30 August 2022, the Maine Court of Justice handed down a judgment remanding the appeal to the lower court stating that it would be unconstitutional to stop the project without compensation if the project had been started. The litigation is ongoing and is expected to be settled in 2023. The combined investment to date is approximately USD 550 million.</p>  |

|                  | Relevance & inclusion     | Please explain   |
|------------------|---------------------------|--|
| Market           | Relevant, always included | <p>Exposure of the Group's results and equity to variations in prices and other market variables, imply market risks, such as:</p> <ul style="list-style-type: none"> <li>- Financial: exchange rates, interest rates, credit spreads, inflation, liquidity, solvency and the value of financial assets and liabilities</li> <li>- Energy and other commodity prices: electricity prices, gas and other fuel prices, CO2 emission allowances or other support mechanisms for renewables, as well as those related to other commodities (steel, aluminium, copper, polysilicon and others).</li> </ul> <p>Iberdrola has a specific committee devoted to monthly monitor and control market risk, the Group Market Risk Committee.</p> <p>In the Investment Dossiers for new renewable assets, the climate-related market risks are addressed, including probabilistic analysis, qualitative and technical reviews and sensitivities.</p> <p>Among the Policies approved by the Board, it is included the Corporate Market Risk Policy.</p> <p>Example: Commodity price risk in Spain 2022</p> <p>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. With variable productions costs with natural gas in the region of EUR 75/MWh, a 5% change in prices could give rise to an impact of EUR ±42 million on operating results. The price of CO2 also influences the cost of production at thermal power plants. With CO2 prices around EUR 84 per tonne, a 5% change in prices could give rise to an impact of EUR ±8 million on operating results.</p> <p>In 2022, the IBERDROLA Group supplied gas at prices indexed to European markets, with uncertainty associated with the difference between the purchase price and the price at which it is sold to customers or the price of gas consumed by combined cycle plants.</p>  |
| Reputation       | Relevant, always included | <p>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.</p> <p>Also, the Iberdrola's Global Stakeholder Engagement Model is another tool for identifying, assessing and monitoring risks, taking into account Stakeholder's opinion. It includes types of relevant issues, opportunities and risks, including related with climate change, in order for users to identify specific key aspects. Reputational risk is also a possible tag to add when identifying risks, so early identification is possible and it feeds the Global risk KRR. (examples of reputational risks linked with CC identified are: negative impacts on communities due to the coal power plant closures in Spain or costs of electricity in Spain)</p> <p>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. Among the Policies approved by the Board, it is included the Reputational Risk Framework Policy.</p> <p>In the Group's Stakeholders management tool it has been included and monotonized the reputational risks</p> <p>Example: Presence of the company in indigenous territory</p> <p>As year-end 2022, the company only has facilities in territories belonging to indigenous communities in Brazil and Mexico. Despite the social management performed, these communities can at times be directly or indirectly affected at certain facilities. For this reason, the Company promotes ethical practices to prevent conflict and generate mutual benefits</p> <p>As regards incidents with these communities, three lawsuits were under way with respect to the Brazilian electricity distribution company Coelba relating to indigenous rights, seeking compensation for the use of the right of way of the electricity grids on community lands of the Kiriis, Tuxá and Truká communities.</p>   |
| Acute physical   | Relevant, always included | <p>Iberdrola's assets could be affected by physical extreme weather-related events. Iberdrola is fully aware of this risk, taken into account that is not new for the business, and manages it during the whole project: - at the investment decision, as investment dossiers of new renewable assets, the climate-related acute/chronic physical risks are addressed, including probabilistic analysis, qualitative &amp; technical reviews &amp; sensitivities to assess potential impacts during the asset life; - at the design and construction phase (through engineering and contingencies); and - during the operational life by investing in improvements, training of employees, response and emergency plans, assurances, etc. Adaptation plans are also put in place when and where applicable.</p> <p>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, for example for: flood management, fire contingency and emergency, and early warning systems.</p> <p>This risks, set out in the General Risk Control and Management Policy, monitored periodically, are not new for Iberdrola, and it has been dealing with them for decades, even before the concept of climate change became mainstream. Extreme events linked to this specific risk and analysed at the Group level are:</p> <ul style="list-style-type: none"> <li>- Heat waves/fires: greater technical losses, stronger and more frequent peak loads</li> <li>- Cold snaps: damage and outages, ice sleeves</li> <li>- Storms Extreme precipitation : physical damage to infrastructure</li> </ul> <p>Example: Physical risks in Regulated business due to extreme conditions</p> <p>Greater frequency of extreme climatic events may entail increased technical losses, worse levels of services, an increase in operation and maintenance costs (associated with various factors such as increased technical losses and reduced useful life of assets) and annual capital expenditure, although in perfectly manageable amounts given the multi-year tariff reviews that take place at these regulated businesses. The investment and response plans already in place &amp; accumulated experience &amp; network design (meshing and making lines underground) act as mitigating factors.</p> <p>Example: Networks business market risk. In the case of extraordinary events (extreme drought in Brazil, catastrophic storms in the USA, 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</p> |
| Chronic physical | Relevant, always included | <p>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 or higher variability of wind and solar resources, etc. For Iberdrola, with its extensive portfolio/projects of renewables generation and network assets, this could imply, for example, a change in the way O&amp;M will take place in the future.</p> <p>These risks are set out in the General Risk Control and Management Policy and monitored periodically.</p> <p>The analysis of these risks is included into the company risk assessment process by: 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.</p> <p>Chronic physical risks are managed during several stages: - at the investment decision, including probabilistic analysis, qualitative and technical reviews &amp; sensitivities to assess potential impacts during the asset life; - at the design and construction phase (through engineering and contingencies); and - during operational life by investing in improvements, training of employees, assurances, etc. Adaptation plans are also put in place where &amp; when applicable.</p> <p>Example: hydroelectric production in Spain</p> <p>The lesser or greater availability of hydroelectric 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 impact range of EUR -196 million and EUR +245 million. In the medium to long term, dry years are offset by wet years</p>   |

## 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 | Changing precipitation patterns and types (rain, hail, snow/ice) |
|------------------|--|

**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Iberdrola has 3 reporting segments: Renewables, Supply and Networks. The risk described here applies to the Renewables segment, in particular the risk applies to the hydro power plants that the Group owns in Spain, if the rains in the future are lower than as of today as a consequence of climate change, then our hydropower production could be impacted by reducing its production, so the medium average of revenues could be lowering in the next decades.

As of the end of Q1-2023 the weight of hydro power plants in the generation portfolio of the Group was 23%, with aprox. 11 GW in Spain & Portugal (126 installations) and 3 GW in Brazil. In Spain & Portugal, aprox. 38% of Iberdrola's total installed capacity was hydro, mainly located in the center and northern part of the Iberian Peninsula. Those assets generated 20,7 TWh during 2022 being ca. 30 % of the Group total renewable generation, so it's a key resource for Iberdrola to have this renewable production as high as possible.

The capacity of Iberdrola to produce GWh directly depends on the volume of water flows. In its dams, Iberdrola has the capacity to store energy in the form of reservoirs. Rain should be an inflow of the dams, while use of water to produce electricity is an outflow. Lower rain would mean lower GWh produced.

According to last report about the state of the climate in Europe, the year 2022 was the fourth drier-than-average year in a row for the Iberian Peninsula. Drought affected much of Europe throughout the year. In Portugal and Spain, the hydrologic year (October 2021 to September 2022) precipitation deficit was reflected in water reservoir levels. The Spanish water reserve decreased to 41.9% of its total capacity by 26 July, with even lower capacity in some basins, such as the Guadalquivir in southern Spain, at 25.6%. According to the IPCC AR6 the frequency and severity of low flows are projected to increase, making streamflow drought and water scarcity more severe and persistent in the South of Europe

**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)**

27000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Despite having a large water storage capacity in Spain and Portugal (4,1GW), the Group's annual results depend among other factors on annual rainfall contributions. Assuming, for example, 5% lower production over an average year of the current generation facilities would imply 650 GWh of missing hydro production per year from Iberdrola's Iberian Peninsula. So, a medium-term impact on the margin (discounting pumping) would be of approximately EUR 27 million is estimated per year, based on average prices over the next decade and current exchange rates, as per section 4.6.2 of the management report of Iberdrola's Consolidated Financial Report 2022.

**Cost of response to risk**

305000000

**Description of response and explanation of cost calculation**

Situation: Decreased revenues due to reduced level of rain.

**Task (Response):**

Iberdrola doesn't consider insurance (transfer) an efficient risk mitigation strategy for this risk, so Iberdrola accepts the risk liked to uncontrollable external factors, while working on other measures and rely on certain mitigation factors:

- Compensate hydro production with other technology production/storage (see "Cost calculation"). Our 2023-2025 plan envisages to invest 17 €bn in the construction of 12 GW of new renewables assts, mainly wind (onshore and offshore), solar and pumping storage.
- Geographical diversification at basin and country level helps to mitigate the risk, by diversifying the exposure and probability of seasonal water flows.
- To invest in pumped hydro technology, as the most efficient method of large-scale energy storage.
- To develop systems that increase the efficiency and optimize the operation of the hydro power plants at low loads.
- Constant monitoring of volumes and exposure that are carried out by the Market Risk Department to optimize the consumption vs storage.



**Action (&Cost calculation):**

The potential permanent replacement of 650 GWh of missing hydro production per year (5% of an average hydro year) with production of new wind assets could require to invest 305 €M in 265 MW of new wind farms. This assumes a load factor of 28% and capex figures of 1.15 €/MW.

**Result :**

During the last year 1,958 MW of renewal capacity was installed. Specifically for onshore wind: 86 MW in Spain, 117 MW in the United States, 410 MW in Brazil, 115 MW in Greece and 22 MW in Poland. The company also has an installed capacity of 4,1 GW of pumped hydro technology.

**Comment****Identifier**

Risk 2

**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 of extreme weather events ) |
|----------------|---|

**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Based on the analysis conducted by Iberdrola within the EU Taxonomy framework in each of the regions where Iberdrola operates with its Network Business (Spain, UK; USA and Brazil), our transmission and distribution assets main impacts linked with physical climate events come from extreme temperature, storms and extreme wind, forest fires and extreme precipitation and floods. The implications for the Networks business of Iberdrola are, among others, increased technical losses, worse levels of services, reduced useful lives of assets, higher capex requirements, etc, affecting the base of operating costs. By way of example, extreme weather events forced Iberdrola Networks in USA to carry out inspections of that specific regions more frequently than usually planned. If more costs are required to run the business but Iberdrola is not able to increase regulated revenues accordingly, then margins will decrease permanently.

As an example, during 2021 Iberdrola was affected by several severe climate events (see slide 19 of the following link:

<https://www.iberdrola.com/documents/20125/2005781/CMD22-business-environment.pdf>).

Iberdrola is an industrial company, with a very relevant asset base, of circa 86 €bn of "Property, plant and equipment" in its consolidated Balance Sheet as of the end of 2022. Specifically for the Networks Business of Iberdrola incurred in 2,638 €M of net operating expenses during 2022, excluding levies, accounted for between Gross Margin and EBITDA. Reported EBITDA of the Networks Business of the Group in 2022 amounted to 6.5 €bn. RABs of our Networks business in each of our main countries were (as of Dec-2022): 9.4 €bn in Spain, 8.2 GBP bn in UK, 12.8 \$bn in US and 43.9 BRL bn in Brazil.

Iberdrola intends to invest 16 €bn globally in 2023-2025 in this segment (excluding the acquisition of PNM in USA).

**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)**

40000000

**Potential financial impact figure – maximum (currency)**

53000000

**Explanation of financial impact figure**

For the purposes of CDP the range considered is to suffer increases of 1.5% (lower value, 40 €M) and 2.0% (higher value, 53 €M) over the existing operating cost (2,638 €M for all geographies: Spain, UK; USA; and Brazil), based on preliminary internal qualitative analysis. The increase should not emerge in one specific year, but rather progressively.

**Cost of response to risk**

1400000

**Description of response and explanation of cost calculation**

Situation: Increased direct costs due to extreme effects of weather

**Task (Response):**

Iberdrola faces this risk from a favourable position in its Network Business, as it has extensive experience in its operational management (equipment redundancy, existing emergency plans, etc); financial strength and geographic diversification.

**Mitigation actions:**

- KEY: Training and innovation
- Likely recovery of the bulk of the O&M costs through regulated tariffs (multi annual tariff reviews).
- Insurance cover



- Constant replacement of existing assets with new ones (at the end of their operating life), better design and maintenance practices to cope with climate change (eg. aerial inspections)
- Development of new capabilities in weather forecasting.
- Consideration of climate change in new investment decisions
- Sound network design (meshing, digitalization and placing of lines underground),

#### Action (& Cost calculation)

Iberdrola accounts for approximately 200 employees in the Networks division dealing with innovation and optimization of processes (See slide 20 of the following link: <https://www.iberdrola.com/documents/20125/2005781/CMD22-business-environment.pdf>) It is assumed that at least 10% of their time is devoted to climate change prevention and mitigation activities. Considering an average cost per headcount of around 70,000 € this implies average annual salary costs of 1.4 €M in 2023.

This 20 pax team's mission is to constantly (timeline for action) identify changes in the way we run the Networks business in order to optimize processes and proactively increase resilience of the assets and reduce the impact from weather extreme events. It also establishes 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. E.g: O&M protocols in areas of Spain/Mediterranean Sea with high levels of rain in Autumn.

#### Results

During 2021 Iberdrola has been more resilient to severe climate events in network business: Filomena Storm in Spain only 2% lost of supply; Arwen Storm in UK where Scottish Power was the first company to restore full service; Isaias Storm in USA, Avangrid was awarded by the Edison Electric Institute Emergency Response; Abradee award in Brazil for Neoenergia.

#### Comment

#### 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 (Increased 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 (Reduction of Gross Margin, by lower-than-expected revenues and higher than forecasted procurement costs)

#### Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

#### Company-specific description

Iberdrola manages a high number of conventional and renewables generation assets in several countries, mainly Spain, UK, USA, Mexico, Brazil, Germany and Australia. As of Q1-2023 the total installed capacity owned or managed by Iberdrola Group amounted to almost 61 GW worldwide. The regulation and road-to-market strategy in each of them is different. In Spain Iberdrola benefits from an integrated position, with owned generation and a sound customer base.

Extreme event as heat-waves, cold-waves and storms derived from climate change could impact the capability of the production assets to generate electricity. Depending on the severity of the event it could imply a partial unavailability or the complete stop of operations during seconds, minutes, hours or days. Leaving aside some options as batteries and pumping, electricity cannot be stored. This implies that supply obligations (retail or PPAs) previously acquired by us in the affected country/area could force Iberdrola to acquire the energy in the spot markets to honour its supply contracts. On top of this, unexpected cost could happen during these events, and prices may suffer significant increases, due to lower offer and higher demand (ie: need of more heating to cope with low temperatures, or the opposite in summer periods).

Cap values could be imposed by the Regulator to the spot prices in each market.

The impact for Iberdrola would depend not only on the prices (cap values could be applied), but also the commercial commitments previously acquired and the length of the natural event

#### 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)

40000000

#### Potential financial impact figure – maximum (currency)

90000000

#### Explanation of financial impact figure

Iberdrola updated in 2022 its internal analyses of stress tests in several jurisdictions (Spain, US, UK and Australia).

For the purposes of CDP response, by way of example, figures for the potential financial impact range are associated with simultaneous scenarios of 2 days in Spain and USA for the lower figure, and 5 consecutive days for the higher figure (@1 EUR=1.07 USD).

For the renewable generation in Spain it was assumed a 80% reduction in wind generation, a 40% increase in demand and a cap price of 190 €/MWh. In Texas (USA) it was assumed an 80% reduction in wind generation, a cap of 5,000 \$/MWh and firm commitments of 75 MW.

Maximum impact calculated at market cap price 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**

50000000

**Description of response and explanation of cost calculation**

Situation: Reduction of Gross Margin, by lower-than-expected revenues and higher than forecasted procurement costs, as a result of the impact of extreme weather events in our assets

**Task (Response)**

This is to some extent a structural risk. In the case of renewable assets the risk can be mitigated if PPAs are "as produced" (without minimum commitments in terms of energy), but this option is not a solution for a big number of customers. The Energy Management teams in each country, 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 through limits in the Risk 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 and emergency management systems, early warning systems, enhancing of predictive systems (Meteoflow), remote monitoring and telecontrol, etc

**Action (& Cost calculation)**

Up to 50 €M of weatherization and other technical measures in ca. 135 MW of Iberdrola wind's assets to increase resiliency, under the assumption that only 1% of the current wind operational fleet in Spain and USA (14 GW) will demand this measure because the majority of the assets is supposed to be located in non-risky areas that have been constructed with the adequate measures (resiliency).

**Results**

As stated in our Annual Financial Report 2022, innovation activities at Renewables focused primarily on: Efficiency improvements in wind farms, photovoltaic plants and hydroelectric facilities. Big data technologies have been used to obtain weather forecasts for wind or photovoltaic farms, as in the ENERPREDIC project, and to contemplate climate variability, including solar variability, which allows the viewing and processing of information using the CHINOOK tool, as well as data analysis and decision-making in the CARTERAREN project.

**Comment**

Other 2022 results: Work has been carried out on metrics associated with the maintenance and operation of the wind farms in a very graphic and visual way, in addition to the development of new solutions to improve the efficiency of the DOMINA system tools within the REN-EFIC project. Work continued on the ASPA project to develop new models and tools for the early detection of faults based on artificial intelligence/big data techniques; and the AEROEXTENS project focused on understanding the performance of wind turbines in terms of machine control strategies. In the DIAGNOSGRE and GRIDFORMIN projects, digital twin methodologies have been incorporated to verify the operating parameters of a wind farm so as to calibrating the sensitivity and stability of the wind farm, and to analyse the configuration of equipment needed to stabilise the grid.

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 great growth opportunity, driven by the increasing demand on renewable energy services from our clients and potential new clients, both residential and industrial, 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 2010 and achieving zero net emissions by 2050 "Special Report of the IPCC on Global Warming of 1.5 °C")

The IEA's WEO'22 update of the 2050 net zero emissions scenario shows how electricity based on 90% renewables would provide more than half of total final consumption

by 2050.

EU wants to accelerate the take-up of renewables to contribute and reach the goal of reducing net greenhouse gas emissions by at least 55% by 2030. In late 2022 the EU amended adopted stronger targets including "Strengthening its renewable energy target from a 32% share [of total energy] to 42.5% by 2030, with an additional 2.5% "indicative" target".

According to the IEA and Iberdrola's own model, it is estimated that between 2021-2030 there will be a 3-fold increase in photovoltaic capacity, a doubling of onshore wind capacity, and a 6-fold increase in offshore wind capacity. This will mean a 50% increase in the world's electricity consumption from renewable sources in 8 years and, in some countries like Spain, this figure could reach as high as 75%.

A key growth vector for Iberdrola for the 25-30 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. .

Examples: last public commitments/targets in key areas for Iberdrola regarding offshore boost:

- EU: Nov'20- EU Strategy on Offshore Renewable Energy: objective of increasing offshore wind energy production capacity in the EU starting from 12 GW to at least 60 GW by 2030, with a view to reach 300 GW by 2050
- Spain: Sept'22- Roadmap for development of offshore wind and marine energy: target of 1-3GW of offshore wind by 2030
- UK: April '22-Energy Security Strategy: increased its 2030 target for offshore wind deployment from 40 GW to 50 GW and committed to accelerating the deployment of renewable generation

#### 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)

8500000000

#### 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 production and customers is expected to grow up to ~8500 M€ by 2025 (a share of ~50% from the global EBITDA Group), representing average annual growth of between 8% and 9%. Thanks to the geographical diversification of the group's activities, EBITDA will be achieved with a contribution of 31% from Spain, 18% from the United Kingdom, 24% from the United States, 20% from Latin America and 7% from Australia and other countries.

This estimation has been updated in the last Iberdrola's Strategic Plan, for 2023-2025, and presented in the Capital Markets Day (November, 9th, 2022).

The Strategy's Financial Management guidelines includes financial model and strategy details, based on Strong Solvency ratios and liquidity Diversified and Sustainable sources of Financing: minimum 80% of new financial in green and sustainable format; (~90 % of the total investment Plan (€47 Bn) aligned with EU taxonomy); maintaining a strong financial position; delivering sustainable long-term return thanks to cash generation.

Main financial assumptions for the 2023-2025 period:

- Commodity prices 2025:

- o Oil, 67 \$/bbl
- o Gas, 27 €/MWh-g
- o CO2, 86 €/tn

- Power prices 2025:

- o Spain, 74 €/MWh (Average 2022-2025 160 €/MWh)
- o UK, 76 £/MWh (Average 2022-2025 290 £/MWh)

- Average FX rates vs. Euro 2025:

- o \$: 1.02
- o £: 0.90
- o BRL: 5,70

- Interest rates 2025-short term

- o €: 2,45%
- o \$: 3,33 %
- o £: 3,70 %
- o BRL: 7,65 %

- Pay-out between 65% and 75% of EPS (our earnings estimates would lead to a DPS in the range of approx. 0.55 - 0.58 in 2025)

- DPS floor of 0.46 Eur/share in 2023-2024 and 0.50 Eur/share in 2025

- Maintaining optionality for shareholders with the "Iberdrola Retribución Flexible" program, including share buy-back

- Presence in low risk countries and business

- Adequate liquidity and sources of financing diversified

- Credit ratings to support a BBB+, Baa1 rating

#### Cost to realize opportunity

17000000000

#### Strategy to realize opportunity and explanation of cost calculation

Situation:

Global energy decarbonization, greater renewable energy targets in key Iberdrola's geographies.

**Task:**

Iberdrola is moving forward to be at the head of the global decarbonization needs, planning a strong strategy based in increasing previous outlook for EBITDA and NetProfit, and improving financial solidity by 2025.

**Action:**

It is expected a 47-€Bn 2023-2025 investment plan, of which 36 €Bn are earmarked for organic investment. 17 €Bn of this organic investment will be channelled into Renewable Energy worldwide (cost to realize opportunity figure) which will enable the group to increase its installed renewable capacity to 52 GW by 2025. Almost half of the amount that our Strategic Plan dedicates to growth in renewables (€17 billion) is focused on offshore wind projects in France and Germany (25%), the United Kingdom (20%) and the United States (26%). Thanks to these investments, the company will increase its installed capacity by 1,800 MW in offshore wind. The company also has an offshore wind portfolio of approximately 37 GW, of which an additional 5 GW is expected to become operational over the 2026-2030 period. It is expected Offshore wind contribution to global EBITDA will be 1,2 €Bn in 2025 (x2 vs 2022E).

**Results:**

Renewable electricity production and customers contributed with the 51% of the Group EBITDA in 2022. Key case study in Renewable business is referred to Offshore wind technology:

Twenty years ago, the group was a pioneer in onshore wind generation, and now it is doing the same in the offshore wind market, one of the company's major growth vectors. At the end of 2022, we have 1,258 MW offshore in operation and 5,500 MW under construction or secured with long-term contracts, which will come into operation before 2027 thanks to investments of around 30,000 million euros worldwide during this decade.

Within Iberdrola's renewables portfolio, which totals 90 GW, offshore wind energy is the second most important technology, thanks to the strong growth experienced in the last year. The company has committed to new growth platforms with great potential, such as Poland, Sweden, Ireland, the United States, Brazil, the Philippines and Japan, which has allowed our offshore wind portfolio to now exceed 30 GW. In this way, we have ensured compliance with the plan to 2025, when we will reach 3,100 MW in operation.

**Comment**

Added info about expansion of the offshore wind potential pipeline: The significant expansion of the offshore wind pipeline puts Iberdrola in an optimal position when participating in auctions and tenders planned for the coming months in its new growth platforms in its existing pipeline (United Kingdom, 3,100 MW; United States, 1,200 MW; Japan, 1,800 MW) and for new pipeline (Poland, 5 GW of capacity up for auction; United Kingdom, 10 GW of capacity up for auction; United States, 37 GW; Ireland, around 5 GW of national target 2022-2025; France, 1.6 GW; Denmark, 1 GW; the Netherlands, 1.4 GW; South Korea, 12 GW; Vietnam, 2 GW; and Taiwan, 9 GW).

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**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 transmission and distribution networks and innovation to achieve more smart assets 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 reach Paris agreement's goals and increasing ambition in NDC's targets per country.

The recovery from the slump caused by the Covid-19 pandemic and the response to the global energy crisis have provided a significant boost to clean energy investment. Weak grid infrastructure is a limiting factor for renewable investment. Advanced economies and China account for 80% of global spending and for almost all of the growth in recent years.

The WEO'22's APS scenario anticipates an average investment of ~ 472,000 M\$/year in grids by 2030 (accelerating ambition from 2040 to 2030), to achieve the needed growth rates to let the global decarbonization happens.

Policy environment in Europe also drives our strategy for our network business in our key areas in Europe:

- Spain: RD 1125/2021 will allow for an increase in planned network investments by 2024, with part of the increase to be financed by European funds (€169 million during the 2021-2023 period). The additional investment under the system will be €337 million euros during the 2022-2024 period.

- Spain: RD Law 6/22 on urgent measures in response to the economic and social consequences of the war in Ukraine, mainly aimed at encouraging the integration of renewables.

- UK: Ofgem published its decision on the reform of network connection tolls on 3 May '22. It'll be implemented on 1 April 2023 and they could lead to an approximate 10% increase in investments by Scottish Power Energy Networks over the RII0-ED2 period, which would mean an additional £300-450 million over investments from the business plan

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 opportunity.

**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)**

8500000000

#### 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 85000 M€ by 2025. (expected to be a share of 50% from the global EBITDA Group).

This estimation has been updated in the last Strategy of the company 2023-2025, and presented in the Capital Markets Day, on November, 9th, 2022.

The Outlook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (90% of the total investment Plan (€47 Bn) aligned with EU taxonomy, and mostly financed by sustainable/green instruments), maintaining a strong financial position and enabling a sustainable dividend policy.

Main financial assumptions for the 2023-2025 period:

- Commodity prices 2025:

o Oil, 67 \$/bbl

o Gas, 27 €/MWh-g

o CO2, 86 €/tn

- Power prices 2025:

o Spain, 74 €/MWh (Average 2022-2025 160 €/MWh)

o UK, 76 £/MWh (Average 2022-2025 290 £/MWh)

- Average FX rates vs. Euro 2025:

o \$: 1.02

o £: 0.90

o BRL: 5,70

- Interest rates 2025-short term

o €: 2,45%

o \$: 3,33 %

o £: 3,70 %

o BRL: 7,65 %

- Pay-out between 65% and 75% of EPS (our earnings estimates would lead to a DPS in the range of approx. 0.55 - 0.58 in 2025)

- DPS floor of 0.46 Eur/share in 2023-2024 and 0.50 Eur/share in 2025

- Maintaining optionality for shareholders with the "Iberdrola Retribución Flexible" program, including share buy-back

- Presence in low risk countries and business

- Adequate liquidity and sources of financing diversified

- Credit ratings to support a BBB+, Baa1 rating

#### Cost to realize opportunity

27000000000

#### Strategy to realize opportunity and explanation of cost calculation

Situation: great opportunity for further network business development to support renewable transition.

Task: 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. The investments are motivated by the need to continue moving towards the decarbonisation of the economy and to ensure security and quality of supply: • Investment in the transmission and distribution network to match the need for new renewable production with demand. • Electrification of the economy, which will be associated with a significant increase in electricity demand in all markets. • Increased investments in digitisation and flexibility of supply.

Action: The growth set out in the 2023-2025 Strategic Plan is based on transmission and distribution networks. Networks are the backbone of the system, which will allow the integration of new renewable capacity and the implementation of new distributed solutions and services. With a forecasted investment of €27,000 million in this area (cost to realize opportunity), this business has predictable frameworks that offer protection against macroeconomic uncertainty. Breakdown investment figures expected for the 2023-2025 period by Iberdrola's key geographies are:

USA 44%

Brazil 21%

UK 18%

Spain 17%

This commitment will enable it to reach an asset base of €56,000 million by 2025, which entails growth of 44% over the €39,000 million this year. Expected EBITDA for 2025 will be around 50% of the total Iberdrola's EBITDA (~8.500 M€). More than 85% of organic investments in this area are practically secured, in projects with regulatory frameworks already closed or at an advanced stage of negotiation.

Results:

Until now, the company, is positioned as a leading player in the energy transition, advances towards a cleaner model due to the massive deployment of its smart grids, which, thanks to more proactive, remote and secure management, favours a more efficient integration of (centralised and distributed) electric power and the deployment of electric vehicles and heat pumps, among other things.

Iberdrola operates one of the world's largest distribution systems, with >1.2 M k of distribution and transmission lines, >4,500 substations and >1.6 M transformers, built and operated to provide a high-quality and reliable service to > 40 M electricity supply points.

#### Comment

More Results:

Last flagship projects:

- UK: Iberdrola is involved in the construction of an undersea power transmission superhighway linking Scotland to the north-east of England. The project features some of the world's longest DC submarine cables and will play a vital role in achieving the UK's target of zero net greenhouse gas emissions by 2050.

- Brazil: The new electric power line between the states of São Paulo and Minas Gerais, with a length of more than 1,700 kilometres, is Iberdrola's largest grid project in the world. An award that reaffirms the group's expansion in the electricity distribution and transmission segment and consolidates its commitment to the South American country.

#### Key 2022 figures

- Networks business contributed with 6,526 M€ to the global EBITDA, 1,200 M€ more than in 2021
- Gross margin reached 9,909 M€, 1,700 M€ higher than in 2021
- The electricity distributed by the Group reached amounted to 235,506 GWh.

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#### 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

The progressive electrification of energy uses enable Iberdrola to increase its customer base. Iberdrola offers smart, innovative solutions to residential customers — energy storage and heat pump, self-consumption and electric mobility — and industrial clients — Smart Solutions, electrification processes and green hydrogen

Green Hydrogen has been identified by Iberdrola's technological Vision as: key opportunity niche area for decarbonization to focus, 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 IEA states" Novel applications in heavy industry and long-distance transport account for less than 0.1% of H2 demand, whereas they account for one-third of global H2 demand by 2030 in the NZE by 2050 Scenario".

Regulation supporting the opportunity:

- Spain: The Hydrogen Roadmap\_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.
- EU: The European Hydrogen Strategy sets milestones for 2024, 2030 and 2050 and to achieve carbon neutrality in the EU by 2050. In 2022 the Commission outlined a 'hydrogen accelerator' concept to scale up the deployment of renewable hydrogen: to produce 10 Mt and import 10 Mt of renewable H2 in the EU by 2030. Also recovery plan NextGenerationEU has been made available to EU countries to invest in hydrogen projects across the value chain. Investment support has also been provided through the Important Projects of Common European Interest (IPCEIs) on hydrogen
- UK: July '22\_Low-Carbon Hydrogen Standard. The first Electrolytic Allocation Round to support projects to produce hydrogen using electrolysis was launched, with the aim of awarding contracts by the end of 2023
- USA: August '22 \_incentives for the production of clean hydrogen under the Inflation Reduction Act (IRA)

#### 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)

8500000000

#### 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 production and customers is expected to grow up to ~8500 M€ by 2025 (a share of ~50% from the global EBITDA Group), representing average annual growth of between 8% and 9%. Thanks to the geographical diversification of the group's activities, EBITDA will be achieved with a contribution of 31% from Spain, 18% from the United Kingdom, 24% from the United States, 20% from Latin America and 7% from Australia and other countries.

This estimation has been updated in the last Iberdrola's Strategic Plan, for 2023-2025, and presented in the Capital Markets Day (November, 9th, 2022).

The Outlook's financial management strategy guidelines focuses ESG-F key drivers: financing growth capex mainly through green and sustainable financing (90% of the total investment Plan (€47 Bn) aligned with EU taxonomy, and mostly financed by sustainable/green instruments), maintaining a strong financial position and enabling a sustainable dividend policy.

Main financial assumptions for the 2023-2025 period:

- Commodity prices 2025:
  - o Oil, 67 \$/bbl
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  - o CO2, 86 €/tn

- Power prices 2025:
  - o Spain, 74 €/MWh (Average 2022-2025 160 €/MWh)
  - o UK, 76 £/MWh (Average 2022-2025 290 £/MWh)
- Average FX rates vs. Euro 2025:
  - o \$: 1.02
  - o £: 0.90
  - o BRL: 5,70
- Interest rates 2025-short term
  - o €: 2,45%
  - o \$: 3,33 %
  - o £: 3,70 %
  - o BRL: 7,65 %
- Pay-out between 65% and 75% of EPS (our earnings estimates would lead to a DPS in the range of approx. 0.55 - 0.58 in 2025)
- DPS floor of 0.46 Eur/share in 2023-2024 and 0.50 Eur/share in 2025
- Maintaining optionality for shareholders with the "Iberdrola Retribución Flexible" program, including share buy-back
- Presence in low risk countries and business
- Adequate liquidity and sources of financing diversified
- Credit ratings to support a BBB+, Baa1 rating

#### Cost to realize opportunity

3000000000

#### Strategy to realize opportunity and explanation of cost calculation

Situation: Iberdrola's opportunity for new products and services: focus in Green H2 as the main lever for change.

Task: 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)

Action: So Iberdrola started its Green Hydrogen development in 2020 stating three key pillars in the whole value chain of this new product:

- Increase the share of renewables energy demand for this industrial use
- Supporting the creation of new manufacturers of electrolyzers
- Industrial alliances with leading companies

From the ~3 € Bn gross investment in Liberalized business in 2025(Cost to realize opportunity), up to 0,6 € Bn are expected to be invested in the Group's Green Hydrogen strategy for 2023-2025 period. The company has a mature project portfolio of 2,400 MW by 2025 and includes projects in Spain, the United States and Australia. The estimated annual production is 35,000 tonnes by 2025 and more than 350,000 tonnes per year by 2030.

Results:

Iberdrola is leading the development of green hydrogen with more than 60 projects in 8 countries (Spain, UK, Brazil, USA, among others) to respond to the needs of decarbonisation. As it did with renewables 20 years ago, the company has become a 'first mover' in this new technological challenge that involves the production and supply of green hydrogen.

Iberdrola is already developing several projects that will enable the decarbonisation of industry and heavy transport in Spain and the United Kingdom, as well as developing its value chain.

In addition, Iberdrola has submitted 54 projects to the Next Generation EU programme, which would trigger investments of €2.5 billion.

Key 2022 achievements:

- Inauguration of the Europe's largest industrial-use green hydrogen plant using 100% renewable energy, with a capacity of 20 MW, has been built in Puertollano (Spain). It has been classified as an Important Project of Common European Interest (IPCEI)

#### Comment

Other Results

Key actions achieved in 2022:

- The supply of green hydrogen for testing the hydrogen powered demonstrator train of CAF's FCH2Rail project has also been successfully completed. It was supplied by the green hydrogen plant of Transportes Metropolitanos de Barcelona, the first in Spain to be commissioned for commercial use and operated by Iberdrola.

## C3. Business Strategy

### C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

The amendment of the By-Laws approved by the shareholders in June 2021 formalises the obligation of the Board of Directors to approve, supervise and regularly report on the Climate Action Plan. The annual Statement of Non-Financial Information is the instrument through which the Company and its Board of Directors fulfil this obligation.

REF: Amendment of Article 32 of the By-Laws to include the approval of a climate action plan (Article 32) (See item n° 9 on the Agenda of General Shareholder Meeting '21): New duties assigned to the Board of Directors during financial year 2021: Approve and regularly update a Climate Action Plan to reach greenhouse gas emission neutrality by 2050. This Plan must include the interim objectives, the strategy and the investment plan contemplated to achieve said objectives, as well as the methodologies used to evaluate the implementation thereof.

Regarding monitoring mechanism, it was also included: "Statement of non-financial information shall also report on the level of achievement and any updates of the climate action plan approved by the Board of Directors". (See item n° 11 on the Agenda).

Regarding feedback mechanism it was also included: "Approve, on a consultative basis, the Climate Action Policy of IBERDROLA, S.A" "This consultative vote forms part of the company's engagement with shareholders in order to know their opinions and concerns, which are taken into account by the Board of Directors in preparing the agenda for the General Shareholders' Meeting" "the Climate Action Policy sets out the long-term objective of neutrality in greenhouse gas emissions, as well as the Company's major principles and positions in this area, but does not set its strategy or the specific content of the climate action plan, which will be regularly approved and updated by the Board of Directors." (See item n° 27 on the Agenda).

During 2022 the Sustainable Development Committee presented at several meetings the proposed amendment to the Climate Action Plan, which was ultimately approved by the Board of Directors in October 2022 (REF: Activities Report of the Board of Directors and of the Committees thereof / 2022

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

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

|       | Use of climate-related scenario analysis to inform strategy | Primary reason why your organization does not use climate-related scenario analysis to inform its strategy | Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future |
|-------|---|--|---|
| Row 1 | Yes, qualitative and quantitative                           | <Not Applicable>   | <Not Applicable>  |

C3.2a

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

| Climate-related scenario | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices |
|--------------------------|----------------------------|-----------------------------------|---|
|--------------------------|----------------------------|-----------------------------------|---|



| Climate-related scenario   |   | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices   |
|----------------------------|---|----------------------------|-----------------------------------|---|
| Transition scenarios       | Customized publicly available transition scenario | Company-wide               | 1.6°C – 2°C                       | <p>During 2022, specific transition scenarios were built, adjusted on the basis of benchmark scenarios, considering the specificities of each geographic area in which the Iberdrola group has a presence. Elements from international and regional public scenarios as well as other internal regional considerations were included:</p> <ul style="list-style-type: none"> <li>• FOCUS ON ENERGY TRANSITION (FET)_Baseline scenario_ based mainly in the Sustainable Development Scenario (SDS) published by the IEA (WEO '21), and is in line with the Paris goals. Iberdrola's strategy has been consistent with this scenario in recent years, and it continued to be in force during the work to prepare for Capital Markets Day (held on 9 November 2022). 2 more recently published scenarios were also taken into account to establish this baseline scenario: the Announced Pledges Scenario (APS) (WEO '22) and the Consumer Transformation Scenario (CT) published by the National Grid in the Future Energy Scenarios set (FES '22). The APS scenario assumes that all the aspirational goals announced by governments, including energy access and long-term net zero goals, will be met on time and in full. If implemented on time and in full, a temperature increase of about 1.7° C in the APS by 2100 would be maintained. The UK CT scenario is based on a high level of electrification, arising from customers' willingness to change behaviour, high efficiency and improved demand flexibility.</li> </ul> <p>2025-2030 period: to identify the impacts and opportunities offered by variations in key parameters for Iberdrola's businesses &amp; geographies. The key parameters:</p> <ul style="list-style-type: none"> <li>• Final electricity demand (TWh), •Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Total domestic electricity usage (TWh), • Natural gas demand in buildings (TWh) • Average annual investment in electric grids (M\$ ) and • Final natural gas demand (TWh).</li> </ul> <p>The analysis included all Iberdrola's businesses: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil &amp; IEI.</p> <p>Variations in operational parameters are translated into qualitative impacts (+ &amp; -), and translated into financial figures (EBITDA), to provide (qualitative &amp; quantitative) impact.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>- Strategic planning based on Focus on Energy Transition (FET) scenario</li> <li>- Financial planning based on Paris agreement.</li> <li>-The Faster Transition scenario evaluated assuming organic growth and a stable balance sheet structure.</li> </ul> <p>Short and long term assumptions: in next row</p> |
|                            |   |                            |                                   | <p>During 2022, specific transition scenarios were built, adjusted on the basis of benchmark scenarios, considering the specificities of each geographic area in which the Iberdrola group has a presence. Elements from international and regional public scenarios as well as other internal regional considerations were included:</p> <ul style="list-style-type: none"> <li>• SLOWER TRANSITION SCENARIO: this scenario considers a slowdown in fulfilling more ambitious commitments or potential breaches of commitments made. As a result, global warming would be limited to less than 2°. This scenario is based on the forecast published by WEO22 for the Stated Policies Scenario (STEPS), which shows the trajectory of the policies currently approved. Regional scenarios like the Falling short Scenario (FS) published by National Grid (FES 2022), which involves not reaching Net Zero in the United Kingdom by 2050, have also been combined.</li> </ul> <p>2025-2030 period: to identify the impacts and opportunities offered by variations in key parameters for Iberdrola's businesses &amp; geographies. The key parameters:</p> <ul style="list-style-type: none"> <li>• Final electricity demand (TWh), •Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Total domestic electricity usage (TWh), • Natural gas demand in buildings (TWh) • Average annual investment in electric grids (M\$ ) and • Final natural gas demand (TWh).</li> </ul> <p>The analysis included all Iberdrola's businesses: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil &amp; IEI.</p> <p>Variations in operational parameters are translated into qualitative impacts (+ &amp; -), and translated into financial figures (EBITDA), to provide (qualitative &amp; quantitative) impact.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>- Strategic planning based on Focus on Energy Transition (FET) scenario</li> <li>- Financial planning based on Paris agreement.</li> <li>-The Faster Transition scenario evaluated assuming organic growth and a stable balance sheet structure.</li> </ul> <p>-2030-2050 period: The qualitative exercise of extrapolating the analysis of transition risks and the group's business model was applied, based on available long-term projections.</p> <p>-2020-2025 period: The short term is described by the period covered by the Strategic Plan published by Iberdrola at Capital Markets Day 2022 and variations during this 3 years are expected not to be material, per those assumed in the group's strategy.</p>  |
| Transition scenarios       | Customized publicly available transition scenario | Company-wide               | 1.5°C                             | <p>During 2022, specific transition scenarios were built, adjusted on the basis of benchmark scenarios, considering the specificities of each geographic area in which the Iberdrola group has a presence. Elements from international and regional public scenarios as well as other internal regional considerations were included:</p> <ul style="list-style-type: none"> <li>• FASTER TRANSITION SCENARIO: this third scenario considers more optimistic and ambitious hypotheses, based on the estimates in the Net Zero Scenario (NZ) (WEO2022), which describes a way to globally achieve stabilisation of a 1.5° C increase in global average temperatures, together with universal access to modern energy by 2030. It is also based on the regional projections made by National Grid for its accelerating decarbonisation scenario, combining increased consumer commitment with significant great technological and investment advances, called the Leading the Way Scenario (LW) (FES 2022).</li> </ul> <p>2025-2030 period: to identify the impacts and opportunities offered by variations in key parameters for Iberdrola's businesses &amp; geographies. The key parameters:</p> <ul style="list-style-type: none"> <li>• Final electricity demand (TWh), •Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Total domestic electricity usage (TWh), • Natural gas demand in buildings (TWh) • Average annual investment in electric grids (M\$ ) and • Final natural gas demand (TWh).</li> </ul> <p>The analysis included all Iberdrola's businesses: Renewables, Generation, Networks, Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil &amp; IEI.</p> <p>Variations in operational parameters are translated into qualitative impacts (+ &amp; -), and translated into financial figures (EBITDA), to provide (qualitative &amp; quantitative) impact.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>- Strategic planning based on Focus on Energy Transition (FET) scenario</li> <li>- Financial planning based on Paris agreement.</li> <li>-The Faster Transition scenario evaluated assuming organic growth and a stable balance sheet structure.</li> </ul> <p>-2030-2050 period: The qualitative exercise of extrapolating the analysis of transition risks and the group's business model was applied, based on available long-term projections.</p> <p>-2020-2025 period: The short term is described by the period covered by the Strategic Plan published by Iberdrola at Capital Markets Day 2022 and variations during this 3 years are expected not to be material, per those assumed in the group's strategy.</p>   |
|                            |   |                            |                                   | <p>In 2022 Iberdrola applied its methodology to identify and assess physical impacts arising from climate change in line with the requirements set out in the EU sustainable activities taxonomy. Iberdrola has analysed the evolution of the main climate threats based on regionalised projections obtained from leading climate tools in the various regions in which it operates, including Copernicus (Europe), AdapteCCa (Spain), UK Climate Projections, the INPE platform (Brazil), etc. After a prior analysis of the evolution of different climate variables in an RCP4.5 scenario<sup>7</sup> vs an RCP 8.5 scenario in the 2030-2050 time horizon, the conservative RCP 8.5 scenario was selected as the baseline to identify and assess the main climate risks to the company's various assets (until 2050 there is no significant differences in main climate projections between both scenarios).</p> <p>Taking the methodology defined by IPCC as a reference, the steps taken to identify the main impacts, risks and associated opportunities were the following:</p> <ul style="list-style-type: none"> <li>• Analysis of the sensitivity of each technology to the variations in the different climate variables.</li> <li>• Impact level based on the sensitivities and expected evolution of climate threats at the regional level (based on best available regional climate projections).</li> <li>• Estimation of risk based on the presence of assets by technology in the different geographic areas before and after considering adaptation measures.</li> </ul> <p>The assessment shows that many of the physical risks arising from climate change, both chronic and extreme, affect usual business variables, and thus variables that are managed to a greater or lesser extent in its usual operational processes. However, climate change will affect the probability of occurrence of these risks and potentially the intensity thereof. As part of the analysis of the Group's various assets within the DNSH framework of adaptation to the EU taxonomy, extreme weather events are identified as one of the main threats for the various technologies and jurisdictions.</p> <p>For this long term assessment, in terms of impact globally, extreme temperature and the associated fires, strong winds and extreme precipitation, together with water scarcity, are some of the variables that most affect the various assets of Iberdrola (before considering their adaptive capacity/resilience per specific technology/area/asset)</p> <p>Short term incremental impact compared to baseline scenario has been consider no material.</p>  |
| Physical climate scenarios | RCP 4.5   | Company-wide               | <Not Applicable>                  |   |

| Climate-related scenario   | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices   |
|----------------------------|----------------------------|-----------------------------------|---|
| Physical climate scenarios | RCP 8.5                    | Company-wide                      | <p>&lt;Not Applicable&gt;</p> <p>In 2022 Iberdrola applied its methodology to identify and assess physical impacts arising from climate change in line with the requirements set out in the EU sustainable activities taxonomy. Iberdrola has analysed the evolution of the main climate threats based on regionalised projections obtained from leading climate tools in the various regions in which it operates, including Copernicus (Europe), AdapteCCa (Spain), UK Climate Projections, the INPE platform (Brazil), etc. After a prior analysis of the evolution of different climate variables in an RCP4.5 scenario7 vs an RCP 8.5 scenario in the 2030-2050 time horizon, the conservative RCP 8.5 scenario was selected as the baseline to identify and assess the main climate risks to the company's various assets (until 2050 there is no significant differences in main climate projections between both scenarios).</p> <p>Taking the methodology defined by IPCC as a reference, the steps taken to identify the main impacts, risks and associated opportunities were the following:</p> <ul style="list-style-type: none"> <li>• Analysis of the sensitivity of each technology to the variations in the different climate variables.</li> <li>• Impact level based on the sensitivities and expected evolution of climate threats at the regional level (based on best available regional climate projections).</li> <li>• Estimation of risk based on the presence of assets by technology in the different geographic areas before and after considering adaptation measures.</li> </ul> <p>The assessment shows that many of the physical risks arising from climate change, both chronic and extreme, affect usual business variables, and thus variables that are managed to a greater or lesser extent in its usual operational processes. However, climate change will affect the probability of occurrence of these risks and potentially the intensity thereof. As part of the analysis of the Group's various assets within the DNSH framework of adaptation to the EU taxonomy, extreme weather events are identified as one of the main threats for the various technologies and jurisdictions.</p> <p>For this long term assessment, in terms of impact globally, extreme temperature and the associated fires, strong winds and extreme precipitation, together with water scarcity, are some of the variables that most affect the various assets of Iberdrola (before considering their adaptive capacity/resilience per specific technology/area/asset)</p> <p>Short term incremental impact compared to baseline scenario has been consider no material.</p> |

## C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

### Row 1

#### Focal questions

- Which scenarios are currently used by strategy and financial planning in Iberdrola?
- Which business units/geographical areas are core for Iberdrola and are going to be included in the climate-related scenario analysis?
- What are main macroeconomic-energy related parameters guiding strategy per core business units?
- Are there Climate Scenario Parameters availability limitations?
- What are main operational indicators per core business unit to reflect Climate Scenario Key Parameters variations impact, from baseline assumptions?

#### Results of the climate-related scenario analysis with respect to the focal questions

- Which scenarios are currently used by strategy and financial planning in Iberdrola?

Iberdrola uses a wide range of scenarios and macroeconomic projections to be up to date and frequently assess financial and operational strategies. Regarding climate scenarios, during 2022, specific transition scenarios were built, adjusted on the basis of benchmark scenarios, considering the specificities of each geographic area in which the Iberdrola group has a presence. Elements from international and regional public scenarios as well as other internal regional considerations were included. The goal was to formulate them at a scale suitable to the businesses of the Group. Three transition scenarios were considered for the analysis of risks and opportunities. A baseline scenario, in line with the group's strategic forecasts, and two alternative scenarios, for which the potential risks and opportunities by comparison to the baseline scenario were assessed.

- Which business units/geographical areas are core for Iberdrola and are going to be included in the climate-related scenario analysis?

The analysis included all Iberdrola's businesses: Renewables, Generation, Networks and Commercial; in the core geographical areas: Spain, UK, USA, Mexico, Brazil & IEI (Iberdrola Energía Internacional)

- What are main macroeconomic-energy related parameters guiding strategy per core business units?

Main global indicators guiding Iberdrola's core business are translated in the following energy related global parameters: Final electricity demand (TWh), •Renewable share of the generation mix (%), • Installed renewable capacity (GW), • Total domestic electricity usage (TWh), • Natural gas demand in buildings (TWh) • Average annual investment in electric grids (M\$ ) and • Final natural gas demand (TWh).

- Are there Climate Scenario Parameters availability limitations?

IEA Scenarios normally feed our expectations about cited global energy related parameters projections and breakdown per geographical areas. When NZ scenario was published some limitations regarding granularity were identified. During 2022 new transition scenarios were built to achieve better geographical specificities. In addition, Iberdrola is actively engaged in improving the access to high-quality and relevant data, having participated in the Climate Scenarios Energy Forum (the Energy Forum), an initiative coordinated by the World Business Council for Sustainable Development (WBCSD) to facilitate scenario analysis through the development of a practical online platform to make public scenarios easier to access, interpret and use".

- What are main operational indicators per core business unit to reflect Climate Scenario Key Parameters variations impact, from baseline assumptions?

Key operational parameters per Iberdrola's business to analyse its potential impact against climate scenarios are: Total production (GWh), Renewable capacity (MW), Customers (GWh), Investment in networks (M€).

## 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   | <p>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 key growth opportunity, identified by Iberdrola, as a strategic vector for the industrial segment and for sectors that are difficult to decarbonize.</p> <p>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.</p> <p>Key achievements during 2022:</p> <ul style="list-style-type: none"> <li>- The IPCEI seal was obtained during the year for the construction of the next phases of the Puertollano I, Puertollano II, Palos de la Frontera I and Palos de la Frontera II hydrogen projects.</li> <li>- The inauguration of the largest green hydrogen plant for industrial use in Europe, located in Puertollano, with an electrolyser capable of producing 3,000 tonnes of renewable H2 per year. This pioneering plant will generate 100% green hydrogen with zero CO2 emissions thanks to the use of 100% renewable sources</li> <li>- At the national level, two industrial research projects are being led: the ATMOSPHERE project, which aims to develop new technologies for storage, generation and safety in green hydrogen plants, and the AVOGADRO project, which aims to develop an advanced hydrogen refuelling system for mobility applications.</li> <li>- At the international level, there was a decision to participate in the FEDECOM project, which will develop tools for optimising the Puertollano and TMB plants, in the AMBHER project, which will work on MOF storage systems and ammonia synthesis, and in the HYLICAL project, which will work on new hydrogen liquefaction technologies.</li> <li>- Lastly, construction began on the 1.25 MW green hydrogen plant for IFF in Benicarló, where all grey hydrogen will be replaced by green hydrogen currently used in manufacturing perfumes.</li> </ul>  |
| Supply chain and/or value chain | Yes   | <p>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 is addressed with the global suppliers engagement strategy.</p> <p>To do so, it was included a corporate sustainability objective for Suppliers strategy, organised around 3 key sustainability pillars: ESG (Environmental, Social and Governance)</p> <p>The objective had 2 parameters linked for the long-term incentive, evaluated for the consecution of the 2020-2022 Strategic Bonus. It was approved by the shareholders at the General Shareholders' Meeting 2020 (item 16 on the Agenda). The 2 parameters are:</p> <ul style="list-style-type: none"> <li>ii. Increase the nº 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 &amp; 15).</li> <li>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.</li> </ul> <p>At year-end 2022, more than 77% of the group's main suppliers awarded contracts in the 2020-2022 period already met the established criteria and followed sustainable development policies and standards. Furthermore, in 2022, €17,112 million have been allocated to suppliers evaluated on the basis of this ESG model. This amount represents 96% of the total amount awarded to the different suppliers making up the Iberdrola group's supply chain. Of this amount, €16,287 million (91.5% of the total) was awarded to suppliers surpassing the above-mentioned level of sustainability.</p> <p>In 2022, the objectives relating to the increase in purchases from key suppliers evaluated as "adequate" were met and that improvement plans were introduced and monitored for those suppliers that did not achieve the minimum scores established by Iberdrola.</p> |
| Investment in R&D               | Yes   | <p>IBERDROLA is today the Utility of the future due to its innovative strategy, which is applied across all its business units and areas of activity. Thanks to a constant commitment to innovation, IBERDROLA is the most innovative Spanish utility, the second at European level and the third at worldwide level, in accordance with the European Commission's classification. This position was reached thanks to the talent, experience and effort of 34,000 people in more than 40 countries. In 2022, IBERDROLA invested EUR 363 million in R+D+i activities, up 7% from 2021.</p> <p>The IBERDROLA Group's efforts in R+D+i are based on five pillars fully aligned with the central vectors underpinning the transformation of the energy sector, decarbonisation and electrification of the economy.</p> <ul style="list-style-type: none"> <li>• Disruptive technologies that are increasingly efficient, sustainable and environmentally-friendly, enabling the operation of facilities and processes to be optimised.</li> <li>• Competitive new products and services that meet customers' needs with a greater degree of personalisation of contents and offers.</li> <li>• Digitalisation and automation in all business and processes, introducing new technologies such as blockchain, big data, IoT, virtual reality, artificial intelligence, etc.</li> <li>• Innovation with start-ups, entrepreneurs and suppliers with the goal of developing alliances and new disruptive business models, favouring the exchange of know-how and having a driving effect on collaborators.</li> <li>• Culture of innovation and talent. IBERDROLA fosters a culture of innovation by means of knowledge transfer and by attracting talent and promoting the entrepreneurial spirit.</li> </ul> <p>A highlight this year was the inauguration of the IBERDROLA Campus, a global centre for knowledge, innovation and employability that has about 13,000 people receiving training in its classrooms every year. It represents IBERDROLA's commitment to technology, R&amp;D and collaboration with technology centres as levers to lead the energy transition. The inauguration also occurred of the Global Smart Grids Innovation Hub in Bilbao, with the main aim of promoting and speeding up the development of innovation in smart grids, which will be key to accelerating the energy transition and boosting the development of the related industry.</p>  |
| Operations                      | Yes   | <p>In 2022, efficiency improvements in wind farms, photovoltaic plants and hydroelectric facilities are driven to optimize operation and maintenance:</p> <p>Big data technologies have been used to obtain weather forecasts for wind or photovoltaic farms, as in the ENERPREDIC project, and to contemplate climate variability, including solar variability, which allows the viewing and processing of information using the CHINOOK tool, as well as data analysis and decision-making in the CARTERAREN project. Work has been carried out on metrics associated with the maintenance and operation of the wind farms in a very graphic and visual way, in addition to the development of new solutions to improve the efficiency of the DOMINA system tools within the REN-EFIC project. Work continued on the ASPA project to develop new models and tools for the early detection of faults based on artificial intelligence/big data techniques; and the AEROEXTENS project focused on understanding the performance of wind turbines in terms of machine control strategies. In the DIAGNOSGRE and GRIDFORMIN projects, digital twin methodologies have been incorporated to verify the operating parameters of a wind farm so as to calibrating the sensitivity and stability of the wind farm, and to analyse the configuration of equipment needed to stabilise the grid.</p>  |

**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<br>Direct costs<br>Indirect costs<br>Capital expenditures<br>Acquisitions and divestments<br>Access to capital<br>Assets | <p>Divestments</p> <p>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. Last noteworthy milestones are the demolition of the smokestacks at our coal-fired thermal power plants in Velilla, Spain, and Longannet, United Kingdom. This has cemented our position as the largest non-coal-production electricity company in the world, and places our CO2 emissions at 59 grams per kWh in Europe, one fourth of those of our competitors in Europe. In 2022 Iberdrola demolished the chimney of its last facility of this kind in the world, in Palencia (Spain), which plant was closed in 2017.</p> <p>Access to capital</p> <p>The group has signed new green finance transactions in 2022 in the total amount of €6,017 million. This brings the total amount of green finance at the end of 2022 to €26,956 million. The differentiating feature of this financing is the commitment to use the funds obtained for projects with a positive impact on the environment, including renewable energy, expansion and digitalisation of electricity transmission and distribution grids, researching new, more efficient technologies, and the smart mobility projects in which Iberdrola invests. The company also commits to provide annual reports, through various indicators, on the environmental return generated by these projects, so that investors can be aware of their level of contribution to the environmental improvement achieved.</p> <p>Examples of green bonds:</p> <p>In the capital markets, Iberdrola is the world's leading private group in terms of green bonds issued. The company issued its first green bond in 2014, and since then has intensified its financing through this type of instrument, with many more issues and in various areas: both public and private issues, involving senior and subordinated debt (hybrid bonds) issued by the Corporation or other subsidiaries.</p> <p>As a Corporation, Iberdrola engaged in four new green bond issues in 2022, three of them for senior debt and a fourth one structured as a bond whose yield is linked to the price of Iberdrola's shares (equity-linked):</p> <ul style="list-style-type: none"> <li>• In March, €1,000 million of 10-year bonds were issued, and which were allocated to the financing of the St. Briec (France) and Baltic Eagle (in Germany) wind farm plants, both under construction.</li> <li>• In November, there was an issuance of €1,500 million, structured into two tranches: €750 million for a 6-year term and €750 million for a 10-year term. The funds obtained from both transactions were allocated to the financing of renewable assets (mainly photovoltaic solar energy) in Spain and other European countries.</li> <li>• In November there was another issue in the amount of €450 million, which was drawn down in December. This is a five-year bond linked to the price of Iberdrola's shares. The funds obtained were allocated to financing the investment plan for the Networks business in Spain during the 2021-2023 period.</li> </ul> <p>At year-end 2022, Iberdrola has a total of 19 current green bonds issued by the Corporation in the total amount of €14,197 million. The Green Financing Returns Report contains information and details on all outstanding financing during 2022.</p> <p>In addition, Iberdrola, through its subsidiary AVANGRID and several of its subsidiaries, has green bonds outstanding in the US market in the combined amount of US\$2,850 million (€2,678 million) aimed at financing renewable and distribution projects in the United States. Information and details on this financing is described in the AVANGRID 2022 Sustainability Report.</p> <p>Neoenergia and its subsidiaries also have green financings outstanding on the capital markets, totalling R\$4,445 million (€793 million), earmarked for financing renewable and transmission or distribution projects in Brazil. Information and details on this financing is described in the Sustainability Report</p> <p>Revenues<br/>Direct costs<br/>Indirect costs<br/>Capital expenditures<br/>Acquisitions<br/>Assets</p> <p>The group is therefore committed to leading the way, a path it embarked on more than 20 years ago with a firm commitment to renewable energies and that has led it to invest more than €140,000 million since then. And it will continue with an ambitious investment plan of €47,000 million between 2023 and 2025, focused on increasing its installed renewable, onshore and offshore wind, photovoltaic, battery and hydroelectric capacity, plus electricity grids</p> <p>Iberdrola stands out as the leading renewable energy producer among European and US energy companies, reaching a capacity of more than 40 GW in installed renewable generation technology. Iberdrola already generates 100% of its energy with zero emissions in countries like the United Kingdom, Germany and Portugal. The company also has an installed capacity of 3.9 GW of pumped hydro technology, the most efficient method of large-scale energy storage.</p> <p>Networks are the backbone of the system, which will allow the integration of new renewable capacity and the implementation of new distributed solutions and services. With a forecasted investment of €27,000 million in this area, this business has predictable frameworks that offer protection against macroeconomic uncertainty. This commitment will enable it to reach an asset base of €56,000 million by 2025, which entails growth of 44% over the €39,000 million this year.</p> <p>The company expects to allocate approximately €17,000 million to the renewables business, focusing growth on secured, high quality projects with the best risk/return ratio. Of this amount, 46% will be dedicated to offshore wind in France, Germany, the United Kingdom and the United States. In the remaining technologies, onshore wind will absorb 25% of the investment, photovoltaic 24%, hydro 2% and batteries 3%. Thanks to these investments, the company will increase its installed renewable capacity by 12,100 MW to 52,000 MW by 2025 (3,100 MW onshore wind, 6,300 MW photovoltaic, 1,800 MW offshore, 700 MW batteries and 200 MW hydro), compared to the 40,000 MW planned for this year</p> <p>Iberdrola expects that by the end of the decade more than €65,000 million will have been spent on grid assets and 100,000 MW of renewable installed capacity will have been created, thanks to new investments between €65,000 and €75,000 million during the 2026-30 period.</p> <p>The investments planned for the period 2023-2025 allow Iberdrola to forecast gross operating profit (EBITDA) of between €16,500 and €17,000 million euros by 2025, representing average annual growth of between 8% and 9%. Thanks to the geographical diversification of the group's activities, EBITDA will be achieved with a contribution of 31% from Spain, 18% from the United Kingdom, 24% from the United States, 20% from Latin America and 7% from Australia and other countries. It is also estimated that net profit will increase to a figure between €5,200 and 5,400 million by 2025, with average annual growth of 8-10%.</p> |

**C3.5**

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

|       | Identification of spending/revenue that is aligned with your organization's climate transition      | Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy |
|-------|---|---|
| Row 1 | Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy | At both the company and activity level  |

**C3.5a**

**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.**

**Financial Metric**

Revenue/Turnover

**Type of alignment being reported for this financial metric**

Alignment with a sustainable finance taxonomy

**Taxonomy under which information is being reported**

EU Taxonomy for Sustainable Activities

**Objective under which alignment is being reported**

Climate change mitigation

**Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)**

19670260000

**Percentage share of selected financial metric aligned in the reporting year (%)**

36.5

**Percentage share of selected financial metric planned to align in 2025 (%)**

45

**Percentage share of selected financial metric planned to align in 2030 (%)**

70

**Describe the methodology used to identify spending/revenue that is aligned**

The proportion of eligible Turnover referred to in Article 8(2a) of Regulation (EU) 2020/852 is calculated as the share of net turnover resulting from products or services, including intangibles, associated with economic activities that are eligible according to the taxonomy (numerator), divided by the net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU.

Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

Therefore, for the calculation of the eligibility percentages corresponding to the consolidated Iberdrola group, and included in the table above:

- The numerator includes the sum of the Turnover (group 70 ledger accounts of the Spanish General Accounting Plan) of the activities of the companies/subgroups that are eligible and,
- The denominator corresponds to the Iberdrola group's total amount of turnover.

In this turnover ratio, the company includes all the income associated with the main activity, considering that it contributes to the turnover.

We expect to increase our revenues aligned in the future, Iberdrola is focused in energy transition plan and the target of the company is to get a green business.

Some eligible and aligned activities:

- Manufacture of hydrogen
- Electricity generation using solar photovoltaic technology
- Electricity generation from wind power
- Electricity generation from hydropower
- Transmission and distribution of electricity
- Storage of electricity
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies

We have obtained an external verification in our Sustainability Report 2023, where the company reports its EU Green Taxonomy figures, with limited assurance.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

**Financial Metric**

CAPEX

**Type of alignment being reported for this financial metric**

Alignment with a sustainable finance taxonomy

**Taxonomy under which information is being reported**

EU Taxonomy for Sustainable Activities

**Objective under which alignment is being reported**

Climate change mitigation

**Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)**

9282964000

**Percentage share of selected financial metric aligned in the reporting year (%)**

86.51

**Percentage share of selected financial metric planned to align in 2025 (%)**

93

**Percentage share of selected financial metric planned to align in 2030 (%)**

100

**Describe the methodology used to identify spending/revenue that is aligned**

The eligible CapEx ratio referred to in Article 8(2b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations.

For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx should cover costs that are recognised according to:

- IAS 16 Property, plant and equipment
- IAS 38 Intangible Assets
- IAS 40 Investment Property (for the cost model);
- IFRS 16 Leases

Leases that do not give rise to the recognition of a right to use the asset are not accounted for as CapEx.

The numerator, on the other hand, includes the part of the fixed asset investments included in the denominator that:

- Relates to assets or processes that are associated with eligible economic activities;
- Forms part of a plan to expand the economic activities aligned with the taxonomy or to enable economic activities eligible under the taxonomy to be brought into line with the taxonomy in the future ("CapEx plan") under the conditions specified in the second paragraph of this point 1.1.2.2 (relating to the "CapEx plan");
- Relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low-carbon or achieve greenhouse gas reductions, in particular the activities listed in points 7.3 to 7.6 of Annex I of the Annexes to the Delegated Act, as well as other economic activities listed in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

We expect to increase our CapEx aligned in the future, Iberdrola is focused in energy transition plan and the target of the company is to get a green business.

Some eligible and aligned activities:

- Manufacture of hydrogen
- Electricity generation using solar photovoltaic technology
- Electricity generation from wind power
- Electricity generation from hydropower
- Transmission and distribution of electricity
- Storage of electricity
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies

We have obtained an external verification in our Sustainability Report 2023, where the company reports its EU Green Taxonomy figures, with limited assurance.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Iberdrola is advancing in its global growth with a record Investment plan during the period 2023-2025 based on more electricity grids and selective growth in renewables, to promote a safe, clean and competitive system that will accelerate the energy transition. At our Capital Markets & ESG Day held in November 2022, the strategy was presented, in which 90% of investments aligned with the European taxonomy are financed mainly through sustainable/green instruments.

<https://www.iberdrola.com/documents/20125/2005781/CMD22-strategic-vision.pdf/f0427dbe-ef9b-ca57-8b92-173a36327b83?t=1668010527605>

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#### Financial Metric

OPEX

#### Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Objective under which alignment is being reported

Climate change mitigation

#### Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

937539000

#### Percentage share of selected financial metric aligned in the reporting year (%)

52.22

#### Percentage share of selected financial metric planned to align in 2025 (%)

65

#### Percentage share of selected financial metric planned to align in 2030 (%)

85

#### Describe the methodology used to identify spending/revenue that is aligned

The eligible OpEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the latter including non-capitalised direct costs associated with research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of tangible fixed assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continuous and efficient operation of those assets.

In addition, non-financial companies that apply national GAAP and do not capitalise right-of-use assets are required to include leasing costs in OpEx.

The numerator, on the other hand, includes the part of the operating expenses included in the denominator that:

- Relates to assets or processes associated with eligible economic activities including training and other human resource adaptation needs, and non-capitalised direct costs representing research and development;
- Forms part of the CapEx plan to expand the economic activities that are eligible in accordance with the taxonomy or to enable economic activities eligible under the taxonomy

to be aligned with the taxonomy within a pre-defined timeframe, as set out in the second paragraph of this point 1.1.3.2 (relating to the "CapEx plan");

- Relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low-carbon or

achieve greenhouse gas reductions, as well as individual building renovations, as identified in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

We expect to increase our OpEx aligned in the future, Iberdrola is focused in energy transition plan and the target of the company is to get a green business.

Some eligible and aligned activities:

- Manufacture of hydrogen
- Electricity generation using solar photovoltaic technology
- Electricity generation from wind power
- Electricity generation from hydropower
- Transmission and distribution of electricity
- Storage of electricity
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies

We have obtained an external verification in our Sustainability Report 2023, where the company reports its EU Green Taxonomy figures, with limited assurance.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.



Iberdrola is advancing in its global growth with a record Investment plan during the period 2023-2025 based on more electricity grids and selective growth in renewables, to promote a safe, clean and competitive system that will accelerate the energy transition. At our Capital Markets & ESG Day held in November 2022, the strategy was presented, in which 90% of investments aligned with the European taxonomy are financed mainly through sustainable/green instruments.  
<https://www.iberdrola.com/documents/20125/2005781/CMD22-strategic-vision.pdf/f0427dbe-ef9b-ca57-8b92-173a36327b83?t=1668010527605>

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#### Financial Metric

CAPEX

#### Type of alignment being reported for this financial metric

Alignment with our climate transition plan

#### Taxonomy under which information is being reported

<Not Applicable>

#### Objective under which alignment is being reported

<Not Applicable>

#### Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

9282964000

#### Percentage share of selected financial metric aligned in the reporting year (%)

86.51

#### Percentage share of selected financial metric planned to align in 2025 (%)

93

#### Percentage share of selected financial metric planned to align in 2030 (%)

100

#### Describe the methodology used to identify spending/revenue that is aligned

The eligible CapEx ratio referred to in Article 8(2b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations.

For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx should cover costs that are recognised according to:

- a. IAS 16 Property, plant and equipment
- b. IAS 38 Intangible Assets
- c. IAS 40 Investment Property (for the cost model);
- d. IFRS 16 Leases

Leases that do not give rise to the recognition of a right to use the asset are not accounted for as CapEx.

The numerator, on the other hand, includes the part of the fixed asset investments included in the denominator that:

- a. Relates to assets or processes that are associated with eligible economic activities;
- b. Forms part of a plan to expand the economic activities aligned with the taxonomy or to enable economic activities eligible under the taxonomy to be brought into line with the taxonomy in the future ("CapEx plan") under the conditions specified in the second paragraph of this point 1.1.2.2
- c. Relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low-carbon or achieve greenhouse gas reductions, in particular the activities listed in points 7.3 to 7.6 of Annex I of the Annexes to the Delegated Act, as well as other economic activities listed in the Delegated Acts adopted pursuant to Articles 10, 11, 12, 13, 14 and 15 of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

We expect to increase our CapEx aligned in the future, Iberdrola is focused in energy transition plan and the target of the company is to get a green business.

Aligned activities:

- Manufacture of hydrogen
- Electricity generation using solar photovoltaic technology
- Electricity generation from wind power
- Electricity generation from hydropower
- Transmission and distribution of electricity
- Storage of electricity
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies

We have obtained an external verification in our Sustainability Report 2023, where the company reports its EU Green Taxonomy figures. with limited assurance.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Iberdrola is advancing in its global growth with a record Investment plan during the period 2023-2025 based on more electricity grids and selective growth in renewables, to promote a safe, clean and competitive system that will accelerate the energy transition. At our Capital Markets & ESG Day held in November 2022, the strategy was presented, in which 90% of investments aligned with the European taxonomy are financed mainly through sustainable/green instruments.

<https://www.iberdrola.com/documents/20125/2005781/CMD22-strategic-vision.pdf/f0427dbe-ef9b-ca57-8b92-173a36327b83?t=1668010527605>

Our figures are the same related to sustainable finance taxonomy and climate transition plan alignment.

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#### Financial Metric

OPEX

#### Type of alignment being reported for this financial metric

Alignment with our climate transition plan

#### Taxonomy under which information is being reported

<Not Applicable>

#### Objective under which alignment is being reported

<Not Applicable>

#### Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

937539000

**Percentage share of selected financial metric aligned in the reporting year (%)**

52.22

**Percentage share of selected financial metric planned to align in 2025 (%)**

75

**Percentage share of selected financial metric planned to align in 2030 (%)**

100

**Describe the methodology used to identify spending/revenue that is aligned**

The eligible OpEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the latter including non-capitalised direct costs associated with research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of tangible fixed assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continuous and efficient operation of those assets.

In addition, non-financial companies that apply national GAAP and do not capitalise right-of-use assets are required to include leasing costs in OpEx.

The numerator, on the other hand, includes the part of the operating expenses included in the denominator that:

- Relates to assets or processes associated with eligible economic activities including training and other human resource adaptation needs, and non-capitalised direct costs representing research and development;
- Forms part of the CapEx plan to expand the economic activities that are eligible in accordance with the taxonomy or to enable economic activities eligible under the taxonomy

to be aligned with the taxonomy within a pre-defined timeframe, as set out in the second paragraph of this point 1.1.3.2 (relating to the "CapEx plan");

- Relates to the purchase of production from economic activities aligned with the taxonomy and individual measures that enable the targeted activities to become low-carbon or

achieve greenhouse gas reductions, as well as individual building renovations, as identified in the Delegated Acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 and provided that those measures are implemented and operational within 18 months.

We expect to increase our OpEx aligned in the future, Iberdrola is focused in energy transition plan and the target of the company is to get a green business.

Some eligible and aligned activities:

- Manufacture of hydrogen
- Electricity generation using solar photovoltaic technology
- Electricity generation from wind power
- Electricity generation from hydropower
- Transmission and distribution of electricity
- Storage of electricity
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies

We have obtained an external verification in our Sustainability Report 2023, where the company reports its EU Green Taxonomy figures. with limited assurance.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Iberdrola is advancing in its global growth with a record Investment plan during the period 2023-2025 based on more electricity grids and selective growth in renewables, to promote a safe, clean and competitive system that will accelerate the energy transition. At our Capital Markets & ESG Day held in November 2022, the strategy was presented, in which 90% of investments aligned with the European taxonomy are financed mainly through sustainable/green instruments.

<https://www.iberdrola.com/documents/20125/2005781/CMD22-strategic-vision.pdf/f0427dbe-ef9b-ca57-8b92-173a36327b83?t=1668010527605>

Our figures are the same related to sustainable finance taxonomy and climate transition plan alignment.

**Financial Metric**

Revenue/Turnover

**Type of alignment being reported for this financial metric**

Alignment with our climate transition plan

**Taxonomy under which information is being reported**

&lt;Not Applicable&gt;

**Objective under which alignment is being reported**

&lt;Not Applicable&gt;

**Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)**

19670260000

**Percentage share of selected financial metric aligned in the reporting year (%)**

36.5

**Percentage share of selected financial metric planned to align in 2025 (%)**

45

**Percentage share of selected financial metric planned to align in 2030 (%)**

70

**Describe the methodology used to identify spending/revenue that is aligned**

The proportion of eligible Turnover referred to in Article 8(2a) of Regulation (EU) 2020/852 is calculated as the share of net turnover resulting from products or services, including intangibles, associated with economic activities that are eligible according to the taxonomy (numerator), divided by the net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU.

Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

Therefore, for the calculation of the eligibility percentages corresponding to the consolidated Iberdrola group, and included in the table above:

- The numerator includes the sum of the Turnover (group 70 ledger accounts of the Spanish General Accounting Plan) of the activities of the companies/subgroups that are eligible and,
- The denominator corresponds to the Iberdrola group's total amount of turnover.

In this turnover ratio, the company includes all the income associated with the main activity, considering that it contributes to the turnover.

We expect to increase our revenues aligned in the future, Iberdrola is focused in energy transition plan and the target of the company is to get a green business.

Some eligible and aligned activities:

- Manufacture of hydrogen
- Electricity generation using solar photovoltaic technology



- Electricity generation from wind power
- Electricity generation from hydropower
- Transmission and distribution of electricity
- Storage of electricity
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies

We have obtained an external verification in our Sustainability Report 2023, where the company reports its EU Green Taxonomy figures. with limited assurance.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Our figures are the same related to sustainable finance taxonomy and climate transition plan alignment.

### C3.5b

**(C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.**

#### Economic activity

Manufacture of hydrogen

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX

#### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

4216000

#### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

0

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

#### Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

31742000

#### Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0.3

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

0.3

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

#### Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

2680000

#### Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0.1

#### Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

0.1

#### Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

#### Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

<Not Applicable>

## Type(s) of substantial contribution

Own performance

### Calculation methodology and supporting information

The activity assessed under EU Taxonomy is Manufacture of Hydrogen, through a chemical process (electrolysis). This method uses an electric current to separate the hydrogen from the oxygen in water, so if this electricity is obtained. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities of manufacture of hydrogen as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses

corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated

Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

### Technical screening criteria met

Yes

#### Details of technical screening criteria analysis

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Related to Manufacture of hydrogen, we assessed GHG emissions are less than 3tCO<sub>2</sub>e/tH<sub>2</sub>. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m<sup>2</sup> and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m<sup>2</sup>, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO<sub>2</sub>e/tH<sub>2</sub>. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO<sub>2</sub>/ton H<sub>2</sub>.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

### Do no significant harm requirements met

Yes

#### Details of do no significant harm analysis

To do no significant harm to the achievement of the other five environmental objectives (principle of do no significant harm), in accordance with article 17;

The design of these criteria established by the delegated regulation is generally based on compliance with European regulations and/or standards for different environmental aspects. In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

In particular, for this activity:

The activity complies with the criteria set out in Appendix A and B to the Annex in DELEGATED REGULATION (EU) 2021/2139

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In biodiversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

### Minimum safeguards compliance requirements met

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles. of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the

financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Electricity generation using solar photovoltaic technology

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX

#### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

160190000

#### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0.3

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

0.3

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

#### Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

1678557000

#### Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

15.6

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

15.6

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

#### Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

10832000

#### Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0.6

#### Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

0.6

#### Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

#### Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

<Not Applicable>

#### Type(s) of substantial contribution

Own performance

#### Calculation methodology and supporting information

The activity assessed under EU Taxonomy is Electricity generation using solar photovoltaic technology, as renewable energy this activity doesn't generate GHG emissions. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities of generation using solar photovoltaic technology as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses

corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated

Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% of our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

#### **Technical screening criteria met**

Yes

#### **Details of technical screening criteria analysis**

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m<sup>2</sup> and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m<sup>2</sup>, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO<sub>2</sub>e/tH<sub>2</sub>. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO<sub>2</sub>/ton H<sub>2</sub>.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Electricity generation using solar photovoltaic technology, we assessed the activity generates electricity using solar PV technology. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### **Do no significant harm requirements met**

Yes

#### **Details of do no significant harm analysis**

To do no significant harm to the achievement of the other five environmental objectives (principle of do no significant harm), in accordance with article 17;

In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

In particular, for this activity:

The activity complies with the criteria set out in Appendix A and D to the Annex in DELEGATED REGULATION (EU) 2021/2139

Transition to a circular economy: The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included design life certificate. In biodiversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

#### **Minimum safeguards compliance requirements met**

Yes

#### **Details of minimum safeguards compliance analysis**

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

#### **Economic activity**

Electricity generation from wind power

**Taxonomy under which information is being reported**

EU Taxonomy for Sustainable Activities

**Taxonomy Alignment**

Taxonomy-aligned

**Financial metric(s)**

Turnover

CAPEX

OPEX

**Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

5644936000

**Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year**

10.5

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

10.5

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

0

**Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

&lt;Not Applicable&gt;

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**

&lt;Not Applicable&gt;

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**

2892817000

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

27

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

27

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

0

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

&lt;Not Applicable&gt;

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**

&lt;Not Applicable&gt;

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**

351639000

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

19.6

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**

19.6

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**

0

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

&lt;Not Applicable&gt;

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**

&lt;Not Applicable&gt;

**Type(s) of substantial contribution**

Own performance

**Calculation methodology and supporting information**

The activity assessed under EU Taxonomy is Electricity generation from wind power. Wind energy, which transforms the power of an inexhaustible resource such as wind into electricity, is a sustainable and valuable investment for the future. Under this technical criteria, majority of our portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses

corresponding to the eligible activities that meet the alignment criteria established by the regulations

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated

Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the

consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

#### Technical screening criteria met

Yes

#### Details of technical screening criteria analysis

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m<sup>2</sup> and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m<sup>2</sup>, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO<sub>2</sub>e/tH<sub>2</sub>. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO<sub>2</sub>/ton H<sub>2</sub>.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Electricity generation from wind power, we assessed the activity generates electricity from wind power. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### Do no significant harm requirements met

Yes

#### Details of do no significant harm analysis

To do no significant harm

In particular, for this activity:

The activity complies with the criteria set out in Appendix A and D to this Annex in DELEGATED REGULATION (EU) 2021/2139

Sustainable use and protection of water and marine resources: In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council

Transition to a circular economy: The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

Protection and restoration of biodiversity and ecosystems: In case of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptors 1 (biodiversity) and 6 (seabed integrity)

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In bioversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

#### Minimum safeguards compliance requirements met

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

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The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Electricity generation from hydropower

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX



**Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

917702000

**Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year**

1.7

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

1.7

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

0

**Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**

<Not Applicable>

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**

226968000

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

2.1

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

2.1

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

0

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**

19635000

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

1.1

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**

1.1

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**

0

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**

<Not Applicable>

#### **Type(s) of substantial contribution**

Own performance

#### **Calculation methodology and supporting information**

The activity assessed under EU Taxonomy is Electricity generation from hydropower. Energy that is generated by transforming the potential energy existing between two masses of water located at different altitudes or levels into electrical energy. Under this technical criteria, majority of our portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

#### **Technical screening criteria met**

Yes

#### **Details of technical screening criteria analysis**

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to

GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Electricity generation from hydropower, we assessed the activity complies with either of the following criteria:

- a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir
- b) the power density of the electricity generation facility is above 5 W/m<sup>2</sup>
- c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100g CO<sub>2</sub>/kWh. The life-cycle GHG emissions are calculated using Recommendation

2013/179/EU or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life cycle GHG emissions are verified by an independent third party. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### Do no significant harm requirements met

Yes

#### Details of do no significant harm analysis

To do no significant harm to the achievement of the other five environmental objectives, in accordance with article 17;

In particular, for this activity:

The activity complies with the criteria set out in Appendix A and D to Annex in DELEGATED REGULATION (EU) 2021/2139

Sustainable use and protection of water and marine resources

1. The activity complies with the provisions of Directive 2000/60/EC, in particular with all the requirements laid down in Article 4 of the Directive.
2. For operation of existing hydropower plants, including refurbishment activities to enhance renewable energy or energy storage potential, the activity complies with the following criteria:
  - 2.1. In accordance with Directive 2000/60/EC and in particular Articles 4 and 11 of that Directive, all technically feasible and ecologically relevant mitigation measures have been implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water.
  - 2.2. Measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies:
  - 2.3. The effectiveness of those measures is monitored in the context of the authorisation or permit setting out the conditions aimed at achieving good status or potential of the affected water body.
3. For construction of new hydropower plants, the activity complies with the following criteria:
  - 3.1. In accordance with Article 4 of Directive 2000/60/EC and in particular paragraph 7 of that Article, prior to construction, an impact assessment of the project is carried out to assess all its potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions.

The assessment is based on recent, comprehensive and accurate data, including monitoring data on biological quality elements that are specifically sensitive to hydromorphological alterations, and on the expected status of the water body as a result of the new activities, as compared to its current one.

It assesses in particular the cumulated impacts of this new project with other existing or planned infrastructure in the river basin.
  - 3.2. On the basis of that impact assessment, it has been established that the plant is conceived, by design and location and by mitigation measures

An example in other activities

#### Minimum safeguards compliance requirements met

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Transmission and distribution of electricity

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX

#### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

12763687000

#### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

23.7

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

23.7



**Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**  
0

**Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**  
<Not Applicable>

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**  
4319771000

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**  
40.3

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**  
40.3

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**  
0

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**  
<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**  
547253000

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**  
30.5

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**  
30.5

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**  
0

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**  
<Not Applicable>

**Type(s) of substantial contribution**  
Own performance

#### Calculation methodology and supporting information

The activity assessed under EU Taxonomy is Transmission and distribution of electricity. The purpose of the electrical energy distribution activity is the transmission of electrical energy from the transmission networks or from the generating plants connected to the distribution network itself, to the points of consumption in adequate quality conditions with the ultimate aim of supplying it to the clients. Under this technical criteria, majority of our portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

**Technical screening criteria met**  
Yes

#### Details of technical screening criteria analysis

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Transmission and distribution of electricity, we assessed transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:

- a) the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its

subordinated systems;

- b) more than 67 % of newly enabled generation capacity in the system is below the generation threshold value of 100 g CO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;
- c) the average system grid emissions factor

#### Do no significant harm requirements met

Yes

#### Details of do no significant harm analysis

To do no significant harm

The activity complies with the criteria set out in Appendix A and D to the Annex DELEGATED REGULATION (EU) 2021/2139

Circular economy: A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.

Pollution: Overground high voltage lines:

(a) for construction site activities, activities follow the principles of the IFC General Environmental, Health, and Safety Guidelines

(b) activities respect applicable norms and regulations to limit impact of electromagnetic radiation on human health, including for activities carried out in the Union, the Council recommendation on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) (182) and for activities carried out in third countries. Activities do not use PCBs polychlorinated biphenyls.

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In bioversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

#### Minimum safeguards compliance requirements met

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles. of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Storage of electricity

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX

#### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

19581000

#### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

0

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

#### Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

90493

#### Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0.8

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

0.8

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

0

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**

1150000

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

0.1

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**

0.1

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**

0

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**

<Not Applicable>

#### **Type(s) of substantial contribution**

Own performance

#### **Calculation methodology and supporting information**

The activity assessed under EU Taxonomy is Storage of electricity. Efficient energy storage is a fundamental pillar of the energy transition: allowing flexible renewable energy production and guaranteeing its integration into the grid. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

#### **Technical screening criteria met**

Yes

#### **Details of technical screening criteria analysis**

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Storage of electricity, we assessed the activity is the construction and operation of electricity storage including pumped hydropower storage. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### **Do no significant harm requirements met**

Yes

#### **Details of do no significant harm analysis**

In particular, for this activity:

The activity complies with the criteria set out in Appendix A and D to the Annex in DELEGATED REGULATION (EU) 2021/2139

Sustainable use and protection of water and marine resources: In case of pumped hydropower storage not connected to a river body, the activity complies with the criteria set out in Appendix B to the Annex in DELEGATED REGULATION (EU) 2021/2139

In case of pumped hydropower storage connected to a river body, the activity complies with the criteria for DNSH to sustainable use and protection of water and marine resources specified in Section 4.5 in DELEGATED REGULATION (EU) 2021/2139 (Electricity production from hydropower).

Transition to a circular economy A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy,

including through contractual agreements with waste management partners, reflection in financial projections or official project documentation

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In bioversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

**Minimum safeguards compliance requirements met**

Yes

**Details of minimum safeguards compliance analysis**

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles. of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

**Economic activity**

Installation, maintenance and repair of energy efficiency equipment

**Taxonomy under which information is being reported**

EU Taxonomy for Sustainable Activities

**Taxonomy Alignment**

Taxonomy-aligned

**Financial metric(s)**

Turnover

CAPEX

OPEX

**Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

190000

**Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year**

0

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

0

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

0

**Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**

<Not Applicable>

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**

4654000

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

0

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

0

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

0

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**

1441000

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

0.1

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**  
0.1

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**  
0

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**  
<Not Applicable>

**Type(s) of substantial contribution**

Activity enabling mitigation  
Activity enabling adaptation

**Calculation methodology and supporting information**

The activity assessed under EU Taxonomy is Installation, maintenance and repair of energy efficiency equipment. Activity aimed at improving energy efficiency and savings, with access to consumption in an unbundled way for optimal management.. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

**Technical screening criteria met**

Yes

**Details of technical screening criteria analysis**

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Installation, maintenance and repair of energy efficiency equipment, we assessed the activity is (e) installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

**Do no significant harm requirements met**

Yes

**Details of do no significant harm analysis**

To do no significant harm to the achievement of the other five environmental objectives (principle of do no significant harm), in accordance with article 17;

In particular, for this activity:

The activity complies with the criteria set out in Appendix A to the Annex in DELEGATED REGULATION (EU) 2021/2139

Pollution prevention and control: Building components and materials comply with the criteria set out in Appendix C to the Annex in DELEGATED REGULATION (EU) 2021/2139

In case of addition of thermal insulation to an existing building envelope, a building survey is carried out in accordance with national law by a competent specialist with training in asbestos surveying. Any stripping of lagging that contains or is likely to contain asbestos, breaking or mechanical drilling or screwing or removal of insulation board, tiles and other asbestos containing materials is carried out by appropriately trained personnel, with health monitoring before, during and after the works, in accordance with national law.

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In bioversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

**Minimum safeguards compliance requirements met**

Yes

**Details of minimum safeguards compliance analysis**

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

## Economic activity

Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

## Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

## Taxonomy Alignment

Taxonomy-aligned

## Financial metric(s)

Turnover

CAPEX

OPEX

## Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

18300000

## Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

## Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

0

## Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

## Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

## Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

## Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

37963

## Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0.4

## Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

0.4

## Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

## Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

## Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

<Not Applicable>

## Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

1574000

## Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0.1

## Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

0.1

## Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

## Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

## Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

<Not Applicable>

## Type(s) of substantial contribution

Activity enabling mitigation

Activity enabling adaptation



### Calculation methodology and supporting information

The activity assessed under EU Taxonomy is Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings). Activity for electric vehicles that includes the installation and management of the charging infrastructure, as well as a customised contract for the supply of clean energy. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles. To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

### Technical screening criteria met

Yes

#### Details of technical screening criteria analysis

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m<sup>2</sup> and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m<sup>2</sup>, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO<sub>2</sub>e/tH<sub>2</sub>. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO<sub>2</sub>/ton H<sub>2</sub>.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Installation, maintenance and repair of recharge stations for electric vehicles in buildings (and in parking spaces attached to buildings), we assessed the activity is (e) installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

### Do no significant harm requirements met

Yes

#### Details of do no significant harm analysis

To do no significant harm to the achievement of the other five environmental objectives (principle of do no significant harm), in accordance with article 17;

The design of these criteria established by the delegated regulation is generally based on compliance with European regulations and/or standards for different environmental aspects. In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

In particular, for this activity:

Climate change mitigation: The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels.

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In bioversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

### Minimum safeguards compliance requirements met

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles. of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park



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**Economic activity**

Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

**Taxonomy under which information is being reported**

EU Taxonomy for Sustainable Activities

**Taxonomy Alignment**

Taxonomy-aligned

**Financial metric(s)**

Turnover

CAPEX

OPEX

**Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

86073000

**Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year**

0.2

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

0.2

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

0

**Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**

<Not Applicable>

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**

0

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

0

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

0

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

0

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**

780000

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

0

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**

0

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**

0

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**

<Not Applicable>

**Type(s) of substantial contribution**

Activity enabling mitigation

Activity enabling adaptation

**Calculation methodology and supporting information**

The activity assessed under EU Taxonomy is Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. Activity aimed at improving energy efficiency and savings, with access to consumption in an unbundled way for optimal management. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.

To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities

- Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16

The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.

It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.

Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.

In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with

Taxonomy was also associated to Transmission and distribution of electricity as well

#### Technical screening criteria met

Yes

##### Details of technical screening criteria analysis

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Activities aligned 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, we assessed the activity is: installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, consisting in one of the following measures:

(a) installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including motion and day light control;

(b) installation, maintenance and repair of building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS);

(c) installation, maintenance and repair of smart meters for gas, heat, cool and electricity;

This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### Do no significant harm requirements met

Yes

##### Details of do no significant harm analysis

To do no significant harm to the achievement of the other five environmental objectives (principle of do no significant harm), in accordance with article 17;

The design of these criteria established by the delegated regulation is generally based on compliance with European regulations and/or standards for different environmental aspects. In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

In particular, for this activity:

Climate change mitigation: The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels.

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included design life and certificate. In biodiversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

#### Minimum safeguards compliance requirements met

Yes

##### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Installation, maintenance and repair of renewable energy technologies

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX

|  |  |
|--|--|
| <b>Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)</b>  | 55384000   |
| <b>Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year</b>   | 0.1  |
| <b>Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year</b> | 0.1  |
| <b>Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year</b> | 0  |
| <b>Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)</b>                                 | <Not Applicable>   |
| <b>Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year</b>  | <Not Applicable>   |
| <b>Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)</b>   | 0  |
| <b>Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year</b>   | 0  |
| <b>Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year</b>       | 0  |
| <b>Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year</b>       | 0  |
| <b>Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)</b>                         | <Not Applicable>   |
| <b>Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year</b>   | <Not Applicable>   |
| <b>Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)</b>  | 556000   |
| <b>Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year</b>   | 0  |
| <b>Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year</b>         | 0  |
| <b>Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year</b>         | 0  |
| <b>Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)</b>                          | <Not Applicable>   |
| <b>Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year</b>  | <Not Applicable>   |
| <b>Type(s) of substantial contribution</b>   | Own performance<br>Activity enabling mitigation<br>Activity enabling adaptation  |
| <b>Calculation methodology and supporting information</b>  | <p>The activity assessed under EU Taxonomy is Installation, maintenance and repair of renewable energy technologies. Activity services aimed at improving energy efficiency and savings. Under this technical criteria, the whole portfolio as aligned, and we will consider our future activities as aligned, after have assessed under EU Taxonomy principles.</p> <p>To calculate the percentages of alignment with the climate change mitigation objective, rigorous work was carried out in 2022 at the activity and country level to analyse whether that the eligible activities</p> <ul style="list-style-type: none"> <li>• Substantially contribute to achieving one or more of the six environmental objectives, in accordance with articles 10 to 16</li> </ul> <p>The basis to calculate alignment percentages is the eligibility calculation, taking the same denominator, but including in the numerator only the applicable revenues, investments or expenses corresponding to the eligible activities that meet the alignment criteria established by the regulations.</p> <p>It is important to note that vertically integrated companies in the electricity sector carry out various activities, all of which are necessary for the operation of the electricity value chain.</p> <p>Some of these activities, like the generation of electricity through wind or photovoltaic technology, or electricity transmission and distribution, are considered eligible in application of Delegated Regulation 2039/2021. However, the sale of electricity to end customers is not considered eligible.</p> <p>Frequently, when a company both generates electricity and sells it to final customers, there is an inter-company transaction by which the retail activity purchases the electricity from the generation activity.</p> <p>In accordance with accounting rules, revenues from the sale of electricity to end customers are part of the consolidated turnover, and the effect of the intra-group transaction is removed in the consolidation process.</p> <p>An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well</p> |
| <b>Technical screening criteria met</b>  | Yes  |
| <b>Details of technical screening criteria analysis</b>  | <p>The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.</p> <p>The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.</p> <p>For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy</p>   |

density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Installation, maintenance and repair of renewable energy technologies., we assessed the activity is: installation, maintenance and repair of renewable energy technologies, on-site, consisting in one of the following individual measures, if installed on-site as technical building systems:

- (a) installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment;
- (b) installation, maintenance and repair of solar hot water panels and the ancillary technical equipment;

This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### **Do no significant harm requirements met**

Yes

#### **Details of do no significant harm analysis**

To do no significant harm to the achievement of the other five environmental objectives (principle of do no significant harm), in accordance with article 17;

The design of these criteria established by the delegated regulation is generally based on compliance with European regulations and/or standards for different environmental aspects. In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

In particular, for this activity:

Climate change mitigation: The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels.

We assess our activities related DNSH criteria, for example to activities in EEUU (Avangrid) related to wind onshore activity, the equipment and components used are durable and recyclable easy to disassemble and recondition. Avangrid's renewable assets and planned assets are included in Avangrid's factbook. In this factbook is included desing life an certificate. In bioversity Avangrid evaluates impacts to wildlife and habitat at its wind facilities from development through operations using a tiered approach based on the U.S. Fish and Wildlife Land-based Wind Energy Guidelines. Specifically, impacts are evaluated through 1) preliminary site evaluation, 2) site characterization, 3) field studies to document wildlife and habitat and predict impacts, 4) post-construction studies to assess fatality risk and impacts to species of concern and habitat, and potentially 5) additional studies and research (e.g., if estimated impacts exceed predicted levels, or species-specific studies). Avangrid uses the same environmental due diligence for solar plants. Environmental documents are prepared and submitted to permitting jurisdictions as applicable and are based on specific permit requirements. At last, in Climate Change Adaptation DNSH assess, Climate risk assessment has been carried out according to the best climate available information taken into account technologies sensitivities and adaptation plans already in place and foreseen

#### **Minimum safeguards compliance requirements met**

Yes

#### **Details of minimum safeguards compliance analysis**

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles. of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### **Economic activity**

Electricity generation from wind power

#### **Taxonomy under which information is being reported**

EU Taxonomy for Sustainable Activities

#### **Taxonomy Alignment**

Taxonomy-eligible but not aligned

#### **Financial metric(s)**

Turnover

OPEX

#### **Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

#### **Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year**

<Not Applicable>

#### **Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**

<Not Applicable>

#### **Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**

<Not Applicable>

#### **Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**

45912000

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**

0.1

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**

<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

3719000

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**

0.2

**Type(s) of substantial contribution**

<Not Applicable>

#### **Calculation methodology and supporting information**

Wind energy, which transforms the power of an inexhaustible resource such as wind into electricity, is a sustainable and valuable investment for the future. The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

#### **Technical screening criteria met**

Yes

#### **Details of technical screening criteria analysis**

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

For example, in Electricity generation from hydropower we assess the power density of the facility is above 5 W/m2 and in Spain we concluded that the average energy density of each basin, jointly, is greater than 5 W/m2, accounting for all non-flowing installations as a whole.

Other example, in Manufacture of hydrogen, we assess that life cycle GHG emissions are less than 3tCO2e/tH2. We analyze our facilities and our conclusions related to GHG emissions in manufacturing of hydrogen are 1,88 ton CO2/ton H2.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Electricity generation from wind power, we assessed the activity generates electricity from wind power. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

#### **Do no significant harm requirements met**

No

#### **Details of do no significant harm analysis**

The activity complies with the criteria set out in Appendix A and D to this Annex in DELEGATED REGULATION (EU) 2021/2139

Sustainable use and protection of water and marine resources: In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 (159) in relation to the relevant criteria and methodological standards for that descriptor.

Transition to a circular economy: The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.

Protection and restoration of biodiversity and ecosystems: In case of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptors 1 (biodiversity) and 6 (seabed integrity), laid down in Annex I to that Directive, and as set out in Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for those descriptors.

#### **Minimum safeguards compliance requirements met**

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Electricity generation from hydropower

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-eligible but not aligned

#### Financial metric(s)

Turnover

OPEX

#### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

371000

#### Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

0

#### Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

<Not Applicable>

#### Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

180

#### Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

0

#### Type(s) of substantial contribution

<Not Applicable>



### Calculation methodology and supporting information

The activity assessed under EU Taxonomy is Electricity generation from hydropower. Energy that is generated by transforming the potential energy existing between two masses of water located at different altitudes or levels into electrical energy. The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

An example, 10.5% of our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

### Technical screening criteria met

No

### Details of technical screening criteria analysis

Related to Electricity generation from hydropower, we assessed the activity complies with either of the following criteria:

- a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir;
- b) the power density of the electricity generation facility is above 5 W/m<sup>2</sup>;
- c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 g CO<sub>2</sub>e/kWh. The life-cycle GHG emissions are calculated using Recommendation

2013/179/EU or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life cycle GHG emissions are verified by an independent third party. This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

### Do no significant harm requirements met

Yes

### Details of do no significant harm analysis

The activity complies with the criteria set out in Appendix A and D to Annex in DELEGATED REGULATION (EU) 2021/2139

Sustainable use and protection of water and marine resources

1. The activity complies with the provisions of Directive 2000/60/EC, in particular with all the requirements laid down in Article 4 of the Directive.
2. For operation of existing hydropower plants, including refurbishment activities to enhance renewable energy or energy storage potential, the activity complies with the following criteria:
  - 2.1. In accordance with Directive 2000/60/EC and in particular Articles 4 and 11 of that Directive, all technically feasible and ecologically relevant mitigation measures have been implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water.
  - 2.2. Measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies:
  - 2.3. The effectiveness of those measures is monitored in the context of the authorisation or permit setting out the conditions aimed at achieving good status or potential of the affected water body.
3. For construction of new hydropower plants, the activity complies with the following criteria:
  - 3.1. In accordance with Article 4 of Directive 2000/60/EC and in particular paragraph 7 of that Article, prior to construction, an impact assessment of the project is carried out to assess all its potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions. The assessment is based on recent, comprehensive and accurate data, including monitoring data on biological quality elements that are specifically sensitive to hydromorphological alterations, and on the expected status of the water body as a result of the new activities, as compared to its current one. It assesses in particular the cumulated impacts of this new project with other existing or planned infrastructure in the river basin.
  - 3.2. On the basis of that impact assessment, it has been established that the plant is conceived, by design and location and by mitigation measures

### Minimum safeguards compliance requirements met

Yes

### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

The compliance function is proactively requesting your key suppliers to audit their ethics and compliance systems by an independent third party. For example, during the financial year 2021, 12 sessions have been held training for suppliers on ethics and compliance which were attended by almost 400 people. So, the company is proactive with ethical values in supply chain

Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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### Economic activity

Transmission and distribution of electricity

### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

### Taxonomy Alignment

Taxonomy-eligible but not aligned

### Financial metric(s)

Turnover

OPEX

### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>



**Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year**  
<Not Applicable>

**Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year**  
<Not Applicable>

**Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)**  
3745370000

**Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year**  
6.9

**Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year**  
<Not Applicable>

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year**  
<Not Applicable>

**Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year**  
<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year**  
<Not Applicable>

**Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)**  
<Not Applicable>

**Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year**  
<Not Applicable>

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**  
<Not Applicable>

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**  
<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**  
529596000

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**  
29.5

**Type(s) of substantial contribution**  
<Not Applicable>

#### Calculation methodology and supporting information

The activity assessed under EU Taxonomy is Transmission and distribution of electricity. The purpose of the electrical energy distribution activity is the transmission of electrical energy from the transmission networks or from the generating plants connected to the distribution network itself, to the points of consumption in adequate quality conditions with the ultimate aim of supplying it to the clients. The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

**Technical screening criteria met**  
Yes

#### Details of technical screening criteria analysis

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting.

The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies.

Related to Transmission and distribution of electricity, we assessed transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:

- a) the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;
- b) more than 67 % of newly enabled generation capacity in the system is below the generation threshold value of 100 g CO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;
- c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 g CO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;

This is the technical criteria of substantial contribution to climate change mitigation of Delegated Regulation (EU) 2021/2139

**Do no significant harm requirements met**  
No

#### Details of do no significant harm analysis

The activity complies with the criteria set out in Appendix A and D to the Annex DELEGATED REGULATION (EU) 2021/2139

Circular economy: A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.

Pollution: Overground high voltage lines:

(a) for construction site activities, activities follow the principles of the IFC General Environmental, Health, and Safety Guidelines

(b) activities respect applicable norms and regulations to limit impact of electromagnetic radiation on human health, including for activities carried out in the Union, the Council recommendation on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) (182) and for activities carried out in third countries, the 1998 Guidelines of International Commission on Non-Ionizing Radiation Protection (ICNIRP) (183).

Activities do not use PCBs polychlorinated biphenyls.

#### Minimum safeguards compliance requirements met

Yes

#### Details of minimum safeguards compliance analysis

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

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Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

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#### Economic activity

Electricity generation from fossil gaseous fuels

#### Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

#### Taxonomy Alignment

Taxonomy-eligible but not aligned

#### Financial metric(s)

Turnover

CAPEX

OPEX

#### Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

<Not Applicable>

#### Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

6892445000

#### Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

12.8

#### Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

<Not Applicable>

#### Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

340346

#### Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

3.2

#### Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

#### Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

<Not Applicable>

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year**

<Not Applicable>

**Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year**

<Not Applicable>

**Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)**

201568

**Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year**

11.2

**Type(s) of substantial contribution**

<Not Applicable>

**Calculation methodology and supporting information**

The activity assessed under EU Taxonomy is Electricity generation from gaseous fossil fuels. The activity is generation of electricity through gas. The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

An example, 10.5% our total turnover aligned with Taxonomy in the reporting year can be attributed to the Electricity generation from wind power. 15.6% of our total CAPEX aligned with Taxonomy in the reporting year was also associated with the Electricity generation using solar photovoltaic technology. 30.5% of our total OPEX aligned with Taxonomy was also associated to Transmission and distribution of electricity as well

**Technical screening criteria met**

No

**Details of technical screening criteria analysis**

We assess:

1. GHG emissions are less than 100 g CO<sub>2</sub>e/kWh
2. Facilities authorized before 12/31/2030 meet all of the following requirements:
  - a) Emissions are less than 270 g CO<sub>2</sub>e/kWh (or do not exceed an average of 550 kg CO<sub>2</sub>e/kW over 20 years, equivalent to an average use of ≈1,200 hours/year)
  - b) Replace more polluting plants and that the power of the new plant does not exceed 115% of the old one.
  - c) The equivalent generation with renewables is not efficient
  - d) Gradually convert to renewable or low-carbon gases by 2035
  - e) Substitution facilitates a 55% reduction of GHG in associated production

**Do no significant harm requirements met**

Yes

**Details of do no significant harm analysis**

The activity complies with the criteria set out in Appendix A, B, C and D of DELEGATED REGULATION (EU) 2022/1214

Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants.

For combustion plants with thermal input greater than 1 MW but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.

**Minimum safeguards compliance requirements met**

Yes

**Details of minimum safeguards compliance analysis**

The final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented in order to meet the requirements on minimum workplace safety and human rights at the company level (social protections), in accordance with article 18. We assess compliance of whole Group related to minimum safeguards.

The company has established a Human Rights Due Diligence System to ensure respect for human rights in all its businesses, countries of operation and supply chain in accordance with the OECD Guidelines for Multinational Enterprises and the Guiding Principles of the United Nations. The company has a fiscal policy and compliance management system certificated by an independent third party. The company publishes a Compliance System Transparency Report, which includes the main actions, initiatives and measures developed, promoted and adopted by the Compliance function in 2021, which illustrate the operation of the compliance system of Group companies and demonstrate its effectiveness.

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Other Example Dialogue as a tool for human rights management Iberdrola is aware of the social and human rights impacts that could result of your operations. Regardless of the obligations in this sense may impose the regulation, the company has adopted prevention and mitigation measures in accordance with the UNGP, both in the procedures for the identification of impacts, as well as in the execution and evaluation of prevention and mitigation measures. In the UK, ScottishPower proactively consults local residents during the development, construction and operation phases of projects. Solar projects under development in the United States are working with the Yakama Indian Nation to detect issues that may affect traditional cultural territories next to the Bluebird photovoltaic park

**C3.5c**

**(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.**

Iberdrola complies with the reporting obligations established by Article 8 of EU Regulation 852/2020 on the establishment of a framework to facilitate sustainable investments, supplemented by Delegated Regulation 2139/2021, which determines eligible activities with respect to climate change mitigation and adaptation objectives, and in accordance with Delegated Regulation 2178/2021, which develops the reporting methodology. Under this regulatory framework, companies are required to report their eligibility and alignment through three economic indicators; as a percentage of turnover, investment and operating expenditure.

The activities carried out by the Iberdrola group companies have been evaluated with respect to the mitigation objective for purposes of eligibility and alignment. Thus, no amounts have been assigned to the climate change adaptation target to avoid double accounting. The first step is to determine which of the Iberdrola group's activities are eligible for purposes of the regulation. Eligible activities are those that could potentially contribute to one or more of the EU's environmental goals, and are described in Commission Delegated Regulation (EU) 2021/2139.

Analysing the activities carried out by the Iberdrola group, and taking as a reference the descriptions included in Annexes I and II of the Delegated Regulation, the list of eligible activities of the Iberdrola group is as follows: 3.1 Manufacture of hydrogen, 4.1 Electricity generation using photovoltaic solar technology, 4.3 Electricity generation from wind power, 4.5 Electricity generation from hydropower, 4.9 Transmission and distribution of electricity, 4.1 Storage of electricity, 7.3, 7.4, 7.5, and 7.6 Energy Efficiency, Installation, maintenance and repair of: charging stations for electric vehicles in buildings, instruments and devices for measuring, regulation and controlling energy performance of buildings, and renewable energy technologies<sup>94</sup>.

The second step is to analyse how each activity does or does not meet the substantial contribution requirements. For an activity to be considered aligned it must satisfy the technical criteria of substantial contribution to an environmental objective. For these purposes, Iberdrola has assessed compliance with these criteria for each head of business company, which has been documented in the company's records.

The third step is to assess how each activity meets, or does not meet, the criteria of no harm to other environmental objectives. The design of these criteria established by the delegated regulation is generally based on compliance with European regulations and/or standards for different environmental aspects. In order to assess and document compliance with these criteria at each head of business company, many of which operate in non-EU countries, the group has developed a methodology based on transferring requirements to surveys, which has enabled the work to be carried out in a homogeneous manner throughout the group. Each head of business company has assessed its compliance and has documented and evidenced its findings.

The fourth and final step is the assessment of the existence of sufficient social safeguards in the context of performing the activities. A similar approach to the no harm assessment has been followed and, based on an analysis using surveys and the group's existing human rights due diligence mechanisms, the existence of social safeguards has been satisfactorily documented.

In order to comply with article 49 of the Spanish Code of Commerce, Iberdrola pass a limited assurance review to evaluate whether the Consolidated Non-Financial Information Statement of the Group for the year ended 31 December 2022. This report include obligations established by Article 8 of EU Regulation 852/2020 with a limited assurance scope.

Third part reviewer includes next text: Emphasis of Matter: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment stipulates the obligation to disclose information on how and to what extent the undertaking's activities are associated with economic activities aligned to the objectives of climate change mitigation and climate change adaptation, in addition to the information related to eligible activities. Iberdrola have included information on the criteria that, in our opinion, best allow them to comply with the aforementioned obligations, which are defined in the "Taxonomy" section of the NFIS. The conclusions of the auditors is not modified in respect of this matter.

On question C10.2a we have attached "SustainabilityReport2022Optimized", where you can find our "Independence Assurance Report on The Statement of Non-Financial Information Report For 2022" in pages 4 to 9. In page 237 you can see the explanation about our EU Green Taxonomy report that also have been verified

## C4. Targets and performance

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### C4.1

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

Absolute target  
Intensity target

### C4.1a

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

**Target reference number**

Abs 1

**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

**Year target was set**

2022

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

Scope 3

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

Category 1: Purchased goods and services

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 6: Business travel

Category 7: Employee commuting

Category 11: Use of sold products

**Base year**

2020

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

13002609

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

1882654

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

5483189

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

34142433

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

19498

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

52468

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

18190409

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

72773260

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1:**

**Purchased goods and services (metric tons CO2e)**

100

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

100

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

100

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

100

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

100

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

<Not Applicable>

**Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

65

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

25470641

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

11270639

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

1893116

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

2944448

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

25935743

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

12471

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

51800

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

13641153

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

42585615

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

55749370

**Does this target cover any land-related emissions?**

Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

**% of target achieved relative to base year [auto-calculated]**

35.9893180544612

**Target status in reporting year**

Underway

**Please explain target coverage and identify any exclusions**

To reduce absolute scope 1, 2 and 3 GHG emissions 65 % by 2030 from a 2020 base year, which is in line with a 1.5°C trajectory.

Near-Term Targets:

Iberdrola SA commits to reduce absolute scope 1, 2 and 3 GHG emissions 65 % by 2030 from a 2020 base year. Within that target, Iberdrola SA commits to reduce scope 1 and 2 GHG emissions from power generation 83 % per kWh by 2030 from a 2020 base year. Iberdrola SA also commits to reduce scope 1 and 3 GHG emissions from fuel and energy related activities covering all sold electricity 85 % per kWh within the same timeframe. Iberdrola SA further commits to reduce absolute scope 3 GHG emissions from use of sold products 42 % within the same timeframe. Iberdrola SA finally commits to reduce all remaining absolute scope 3 GHG emissions 46 % within the same timeframe.

**Plan for achieving target, and progress made to the end of the reporting year**

The actions identified to date to achieve this commitment are grouped into four main levers and one cross-dimensional lever that spans all scopes:

- Investment in 100% renewable technology generation, increasing storage capacity and promoting new technologies (e.g., hybridisation).
- Investment in 100% smart and robust grid operation as an essential pillar of a decarbonised and electrified energy system.
- Designing and offering customers green solutions that contribute to the electrification and



gradual decarbonisation of energy demand.

d. Green purchases through the acquisition of renewable energy for own consumption, on the one hand, and the establishment of alliances and partnership agreements for joint reduction of emissions and to speed up and facilitate the development of green products, on the other.

e. The promotion of partnerships in green technologies and decarbonisation.

These levers are supported by an ambitious investment plan and a strong network of partnerships, which drive Iberdrola's strategy towards the decarbonisation of the company and of society.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

#### C4.1b

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

**Target reference number**

Int 1

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Target ambition**

<Not Applicable>

**Year target was set**

2022

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**Intensity metric**

Metric tons CO2e per megawatt hour (MWh)

**Base year**

2020

**Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**

0.098

**Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

0.098

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure**

<Not Applicable>

**% of total base year emissions in all selected Scopes covered by this intensity figure**

100

**Target year**

2030

**Targeted reduction from base year (%)**

89

**Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]**

0.01078

**% change anticipated in absolute Scope 1+2 emissions**

-11.56

**% change anticipated in absolute Scope 3 emissions**

0

**Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

0.083

**Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)**

&lt;Not Applicable&gt;

**Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

0.083

**Does this target cover any land-related emissions?**

Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

**% of target achieved relative to base year [auto-calculated]**

17.1978903921119

**Target status in reporting year**

Underway

**Please explain target coverage and identify any exclusions**

&lt;10gCO2/kWh in 2030

**Plan for achieving target, and progress made to the end of the reporting year**

The actions identified to date to achieve this commitment are grouped into four main levers and one cross-dimensional lever that spans all scopes:

- Investment in 100% renewable technology generation, increasing storage capacity and promoting new technologies (e.g., hybridisation).
- Investment in 100% smart and robust grid operation as an essential pillar of a decarbonised and electrified energy system.
- Designing and offering customers green solutions that contribute to the electrification and gradual decarbonisation of energy demand.
- Green purchases through the acquisition of renewable energy for own consumption, on the one hand, and the establishment of alliances and partnership agreements for joint reduction of emissions and to speed up and facilitate the development of green products, on the other.
- The promotion of partnerships in green technologies and decarbonisation.

These levers are supported by an ambitious investment plan and a strong network of partnerships, which drive Iberdrola's strategy towards the decarbonisation of the company and of society.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

## 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

**Target year for achieving net zero**

2039

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

To reduce scope 1, 2 and 3 emissions 90% by 2039 from a 2020 base year, aligned with the SBTi's 1.5 °C mitigation pathways for reaching net-zero before 2050.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

Iberdrola is working and studying the best initiatives and possibilities of neutralization that will be implemented over the next few years. We currently have the Trees Programme: The company is committed to planting 20 million trees during the next decade — with the primary objective of reaching 2.5 million by 2022 and 8 million by 2025 — to capture approximately 6 million tonnes of CO<sub>2</sub> within 30 years. Additionally, in 2022 Iberdrola announced the creation of a new initiative, Carbon2Nature, with the ambition of generating high-quality carbon nature-based credits by either developing Iberdrola's own carbon nature-based projects or co-investing in existing projects within the VCM ecosystem.

**Planned actions to mitigate emissions beyond your value chain (optional)**

The actions identified to date to achieve this commitment are grouped into four main levers and one cross-dimensional lever that spans all scopes:

- Investment in 100% renewable technology generation, increasing storage capacity and promoting new technologies (e.g., hybridisation).
- Investment in 100% smart and robust grid operation as an essential pillar of a decarbonised and electrified energy system.
- Designing and offering customers green solutions that contribute to the electrification and gradual decarbonisation of energy demand.
- Green purchases through the acquisition of renewable energy for own consumption, on the one hand, and the establishment of alliances and partnership agreements for joint reduction of emissions and to speed up and facilitate the development of green products, on the other.
- The promotion of partnerships in green technologies and decarbonisation.

These levers are supported by an ambitious investment plan and a strong network of partnerships, which drive Iberdrola's strategy towards the decarbonisation of the company and of society.

## 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                     | 100  |
| Implementation commenced* | 4                     | 18000000   |
| Implemented*              | 6                     | 14369437   |
| 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)

835840

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory

Voluntary

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

87103973

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

1411733760

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

1,958 MW of renewal capacity was installed during the year (net increase of 1,928 MW), broken down as follows:  
• Onshore wind: 86 MW in Spain, 117 MW in the United States, 410 MW in Brazil, 115 MW in Greece and 22 MW in Poland.  
• Photovoltaic solar: 526 MW in Spain, 276 MW in the United States, 143 MW in Brazil, 179 MW in Australia, 3 MW in Italy and 77 MW in Portugal.  
• Batteries: 5 MW in Spain.  
• 31 MW corresponding to mini-hydro plants in Spain were disposed of during the year

Initiative category & Initiative type

|                |  |
|----------------|--|
| Transportation | Other, please specify (Videoconferences) |
|----------------|--|

Estimated annual CO2e savings (metric tonnes CO2e)

25000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 6: Business travel

Voluntary/Mandatory

Voluntary

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

1000000

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

60000

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)**

54589

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

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**

21-30 years

**Comment**

Savings from distribution network efficiency (Spain, United Kingdom and Brazil)

**Initiative category & Initiative type**

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

**Estimated annual CO2e savings (metric tonnes CO2e)**

13453164

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 12: End-of-life treatment of sold products

**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 installed 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)**

325

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 1: Purchased goods & services

Scope 3 category 6: Business travel

**Voluntary/Mandatory**

Voluntary

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

1900

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

160000

**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)

519

#### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 7: Employee commuting

#### Voluntary/Mandatory

Mandatory

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

1000000

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

1000000

#### 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.

### 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               | The actions identified to date to achieve this commitment are grouped into four main levers and one cross-dimensional lever that spans all scopes:<br>a. Investment in 100% renewable technology generation, increasing storage capacity and promoting new technologies (e.g., hybridisation).<br>b. Investment in 100% smart and robust grid operation as an essential pillar of a decarbonised and electrified energy system.<br>c. Designing and offering customers green solutions that contribute to the electrification and gradual decarbonisation of energy demand.<br>d. Green purchases through the acquisition of renewable energy for own consumption, on the one hand, and the establishment of alliances and partnership agreements for joint reduction of emissions and to speed up and facilitate the development of green products, on the other.<br>e. The promotion of partnerships in green technologies and decarbonisation.<br>These levers are supported by an ambitious investment plan and a strong network of partnerships, which drive Iberdrola's strategy towards the decarbonisation of the company and of society |
| Dedicated budget for other emissions reduction activities | In this context, investments are being made: - To strengthen transmission and distribution networks reducing losses. - To develop smart grids. - To promote green mobility with electric vehicles and Smart Mobility (promotion of electric Charging points) . - To promote e-billing for customers. - Committed to SDG (Sustainable Development Goals). - Conducting information campaigns and commercial activities. - Providing information on the website and in invoices. - Participation in forums, seminars and industry task forces. - Cooperation agreements and training sessions with the main consumer and business associations and public institutions. - Customer engagement: promoting electric vehicles.  |



| Method  | Comment  |
|---|--|
| Partnering with governments on technology development | <p>Partnerships, global climate agenda, and awareness-raising</p> <p>Our aspirations are supported by a strong network of partnerships to promote decarbonisation. In keeping with its strategy, Iberdrola supports ambitious approaches in the framework of its climate policies and the establishment of plans and objectives. Through partnerships, statements and campaigns, Iberdrola also publicly supports ambitious and robust frameworks to face the current challenges as regards climate, energy, environmental and other issues, seeking to generate value and prosperity for society as a whole. In this context, there is a need for all players to be aligned with and committed to the fight against climate change, which makes awareness-raising among society a key.</p> <p>Iberdrola is an active participant, with a high degree of visibility, in the main milestones of the multilateral climate agenda, participating in a large number of technical seminars and high-level conferences. Iberdrola wants to actively and decisively contribute to a sustainable, low-carbon future – an effort that will also promote social and economic development through the creation of employment and wealth. To this end, the Company is committed to conducting its policy-impacting activities within its areas of influence and alliances in which it participates, in line with the objectives of the Paris Agreement.</p> <p>Hence, Iberdrola has played an important role in the inauguration of and parallel events at meetings of the United Nations General Assembly and the various editions of New York Climate Week, climate conferences such as the European Green Growth Summit and the 2022 Green Growth Forum, as well as at the multilateral meetings organised by the United Nations Framework Convention on Climate Change (UNFCCC).</p> <p>Iberdrola also belongs to various international coalitions, backs diverse external initiatives and cooperates with numerous international organisations, business and/or multi-actor coalitions, think tanks and research centres, supporting ambitious global climate action.</p> |
| Employee engagement                                   | <p>24.6 thousands of hours of Environmental training in 2022.</p> <p>Electric car service among its employees to handle commercial activities in Madrid, Bilbao, Seville, Valencia, Valladolid and Barcelona. Installation of 110,000 charging points for electric vehicles until 2025.</p> <p>Iberdrola will have a 100% sustainable light vehicle fleet in 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.</p> <p>Actions and activities through volunteering as well as through active internal communication and materials to increase awareness on climate change, energy decarbonisation potential, individual contributions, etc.</p>  |
| Compliance with regulatory requirements/standards     | <p>Iberdrola has two kinds of relationships with regulatory entities:</p> <ul style="list-style-type: none"> <li>• Relationships geared towards contributing to the enactment of efficient regulatory provisions allowing for the development of a competitive market in activities that are not subject to a natural monopoly, and sufficient remuneration for regulated businesses. To that end, there is a continuous and constructive dialogue where information, knowledge and positions are exchanged. Iberdrola is thus acquainted with the concerns and proposals of regulatory entities and provides them with its own positions in the legitimate defence of its interests and those of its shareholders and customers. The company also actively participates in "public hearings" held by regulatory entities in order to ascertain the opinions of the players involved in the processes prior to the revision of regulations or the determination of domestic and European energy policies. It also participates in the official processes of enactment of laws and regulations and in monitoring the application thereof.</li> <li>• Provision of all information required by regulatory entities, whether in connection with the normal conduct of its business or as a result of any transitory issue.</li> </ul> <p>In addition to its direct relationships with regulatory entities, Iberdrola and the companies in its group participate in the regulatory process through the various domestic and international trade associations of which they are members.</p> <p>More information in our web page: PUBLIC AFFAIRS</p> <p>Stakeholders, public affairs and transparency: <a href="https://www.iberdrola.com/about-us/stakeholders/public-affairs">https://www.iberdrola.com/about-us/stakeholders/public-affairs</a></p>  |
| Internal finance mechanisms                           | <p>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.</p> <p>The promotion of electric mobility through the Smart Mobility plan pursuant to which Iberdrola will install 110,000 charging points for electric vehicles until 2025 and 400,000 until 2030.</p> <p>Furthermore, Iberdrola will have a 100% sustainable light vehicle fleet in 2030.</p>   |

## C4.5

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

## C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

|       |   |
|-------|---|
| Power | Other, please specify (Wind, solar and Hydro (pumped included) power) |
|-------|---|

Description of product(s) or service(s)

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

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (GRI 305-5)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Not applicable

Functional unit used

Electrical energy consumption accounted for according to the recommendations of the GHG Protocol, according to: Calculate using the country's average emissions mix, by total energy produced by renewable energy.

Reference product/service or baseline scenario used

Renewable energy produced (last average emissions mix public available in different countries)

Life cycle stage(s) covered for the reference product/service or baseline scenario

Other, please specify (Produced Renewable energy )

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

16716801

Explain your calculation of avoided emissions, including any assumptions

Calculate using the country's average emissions mix, by total energy produced by renewable energy.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

12.5

C-EU4.6

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

Methane is a residual GHG in Iberdrola's footprint. 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: Methane is another greenhouse gas contributing to Scope 1 emissions, as it escapes into the environment from the pipes across our natural gas operations. To significantly reduce these emissions, we are replacing nearly 100 miles of old pipe with new metal and plastic pipe annually, which will help reduce methane emissions by 50% by 2035 compared with 2015. We're also exploring ways to reduce greenhouse gas emissions associated with natural gas by introducing renewable natural gas (RNG) into our Networks operations.

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.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

## C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

|       | Change(s) in methodology, boundary, and/or reporting year definition? | Details of methodology, boundary, and/or reporting year definition change(s) |
|-------|---|--|
| Row 1 | No  | <Not Applicable>   |

## C5.2

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

Scope 1

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

13002609

Comment

Direct GHG emissions from GHG sources owned or controlled by the company.

- Stationary combustion emissions:
  - CO2 emissions, from electric power generation facilities (by combustion of any type of fuels).
  - Methane (CH4) and nitrous oxide (N2O) emissions associated with the combustion of any type of fuel.
  - CO2 emissions from the combustion of fuels in buildings or facilities, from heating equipment or generators.
  - CO2 emissions from the combustion of fuels in gas storage facilities.
- Direct fugitive emissions in anthropogenic systems:
  - Of methane (CH4) (natural gas storage and transport).
  - Of sulphur hexafluoride (SF6) (distribution networks, generation substations, etc.).
  - From refrigerant gases (CFCs) from air-conditioning equipment.
- Emissions from mobile combustion, associated with fuel consumption in transport equipment such as motor vehicles, vessels, etc., (we take into account fleet vehicles and vessels to transport personnel in this section).
- Emissions from land use: associated with the change in land use, calculated by the volume of vegetation generated.

Scope 2 (location-based)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

1890400

Comment

- Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.
- Emissions associated with electricity consumption in the group's buildings.
- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

## Scope 2 (market-based)

### Base year start

January 1 2020

### Base year end

December 31 2020

### Base year emissions (metric tons CO2e)

1760899

### Comment

- Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.

- Emissions associated with electricity consumption in the group's buildings.

- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

## Scope 3 category 1: Purchased goods and services

### Base year start

January 1 2020

### Base year end

December 31 2020

### Base year emissions (metric tons CO2e)

5483189

### Comment

Estimated emissions data on the emission factor per euro invoiced obtained through supplier survey.

## Scope 3 category 2: Capital goods

### Base year start

### Base year end

### Base year emissions (metric tons CO2e)

### Comment

## Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Base year start

January 1 2020

### Base year end

December 31 2020

### Base year emissions (metric tons CO2e)

28246264

### Comment

Upstream life cycle generation fuel emissions+Emissions from electricity purchased from third parties+Indirect GHG Emissions Generation facilities for third parties.

## Scope 3 category 4: Upstream transportation and distribution

### Base year start

### Base year end

### Base year emissions (metric tons CO2e)

### Comment

## Scope 3 category 5: Waste generated in operations

### Base year start

### Base year end

### Base year emissions (metric tons CO2e)

### Comment

## Scope 3 category 6: Business travel

### Base year start

January 1 2020

### Base year end

December 31 2020

### Base year emissions (metric tons CO2e)

7940

### Comment

Emissions from employee work trips

**Scope 3 category 7: Employee commuting**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

27910

**Comment**

Commuting emissions

**Scope 3 category 8: Upstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 10: Processing of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 11: Use of sold products**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

18190409

**Comment**

Emissions from gas supplied to customers

**Scope 3 category 12: End of life treatment of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 13: Downstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 14: Franchises**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 15: Investments**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) 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)

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)

11270639

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Direct GHG emissions

Stationary combustion emissions:

- CO2 emissions, from electric power generation facilities (due to the combustion of any type of fuels).
- Methane (CH4) and nitrous oxide (N2O) emissions associated with the combustion of any type of fuel.
- Emissions from combustion of fuels in buildings
- CO2 emissions from the combustion of fuels in gas storage facilities.

Direct fugitive emissions in anthropogenic systems:

- From methane (CH4).
- From sulphur hexafluoride (SF6)
- From refrigerant gases (CFCs) from air-conditioning equipment.

Emissions from mobile consumption

Emissions from land use

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**

• Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.

- Emissions associated with electricity consumption in the group's buildings.

- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

**C6.3**

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

**Reporting year**

**Scope 2, location-based**

1893116

**Scope 2, market-based (if applicable)**

1877783

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

• Indirect GHG emissions due to imported energy.

Indirect GHG emissions are those from electricity, heat or steam consumed by the organisation and provided by third parties. Other indirect emissions associated with electricity generation are also included in this section.

Emissions associated with electricity consumption during outages at thermal, renewable and nuclear power plants.

- Emissions associated with the consumption of electricity by pumps at hydroelectric power stations.

- Emissions associated with electricity consumption in the group's buildings.

- Emissions associated with losses in the electricity transmission or distribution networks. (Only thirdparty electricity is considered to avoid double accounting).

A balance between own generated energy and total distributed energy is conducted in order to avoid double accounting.

**C6.4**

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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

**Emissions in reporting year (metric tons CO2e)**

2944448

**Emissions calculation methodology**

Supplier-specific method

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

100

**Please explain**

SUPPLY CHAIN

Emissions associated with the supply chain.

The calculation is performed at global level by Iberdrola S.A., with the emissions information provided by suppliers through the corporate purchasing tool. An overall ratio of kgCO2 / € invoiced is calculated, which makes it possible to determine the emissions associated with each sub-holding according to its turnover.

## Capital goods

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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 are relevant but are included in section Purchased goods and services. We include final products that have an extended life and are used by the company to carry out its activity of energy production, distribution and transportation.

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

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

25935743

### Emissions calculation methodology

Average product method

Fuel-based method

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

100

### Please explain

UPSTREAM LIFE CYCLE OF FUELS + FOR ENERGY PURCHASED FROM THIRD PARTIES + PIE PRODUCTION:

Emissions associated with electricity purchased from third parties (8,182,410 tCO2e) - Upstream life cycle of fuels (4,663,710 tCO2e)- Emissions associated with power generated for third parties (13,089,623 tCO2e);

- Emissions associated with electricity purchased from third parties for sale to end customers.

Emissions from electricity purchased from third parties for sale to the final customer where direct emissions are not accounted for.

Renewable energy is deducted from the energy sold to final customers, and direct emissions are deducted from the resulting emissions.

- Emissions from other life-cycle processes used in electricity generation, upstream.

We will account for emissions from the upstream life cycle of the fuels used to produce electricity (extraction, transport and processing). The factors used will be those of DEFRA in the WTT (Well to Tank) section.

- Emissions from power generation facilities (due to fuel consumption) for third party production, IPP16 plants in Mexico.

These are the emissions produced in combined cycle plants operating under the Independent Power Producer (IPP) modality.

The calculation of emissions is based on activity data on fuel consumption and the emission factors calculated or obtained from official sources.

## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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.

- Transportation and distribution of products purchased in the reporting year, between a company's tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company (including multi-modal shipping where multiple carriers are involved in the delivery of a product, but excluding fuel and energy products)

- Third-party transportation and distribution services purchased by the reporting company in the reporting year (either directly or through an intermediary), including inbound logistics, outbound logistics, and third-party transportation and distribution between a company's own facilities.

## Waste generated in operations

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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.

For example, in commercial buildings occupied by Iberdrola Energía Internacional, managed by third parties.

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

12471

### Emissions calculation methodology

Distance-based method

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

100

### Please explain

EMPLOYEE BUSINESS TRAVEL:

Emissions associated with employee business travel.

These are the emissions derived from employees' work trips by different means of transport (plane, car, train, ...), with emissions calculated according to the kilometres travelled by each means of transport.

## Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

51800

### Emissions calculation methodology

Average data method

Distance-based method

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

100

### Please explain

COMMUTING:

Emissions associated with commuting.

These are emissions from employees' commuting to and from work (commuting in company fleet cars is not included).

The information is obtained through employee surveys.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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).

Including emissions from the operation of assets that are leased by Iberdrola.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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 (electricity) do not need downstream transportation and distribution.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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 (electricity and gas).

## Use of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

13641153

### Emissions calculation methodology

Fuel-based method

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

100

### Please explain

FOR GAS SUPPLIED TO CUSTOMERS:

Emissions associated with gas supplied to customers.

These are the CO2 emissions from the combustion of the gas sold to the end customer.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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 (gas and electricity)

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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.

This category includes emissions from the operation of assets that are owned by Iberdrola (acting as lessor) and leased to other entities that are not already included in scope 1 or scope 2.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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 has not franchises

## Investments

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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.  
Includes investments made by Iberdrola.

## Other (upstream)

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons 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

### Emissions in reporting year (metric tons 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

No assets have been located to include these emissions.

## C6.7

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### (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

0.000244

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

13163755

Metric denominator

unit total revenue

Metric denominator: Unit total

53949000000

Scope 2 figure used

Location-based

% change from previous year

37.75

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities  
Change in revenue

Please explain

Considerable increase in revenues and decrease in energy production with emission sources.

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            | 10940893                                | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4            | 243620                                  | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O            | 39400                                   | IPCC Fifth Assessment Report (AR5 – 100 year) |
| SF6            | 46726                                   | IPCC Fifth Assessment Report (AR5 – 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                          | 5689  | 237645  | 76726   | 320061   | Fugitive Emissions of methane, SF6, and refrigerant gases   |
| Combustion (Electric utilities)    | 10811809                                      | 5975  | 0   | 10817784   | Emissions from Energy Generation (Fuel consumption)   |
| Combustion (Gas utilities)         | 0   | 0   | 0   | 0  | Iberdrola is Electric Utility   |
| Combustion (Other)                 | 102187  | 0   | 0   | 102187   | Emissions in other facilities, buildings, offices, ... (due to fuel consumption). Emissions from mobile combustion. |
| Emissions not elsewhere classified | 30608   | 0   | 0   | 30608  | NO2 emissions, gas storage emissions and emissions from land use.   |

C7.2



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

| Country/area/region                                    | Scope 1 emissions (metric tons CO2e) |
|--|--------------------------------------|
| Spain  | 4250354                              |
| United Kingdom of Great Britain and Northern Ireland   | 38967                                |
| United States of America                               | 1373018                              |
| Mexico   | 5473831                              |
| Brazil   | 84570                                |
| Other, please specify (Iberdrola Energy International) | 49899                                |

**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        | 10723319                            |
| Renewables        | 36854                               |
| Distribution      | 320060                              |
| No Generation     | 37155                               |
| Corporate         | 153251                              |

**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 Combined Cycles                                      | 2954193                              | 43.2675    | -2.93861   |
| Spain Cogeneration   | 1198701                              | 43.2675    | -2.93861   |
| Spain Others (not power generation CO2 emissions)          | 97460                                | 43.2675    | -2.93861   |
| United Kingdom others (not power generation CO2 emissions) | 38967                                | 54.59664   | -5.92081   |
| Avangrid Gas Generation                                    | 1016177                              | 41.258135  | -73.001512 |
| Avangrid Others (not power generation CO2 emissions)       | 356841                               | 41.258135  | -73.001512 |
| Neoenergia Combined Cycles                                 | 19337                                | -22.926952 | -43.173964 |
| Neoenergia Others (not power generation CO2 emissions)     | 65233                                | -22.926952 | -43.173964 |
| Mexico Combined Cycles                                     | 4782545                              | 19.428809  | -99.204357 |
| Mexico Cogeneration  | 662781                               | 19.428809  | -99.204357 |
| IEI Combined Cycles  | 39398                                | 43.2675    | -2.93861   |
| IEI Others (not power generation CO2 emissions)            | 10502                                | 43.2675    | -2.93861   |
| Mexico Others (not power generation CO2 emissions)         | 28504                                | 19.428809  | -99.204357 |

**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               | 7810306                              |
| Cogeneration                        | 2913013                              |
| Gas Distribution: CH4 leakage       | 237645                               |
| Distribution networks: SF6 releases | 76726                                |
| Non-generation facilities           | 42844                                |
| Renewables generation               | 36854                                |
| Corporate                           | 153251                               |

(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                    | 10714798                                  | <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>                                    |

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

Avangrid

Primary activity

Electricity networks

Select the unique identifier(s) you are able to provide for this subsidiary

ISIN code - equity

ISIN code – bond

<Not Applicable>

ISIN code – equity

US05351W1039

CUSIP number

<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

1373018

Scope 2, location-based emissions (metric tons CO2e)

235736

Scope 2, market-based emissions (metric tons CO2e)

234484

Comment

Avangrid is a leading sustainable energy company transitioning America toward a clean and connected future headquartered in Orange, CT, and has a footprint in 24 states with \$41 billion in assets. Our primary businesses are Networks, which serves 3.3 million electric and natural gas customers in the Northeast, and Renewables, the third-largest renewable energy company in the U.S. with a diverse onshore and offshore renewable energy portfolio. With more than 7,600 employees, Avangrid has built a culture that blends diversity, equity and inclusion guided by the company’s ESG+F framework and the UN Sustainable Development Goals. This has led to recognition by JUST Capital for three consecutive years as one of America’s best corporate citizens and second in utilities for our commitment to the environment and the communities we serve. Avangrid has been named one of the World’s Most Ethical Companies for five consecutive years by the Ethisphere Institute.

Subsidiary name

Neoenergia

**Primary activity**

Wind Generation

**Select the unique identifier(s) you are able to provide for this subsidiary**

ISIN code - equity

**ISIN code – bond**

&lt;Not Applicable&gt;

**ISIN code – equity**

BRNEOEACNOR3

**CUSIP number**

&lt;Not Applicable&gt;

**Ticker symbol**

&lt;Not Applicable&gt;

**SEDOL code**

&lt;Not Applicable&gt;

**LEI number**

&lt;Not Applicable&gt;

**Other unique identifier**

&lt;Not Applicable&gt;

**Scope 1 emissions (metric tons CO2e)**

19440

**Scope 2, location-based emissions (metric tons CO2e)**

236924

**Scope 2, market-based emissions (metric tons CO2e)**

236923

**Comment**

Part of the Spanish group Iberdrola, we are in Brazil since 1997, being one of the leaders in the electricity sector.

Present in 18 states and the District Federal, we operate in the areas of generation, transmission, distribution, and commercialization.

**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<br>(metric tons CO2e) | Direction of<br>change in<br>emissions | Emissions<br>value<br>(percentage) | Please explain calculation   |
|---|---|--|------------------------------------|--|
| Change in renewable energy consumption  | 10328                                     | Decreased                              | 0.067                              | Increase in green electricity consumption in buildings and renewable energy self-generated in which means a reduction of emissions (10,328 tCO2 avoided). $10,328 / 15,314,828$ (SC1+SC2 in 2021) = 0,067% (Decrease)  |
| Other emissions reduction activities    | 54589                                     | Decreased                              | 0.356                              | Increase in energy efficiency from distribution network which means a reduction of Scope 2 emissions (lost in networks) 54,589 tCO2 (reduction vs. last year). $54,589 / 15,314,828$ (SC1+SC2 in 2021) = 0,356% (Decrease)   |
| Divestment                              | 0   | No change                              | 0                                  | There have been no divestments   |
| Acquisitions                            | 0   | No change                              | 0                                  | There have been no relevant acquisitions   |
| Mergers                                 | 0   | No change                              | 0                                  | There have been no relevant mergers  |
| Change in output                        | 2046741                                   | Decreased                              | 13.36                              | Decrease of energy production in Combined Cycles and Cogeneration Plants due to the demand needs of different countries 2022 vs. 2021 = -5,318 GWh, corresponding to -2,046,741 tCO2 emissions; $2,046,741 / (SC1+SC2 \text{ in } 2021) = 2,046,741 / 15,314,828 = 13.36\%$ (Decrease) |
| Change in methodology                   | 0   | No change                              | 0                                  | There have been no relevant changes in methodology   |
| Change in boundary                      | 0   | No change                              | 0                                  | There have been no relevant changes in boundary  |
| Change in physical operating conditions | 0   | No change                              | 0                                  | There have been no relevant changes in physical operating conditions   |
| Unidentified                            | 0   | No change                              | 0                                  | There have been no unidentified  |
| Other                                   | 0   | No change                              | 0                                  | There have been no others  |

**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?

Location-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                          | 136047997                      | 136047997                               |
| Consumption of purchased or acquired electricity        | <Not Applicable>          | 19306                      | 4975594                        | 4994900                                 |
| 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>          | 105533                     | <Not Applicable>               | 105533                                  |
| Total energy consumption                                | <Not Applicable>          | 124839                     | 141023591                      | 141148430                               |

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.

**Sustainable biomass**

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**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

**Comment**

N/A

**Other biomass**

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**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

**Comment**

N/A

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**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

**Comment**

N/A

**Coal**

**Heating value**  
LHV

**Total fuel MWh consumed by the organization**  
0

**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

**Comment**  
N/A

**Oil**

**Heating value**  
LHV

**Total fuel MWh consumed by the organization**  
194840

**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

**Comment**  
Fuel-oil

**Gas**

**Heating value**  
LHV

**Total fuel MWh consumed by the organization**  
134344494

**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

**Comment**  
Gas for Combined Cycles and Cogeneration

Other non-renewable fuels (e.g. non-renewable hydrogen)

|  |   |
|--|---|
| Heating value  | LHV   |
| Total fuel MWh consumed by the organization                    | 1508663   |
| 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   |
| Comment  | Gasoil, CDR, offgas, Petrol, Ethanol, Propane, CTV Diesesi, HVO and CNG Gas |

Total fuel

|  |  |
|--|--|
| Heating value  | LHV                                      |
| Total fuel MWh consumed by the organization                    | 136047997                                |
| 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  |
| Comment  | Total Energy consumption by type of fuel |

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)                     | 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  | 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)**

9291

**Gross electricity generation (GWh)**

21731

**Net electricity generation (GWh)**

21305

**Absolute scope 1 emissions (metric tons CO2e)**

7799516

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

366

**Comment**

Combined Cycled

**Sustainable 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

**Other biomass**

|   |     |
|---|-----|
| <b>Nameplate capacity (MW)</b>                                | 0   |
| <b>Gross electricity generation (GWh)</b>                     | 0   |
| <b>Net electricity generation (GWh)</b>                       | 0   |
| <b>Absolute scope 1 emissions (metric tons CO2e)</b>          | 0   |
| <b>Scope 1 emissions intensity (metric tons CO2e per GWh)</b> | 0   |
| <b>Comment</b>  | N/A |

**Waste (non-biomass)**

|   |     |
|---|-----|
| <b>Nameplate capacity (MW)</b>                                | 0   |
| <b>Gross electricity generation (GWh)</b>                     | 0   |
| <b>Net electricity generation (GWh)</b>                       | 0   |
| <b>Absolute scope 1 emissions (metric tons CO2e)</b>          | 0   |
| <b>Scope 1 emissions intensity (metric tons CO2e per GWh)</b> | 0   |
| <b>Comment</b>  | N/A |

**Nuclear**

|   |       |
|---|-------|
| <b>Nameplate capacity (MW)</b>                                | 3177  |
| <b>Gross electricity generation (GWh)</b>                     | 24363 |
| <b>Net electricity generation (GWh)</b>                       | 23886 |
| <b>Absolute scope 1 emissions (metric tons CO2e)</b>          | 0     |
| <b>Scope 1 emissions intensity (metric tons CO2e per GWh)</b> | 0     |
| <b>Comment</b>  | N/A   |

**Fossil-fuel plants fitted with CCS**

|   |     |
|---|-----|
| <b>Nameplate capacity (MW)</b>                                | 0   |
| <b>Gross electricity generation (GWh)</b>                     | 0   |
| <b>Net electricity generation (GWh)</b>                       | 0   |
| <b>Absolute scope 1 emissions (metric tons CO2e)</b>          | 0   |
| <b>Scope 1 emissions intensity (metric tons CO2e per GWh)</b> | 0   |
| <b>Comment</b>  | 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)

14104

##### Gross electricity generation (GWh)

21340

##### Net electricity generation (GWh)

20922

##### 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)

21384

##### Gross electricity generation (GWh)

50685

##### Net electricity generation (GWh)

49692

##### Absolute scope 1 emissions (metric tons CO2e)

36854

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

0.74

##### Comment

Onshore and offshore

#### Solar

##### Nameplate capacity (MW)

4264

##### Gross electricity generation (GWh)

3913

##### Net electricity generation (GWh)

3837

##### 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)                                | 211       |
| Gross electricity generation (GWh)                     | 74.46     |
| Net electricity generation (GWh)                       | 73        |
| Absolute scope 1 emissions (metric tons CO2e)          | 0         |
| Scope 1 emissions intensity (metric tons CO2e per GWh) | 0         |
| Comment  | Batteries |

Other non-renewable

|  |                     |
|--|---------------------|
| Nameplate capacity (MW)                                | 1185                |
| Gross electricity generation (GWh)                     | 5939                |
| Net electricity generation (GWh)                       | 5823                |
| Absolute scope 1 emissions (metric tons CO2e)          | 2873615             |
| Scope 1 emissions intensity (metric tons CO2e per GWh) | 493.5               |
| Comment  | Cogeneration plants |

Total

|  |   |
|--|---|
| Nameplate capacity (MW)                                | 53616   |
| Gross electricity generation (GWh)                     | 128045.46   |
| Net electricity generation (GWh)                       | 125538  |
| Absolute scope 1 emissions (metric tons CO2e)          | 10709985  |
| Scope 1 emissions intensity (metric tons CO2e per GWh) | 85.31   |
| Comment  | Not considered heat in Scope 1 emissions intensity. |

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

|  |         |
|--|---------|
| Country/area                               | Spain   |
| Consumption of purchased electricity (MWh) | 3062549 |

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3062549

---

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)

54231

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

54231

---

Country/area

United States of America

Consumption of purchased electricity (MWh)

112235

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

112235

---

Country/area

Brazil

Consumption of purchased electricity (MWh)

32397

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

32397

---

Country/area

Mexico

Consumption of purchased electricity (MWh)

36894

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)  
0

Consumption of self-generated heat, steam, and cooling (MWh)  
0

Total non-fuel energy consumption (MWh) [Auto-calculated]  
36894

---

Country/area  
Other, please specify (IEI)

Consumption of purchased electricity (MWh)  
19289

Consumption of self-generated electricity (MWh)  
0

Is this electricity consumption excluded from your RE100 commitment?  
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)  
0

Consumption of self-generated heat, steam, and cooling (MWh)  
0

Total non-fuel energy consumption (MWh) [Auto-calculated]  
19289

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## C-EU8.4

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

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## C-EU8.4a

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

Country/area/region  
Spain

Voltage level  
Distribution (low voltage)

Annual load (GWh)  
89622

Annual energy losses (% of annual load)  
6.29

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

Emissions from energy losses (metric tons CO2e)  
296203

Length of network (km)  
270991

Number of connections  
11360000

Area covered (km2)  
190000

Comment  
N/A

---

Country/area/region  
United Kingdom of Great Britain and Northern Ireland

Voltage level  
Distribution (low voltage)

Annual load (GWh)  
31020

Annual energy losses (% of annual load)  
7.32

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

Emissions from energy losses (metric tons CO2e)

424134

Length of network (km)

106498

Number of connections

3550000

Area covered (km2)

80000

Comment

N/A

Country/area/region

United States of America

Voltage level

Distribution (low voltage)

Annual load (GWh)

38757

Annual energy losses (% of annual load)

4.06

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

184720

Length of network (km)

157446

Number of connections

2310000

Area covered (km2)

272000

Comment

N/A

Country/area/region

Brazil

Voltage level

Distribution (low voltage)

Annual load (GWh)

76107

Annual energy losses (% of annual load)

8.51

Scope where emissions from energy losses are accounted for

Scope 2 (market-based)

Emissions from energy losses (metric tons CO2e)

235539

Length of network (km)

708777

Number of connections

16040000

Area covered (km2)

836000

Comment

N/A

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**

540

**Metric numerator**

Water use (cubic meters)

**Metric denominator (intensity metric only)**

Electricity Production (GWh)

**% change from previous year**

1.6

**Direction of change**

Increased

**Please explain**

In 2022 nuclear energy production has increased by 3% compared to last year. Nuclear energy is the technology that is currently consuming the most water in our electricity production plants.

C-EU9.5a

(C-EU9.5a) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

**Coal – hard**

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Most recent year in which a new power plant using this source was approved for development**

<Not Applicable>

**Explain your CAPEX calculations, including any assumptions**

N/A

**Lignite**

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Most recent year in which a new power plant using this source was approved for development**

<Not Applicable>

**Explain your CAPEX calculations, including any assumptions**

N/A

**Oil**

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Most recent year in which a new power plant using this source was approved for development**

<Not Applicable>

**Explain your CAPEX calculations, including any assumptions**

N/A

## Gas

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

340346000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

6.46

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

1

Most recent year in which a new power plant using this source was approved for development

2017

Explain your CAPEX calculations, including any assumptions

Combined Cycles and cogeneration

## Sustainable biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

## Other biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

## Waste (non-biomass)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

## Nuclear

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

127570000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

2.42

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

1

Most recent year in which a new power plant using this source was approved for development

1988

Explain your CAPEX calculations, including any assumptions

Nuclear Power Plants

#### Geothermal

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

#### Hydropower

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

226968000

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

4.31

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

5

Most recent year in which a new power plant using this source was approved for development

2022

Explain your CAPEX calculations, including any assumptions

Hydropower Plants, pumped included

#### Wind

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

2892817

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

54.93

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

70

Most recent year in which a new power plant using this source was approved for development

2022

Explain your CAPEX calculations, including any assumptions

Onshore and offshore technology

#### Solar

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

1678557

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

31.88

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

23

Most recent year in which a new power plant using this source was approved for development

2022

Explain your CAPEX calculations, including any assumptions

Solar PV plants

#### Marine

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

Fossil-fuel plants fitted with CCS

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/(A

Other renewable (e.g. renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

Other non-renewable (e.g. non-renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

N/A

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 |
|--|--|-----------------------------------|---|------------------------|
| Smart grid                             | Networks (efficiency, new lines, smartgrids, smartmeters...)   | 7000000000                        | 4.6   | 2025                   |
| Electric vehicles                      | 100% sustainable light vehicle fleet., % over total light vehicle fleet.   | 1050000000                        | 0.07  | 2030                   |
| 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. | 3000000000                        | 2   | 2030                   |
| Charging networks                      | Installation of 400,000 charging points for electric vehicles until 2030   | 6000000000                        | 4   | 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                          | 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. – smart storage. –smart grids. – smart customer solutions. |

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 (unit currency as selected in C0.4) (optional) | Average % of total R&D investment planned over the next 5 years | Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan  |
|--|--|---|--|---|--|
| Other, please specify (Renewable energy) | Full/commercial-scale demonstration        | 25  |  | 27  | <p>Nearly 20 years ago, we were pioneers in onshore wind power generation and, in the same way, we have decided to lead the development of one of the most promising renewable energy sources: offshore wind on fixed foundations. We will do this through a portfolio of projects distributed around three areas: the North Sea, the Baltic Sea and the United States. We currently have 1.3 GW installed, which we will triple with the construction of 2.6 GW. The notable expansion of the portfolio comprising this technology, based on new growth platforms with great potential, such as Japan, Poland, Sweden and Ireland, will allow us to reach 12 GW in operation by 2030.</p> <p>In addition, at Iberdrola we are committed to the floating offshore wind energy sector, which opens the door to sites further from the coast by allowing the deployment of wind turbines in larger and deeper marine areas with greater wind potential.</p> <p>After 8 years participating in various R&amp;D projects, we have decided to go a step further and launch demonstration projects for this new technology. In particular, we are working on the development of a 10 MW floating offshore wind turbine and a semi-submersible concrete floating structure, at the Met Center in Norway. Both elements will be designed to operate in North Sea conditions and will pave the way for future 500 MW floating wind farms. The project is also an opportunity to test the feasibility of installing them in other locations in the Mediterranean, the Atlantic and the Pacific, and to study the cost and logistical viability of using concrete technology instead of steel.</p> <p>Solar photovoltaic energy is one of the world's leading and most established renewable energy sources and a main pillar of our growth. In 2020, we installed 874 MW of new solar capacity, contributing to reach nearly 35 GW of installed renewable energy capacity worldwide. We also have the largest operational photovoltaic plant in Europe - Núñez de Balboa (Badajoz), with 500 MWp - and we are planning another even larger one Francisco Pizarro, which will be located in the province of Cáceres, which will have a capacity of 590 MWp.</p> <p>Development of R&amp;D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – smart storage. –smart grids. – smart customer solutions.</p> |

| 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 (unit currency as selected in C0.4) (optional) | Average % of total R&D investment planned over the next 5 years | Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan  |
|---|--|---|--|---|--|
| Smart grid integration                                | Full/commercial-scale demonstration        | 25  |  | 25  | <p>In order to support this new decarbonised, efficient and, flexible electricity system, the aforementioned smart grids appear, combining equipment, electronic meters and IT and telecommunications systems. In this sense, new technologies and simulation models are being researched to enable a 100% renewable and decarbonised energy mix, efficiently integrated into the electricity system of the future. To this end, the new functions of Distribution System Operators (DSOs) are being defined, researching the new technological developments needed to increase efficiency by taking advantage of the flexibility provided by both own and third-party resources, while maintaining the overall security and stability of the system. In order to get the most out of distributed generation resources, in recent years we have been developing new control and protection systems to ensure the stable island operation of medium-voltage distribution grid feeders. This will improve the quality and continuity of the electricity service in the event of electrical disturbances, taking advantage of distributed generation sources as an alternative source of supply, creating a system that is sustainable over time. Furthermore, during the transition of the electricity grid from a fully centralised to a highly decentralised system, grid operators have to change their operational activity to adapt to faster reactions and adaptive exploitation of flexibility. For this purpose, at Iberdrola we are involved in creating the necessary conditions for a new generation of grid services to take advantage of demand response, storage and distributed generation, within a framework of fair, transparent and open conditions for the consumer. As a result, while creating a European grid, it aims to build a customer-centric approach to grid operation. This ambitious vision is achieved by proposing new markets, products and services, creating a unique IT architecture. Along these lines, together with various actors in the European electricity value chain, we are participating in a coordination project to adapt, define and promote future standardised grid services and related market platforms to enable a seamless pan-European electricity market with non-discriminatory access for all market participants.</p> |
| Other, please specify (Demand side response programs) | Large scale commercial deployment          | 23  |  | 25  | <p>The transition to a carbon-neutral economy by 2050 will require significant efforts across all sectors, as well as the use of all available technologies that are either emission-free or carbon-neutral. Through the electric vehicle and heat pump, emissions from end-uses such as transport, heating and cooling can be eliminated. In addition, clean hydrogen (green hydrogen or green H2) can be produced from renewable electricity and thus carbon-neutral fuels in the form of gas (clean synthetic methane) or liquid (paraffin, gasoline or synthetic diesel). This changing market also requires energy suppliers to continuously adapt to add new value to customer experiences. New product and service offers for the consumer will need to meet their new role as prosumers through selfconsumption solutions and energy management of household electrical loads, allowing the customer to minimise cost and environmental impact while optimising comfort, increasing awareness and maintaining control over their energy options and choices. Development of R&amp;D Plan 2020-2025. • Iberdrola will invest 34,680 million euros between 2020 and 2025, focusing its innovative activity on: – Cleaner and smarter generation. – smart storage. –smart grids. – smart customer solutions.</p>  |

| 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 (unit currency as selected in C0.4) (optional) | Average % of total R&D investment planned over the next 5 years | Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan   |
|--|--|---|--|---|---|
| Other, please specify (Digital technology) | Full/commercial-scale demonstration        | 10  |  | 10  | <p>At Iberdrola, we are at the forefront in the use of digital technologies and we are preparing to face a new era in which disruptive tools will be key in all areas.</p> <p>Thus, we maximise the use of technology in those business areas that add value, either by improving processes and the productivity of its assets or by achieving greater efficiency in its activities. We already digitally manage our power generation assets and have transformed grids into smart grids with digital tools and Artificial Intelligence.</p> <p>Wind turbine monitoring via IoT: We have developed the low-cost, IoT-based LoRA solution, which provides additional monitoring capabilities on existing wind turbines at our onshore wind farms at ScottishPower. This solution demonstrates that it is possible to add additional sensors to an existing wind turbine without the need for modification by the manufacturer.</p> <p>New EV platform for battery banks: With this initiative, we are committed to a new line of business, battery banks for e-scooters. For this purpose, a new SW mobility platform has been developed in the cloud, through which the live data created by the new type of charging stations is monitored.</p> <p>In addition, we have designed a mobile application to control the new drop&amp;go charging station that will be integrated into the Iberdrola charging point management IT environment.</p> |
| Demand response                            | Basic academic/theoretical research        | 1   |  | 2   | <p>University of Salamanca: The main lines of research of the Chair are climate change and the decarbonisation of homes and cities.</p> <p>Regarding R&amp;D projects, it is worth highlighting the technical study we are carrying out with the USAL on the analysis of the feasibility of the electrification of the urban bus fleet, as well as projects related to the protection of biodiversity, the aim of which is to prevent the loss of birds of prey in wind farms. One of the projects has been carried out in Cadiz with the imperial eagle and the second in Albacete with vultures and other birds of prey.</p> <p>In the area of entrepreneurship, Iberdrola has sponsored the European Contest for Young Scientists, a competition that encourages young Europeans to get involved in science and embark on a career in research, and several editions of Start-up Olé, a large entrepreneurial event that connects start-ups and technological/digital talent with companies, investors, accelerators, universities, public administrations, and the media.</p>   |

## 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

CDP-verification-Iberdrola 2023\_rev01.docx  
Greenhouse Gas Report 2022.pdf

Page/ section reference

CDP Verification Iberdrola 2023:  
GHG Scope Emissions figures: pag 4  
Assurance opinion: pag 5  
Relevant standard used: pag 5  
Type of verification: pag 5

Greenhouse Gas Report 2022:  
GHG Scope Emissions figures: pag 16 in pdf  
Assurance opinion: pag 32-35 in pdf  
Relevant standard used: pag 9 in pdf  
Type of verification: pag 9 in pdf

Relevant standard

ISO14064-1

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 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**

CDP-verification-Iberdrola 2023\_rev01.docx

Greenhouse Gas Report 2022.pdf

**Page/ section reference**

Scope 2: Indirect GHG emissions due to imported energy

CDP Verification Iberdrola 2023:

GHG Scope Emissions figures: pag 4

Assurance opinion: pag 5

Relevant standard used: pag 5

Type of verification: pag 5

Total Location based figure applicable to scope 2 (Indirect GHG emissions)

Greenhouse Gas Report 2022:

GHG Scope Emissions figures: pag 16 in pdf

Assurance opinion: pag 32-35 in pdf

Relevant standard used: pag 9 in pdf

Type of verification: pag 9 in pdf

**Relevant standard**

ISO14064-1

**Proportion of reported emissions verified (%)**

100

---

**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**

CDP-verification-Iberdrola 2023\_rev01.docx

Greenhouse Gas Report 2022.pdf

**Page/ section reference**

Scope 2: Indirect GHG emissions due to imported energy

CDP Verification Iberdrola 2023:

GHG Scope Emissions figures: pag 4

Assurance opinion: pag 5

Relevant standard used: pag 5

Type of verification: pag 5

Total Market based figure applicable to scope 2 (Indirect GHG emissions)

Greenhouse Gas Report 2022:

GHG Scope Emissions figures: pag 16 in pdf

Assurance opinion: pag 32-35 in pdf

Relevant standard used: pag 9 in pdf

Type of verification: pag 9 in pdf

**Relevant standard**

ISO14064-1

**Proportion of reported emissions verified (%)**

100

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**C10.1c**

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(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: Purchased goods and services
- Scope 3: Capital goods
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Use of sold products

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

- CDP-verification-Iberdrola 2023\_rev01.docx
- Greenhouse Gas Report 2022.pdf

Page/section reference

- CDP Verification Iberdrola 2023:
  - GHG Scope Emissions figures: pag 4
  - Assurance opinion: pag 5
  - Relevant standard used: pag 5
  - Type of verification: pag 5
- Greenhouse Gas Report 2022:
- GHG Scope Emissions figures: pag 16 in pdf
  - Explanation in Operating limits, pag 11-12:
  - Supply Chain (Category 1 & 2)
  - Upstream life cycle of fuels+For energy purchased from third parties+PIE production (Category 3)
  - Employee business travel (Category 6)
  - Commuting (Category 7)
  - For gas supplied to customers (Category 11)

Relevant standard

IS)14064-1

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 KPMG. 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:<br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a>  |
| C3. Business strategy                     | Emissions reduction activities            | This data was published in the Sustainability Report, verified by KPMG, and Financial Report, audited by KPMG. Also published in our Integrated Report and General Shareholders's Meeting'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.<br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a><br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_FinancialStatements_AuditorsReport_Consolidated2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_FinancialStatements_AuditorsReport_Consolidated2022.pdf</a>                      |
| 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:<br>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.<br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a>  |
| C2. Risks and opportunities               | Other, please specify (TCFD)              | Task Force on Climate-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.<br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a>   |
| C4. Targets and performance               | Emissions reduction activities            | This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.  | This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's Sustainability Scorecard:<br><a href="https://www.iberdrola.com/sustainability/sustainablemanagement/sustainability-scorecard">https://www.iberdrola.com/sustainability/sustainablemanagement/sustainability-scorecard</a> ;<br><a href="https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard">https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard</a><br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a> |
| C8. Energy                                | Renewable energy products                 | This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.  | This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.<br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a>   |
| C9. Additional metrics                    | Other, please specify (Water consumption) | This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.  | This data was published in the Sustainability Report, verified by KPMG. Also published in Iberdrola's web page.<br><a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a>   |

## 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  
Oregon ETS

### C11.1b

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

#### California CaT - ETS

**% of Scope 1 emissions covered by the ETS**

9

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2022

**Period end date**

December 31 2022

**Allowances allocated**

38495

**Allowances purchased**

100000

**Verified Scope 1 emissions in metric tons CO2e**

126455

**Verified Scope 2 emissions in metric tons CO2e**

0

**Details of ownership**

Facilities we own and operate

**Comment**

As part of the Renewables portfolio, Avangrid operates two thermal generation facilities, with 636 MW of combined capacity as of December 31, 2022. Renewables worked closely with the City of Klamath Falls, Oregon to develop the Klamath Plant, which has a current capacity of 536 MW. The Klamath Plant operates by creating two useful forms of energy, electricity and process steam, from a single fuel source of natural gas. In addition, Renewables operates a highly flexible 100 MW Klamath Peaking Plant adjacent to the Klamath Plant, providing customers of Renewables additional capability to meet their peak summer and winter power needs.

Klamath supports the balancing of renewable assets in the Northwest area of the United States including California, Oregon and Washington. The California CaT - ETS reflect the procurement of balancing production/capacity to meet California's energy requirements.

In 2023, Klamath will become part of the ISO's Western Energy Imbalance Market (WEIM) is a real-time energy market, the first of its kind in the western United States.

Besides its economic advantages, the WEIM improves the integration of renewable energy, which leads to a cleaner, greener grid

#### 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 2022

**Period end date**

December 31 2022

**Allowances allocated**

13496

**Allowances purchased**

3002000

**Verified Scope 1 emissions in metric tons CO2e**

3594802

**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**

The level of allowances purchased is lower than the verified emissions due to there were stocks of allowances from previous years.

EU ETS in Spain

## Oregon ETS

### % of Scope 1 emissions covered by the ETS

10

### % of Scope 2 emissions covered by the ETS

10

### Period start date

January 1 2022

### Period end date

December 31 2022

### Allowances allocated

10

### Allowances purchased

10

### Verified Scope 1 emissions in metric tons CO2e

10

### Verified Scope 2 emissions in metric tons CO2e

10

### Details of ownership

Facilities we own and operate

### Comment

klamath

## 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 2021, only the Tarragona Power facility in Spain has been assigned 13,496 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 submit 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.

Besides that, Iberdrola's 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. Further regulations on emission trading evolution are also monitored.

## C11.2

### (C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

## C11.2a

### (C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

#### Project type

Wind

**Type of mitigation activity**

Emissions reduction

**Project description**

The project's purpose is renewable electricity generation to be supplied to the Interconnected Mexican National Grid ("IMNG")

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**

5026

**Purpose of cancellation**

Voluntary offsetting

**Are you able to report the vintage of the credits at cancellation?**

No

**Vintage of credits at cancellation**

<Not Applicable>

**Were these credits issued to or purchased by your organization?**

Purchased

**Credits issued by which carbon-crediting program**

CDM (Clean Development Mechanism)

**Method(s) the program uses to assess additionality for this project**

Consideration of legal requirements

Investment analysis

Barrier analysis

Other, please specify (Identification of alternatives)

**Approach(es) by which the selected program requires this project to address reversal risk**

Monitoring and compensation

**Potential sources of leakage the selected program requires this project to have assessed**

Other, please specify (Leakage from fossil fuel combustion)

**Provide details of other issues the selected program requires projects to address**

Additionality

Project boundary

Stakeholder consultation

**Comment**

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**Project type**

Transport

**Type of mitigation activity**

Emissions reduction

**Project description**

The objective of the BRT (Bus Rapid Transit) Metrobus Insurgentes in the Zona Metropolitana del Valle de México (ZMVM) 1 is to establish an efficient, safe, rapid, convenient, comfortable and effective modern mass transit system based on a BRT system

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**

515

**Purpose of cancellation**

Voluntary offsetting

**Are you able to report the vintage of the credits at cancellation?**

No

**Vintage of credits at cancellation**

<Not Applicable>

**Were these credits issued to or purchased by your organization?**

Purchased

**Credits issued by which carbon-crediting program**

CDM (Clean Development Mechanism)

**Method(s) the program uses to assess additionality for this project**

Investment analysis

Other, please specify (● Identifications of alternatives ● Common practice analysis)

**Approach(es) by which the selected program requires this project to address reversal risk**

Monitoring and compensation

**Potential sources of leakage the selected program requires this project to have assessed**

Not assessed

**Provide details of other issues the selected program requires projects to address**

Additionality

Project boundary

Stakeholder consultation

**Comment**

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**Project type**

Biomass energy

**Type of mitigation activity**

Emissions reduction

**Project description**

The project activity consists in a new 41.7 MW grid-connected biomass cogeneration power plant located inside a forestry complex by Arauco: the Nueva Aldea Complex or the Nueva Aldea Project

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**

50000

**Purpose of cancellation**

Voluntary offsetting

**Are you able to report the vintage of the credits at cancellation?**

No

**Vintage of credits at cancellation**

&lt;Not Applicable&gt;

**Were these credits issued to or purchased by your organization?**

Purchased

**Credits issued by which carbon-crediting program**

CDM (Clean Development Mechanism)

**Method(s) the program uses to assess additionality for this project**

Consideration of legal requirements

Investment analysis

Barrier analysis

Other, please specify (Identification of alternatives)

**Approach(es) by which the selected program requires this project to address reversal risk**

Monitoring and compensation

**Potential sources of leakage the selected program requires this project to have assessed**

Activity-shifting

Other, please specify (Diversion of biomass residues from other application Leakage due to the transportation of biomass residues outside the project boundary Leakage due to processing of biomass residues outside the project boundary)

**Provide details of other issues the selected program requires projects to address**

Additionality

Project boundary

Stakeholder consultation

**Comment****Project type**

Hydro

**Type of mitigation activity**

Emissions reduction

**Project description**

The primary objective of the Teles Pires Hydropower Plant Project Activity (hereafter referred to as the "Project" or UHE18 Teles Pires) is to help meet Brazil's rising demand for energy due to economic growth and to improve the supply of electricity, while contributing to the environmental, social and economic sustainability by increasing renewable energy's share of the total Brazilian (and the Latin America and the Caribbean region's) electricity consumption

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**

11459

**Purpose of cancellation**

Voluntary offsetting

**Are you able to report the vintage of the credits at cancellation?**

No

**Vintage of credits at cancellation**

&lt;Not Applicable&gt;

**Were these credits issued to or purchased by your organization?**

Purchased

**Credits issued by which carbon-crediting program**

CDM (Clean Development Mechanism)

**Method(s) the program uses to assess additionality for this project**

Investment analysis

Barrier analysis

**Approach(es) by which the selected program requires this project to address reversal risk**

Monitoring and compensation

**Potential sources of leakage the selected program requires this project to have assessed**

Other, please specify (● Leakage from electricity consumption Leakage from fossil fuel combustion)

**Provide details of other issues the selected program requires projects to address**

Additionality

Comment

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C11.3

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

C11.3a

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

**Type of internal carbon price**

Shadow price

**How the price is determined**

Alignment with the price of allowances under an Emissions Trading Scheme

Cost of required measures to achieve emissions reduction targets

Benchmarking against peers

**Objective(s) for implementing this internal carbon price**

Change internal behavior

Drive energy efficiency

Drive low-carbon investment

Identify and seize low-carbon opportunities

Navigate GHG regulations

Stakeholder expectations

Stress test investments

**Scope(s) covered**

Scope 1

Scope 2

Scope 3 (upstream)

Scope 3 (downstream)

**Pricing approach used – spatial variance**

Differentiated

**Pricing approach used – temporal variance**

Evolutionary

**Indicate how you expect the price to change over time**

Carbon markets are highly regulated. So, Iberdrola expects carbon price to keep rising supported by regulation, but considers unlikely that prices reach the level required to drive a deep decarbonization

**Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)**

0

**Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)**

113

**Business decision-making processes this internal carbon price is applied to**

Capital expenditure

Operations

Product and R&D

**Mandatory enforcement of this internal carbon price within these business decision-making processes**

Yes, for some decision-making processes, please specify (Investment decisions (CAPEX) are taken based on incomes (typically power market prices)& costs that internalize the carbon price assumption. Dispatch (operations) of the emitting assets (i.e. gas power plants) include carbon price. e)

**Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan**

In the past, internal carbon price has been a key driver of coal closure decisions in Spain and UK. Today, carbon price is a key driver of power price and, consequently, increases renewable incomes and enables higher renewable penetration, which is key to set Iberdrola's growth plans in terms of new renewables. Iberdrola is very active in providing decarbonization beyond the power sector: the carbon price is key to assess the competitiveness of clean technologies to replace fossil fuels that bear a carbon cost.

Innovative products, such as electrolyzers or electrification of heat, focused on solutions to decarbonize the industry assume carbon price as a major driver of the business case.

This clean energy investment strategy and commitment have led the Group to continue reducing its own emissions to 83 grams per kWh in 2022.

The last key example of how have impacted in the Group's strategy: Iberdrola's Climate Action Plan has been updated during 2022 and establishes a more ambitious roadmap with the goal of achieving carbon neutrality for scopes 1 and 2 by 2030 and net-zero emissions before 2040 for all scopes, including scope 3. Thus, by 2039, the group's absolute emissions will have been reduced by 90%, and residual emissions will be neutralised.

It should be noted that Iberdrola already generates 100% of its energy with zero emissions in countries like the UK, Germany and Portugal.

Iberdrola continues to reduce its indirect emissions, in particular energy emissions in buildings, due to its increased use of green energy. 100% of the electrical power consumed by offices in the United Kingdom and Spain was renewable in 2022.

Products and services promoting energy efficiency and savings for clients, key examples in 2022:

- The first installations of Solar Communities stand out, where neighbours within 500m of a Solar Community can self-consume energy as a service without the need for installation or investment. They will be able to monitor savings through their App.
- IBERDROLA has launched the Smart Business Assistant, which allows customers to optimise their consumption, such as hot and cold air conditioning systems, the consumption monitor, and the smart thermostat and LED lighting

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## C12. Engagement

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### C12.1

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers  
Yes, our customers/clients  
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

**% 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**

Emissions associated with the supply chain.

Iberdrola has an emissions reduction objective that includes Scope 3. It must involve 100% of its suppliers to achieve said objective.

In the firm commitment to the fight against climate change, Iberdrola tries to extend its effort with the fulfillment of the emission reduction objectives among its suppliers. The emissions of suppliers are obtained through an environmental awareness campaign carried out

periodically with the aim of promoting the reduction of CO<sub>2</sub>eq emissions in the supply chain.

With this initiative, it is intended that suppliers also demonstrate efficiency in the management, control and reduction of greenhouse gas (GHG) emissions and understand the impact of change climate change in their businesses, managing the associated risks appropriately.

In addition, taking advantage of the campaign, suppliers are offered the opportunity to contact us publicize the environmental projects that they are developing or if they have any environmental projects that would like to carry out in collaboration with Iberdrola.

More information on scope 1, 2 and 3 emissions in the Greenhouse Gas Report

(GHG) audited annually under the ISO 14064-2018 standard.

**Impact of engagement, including measures of success**

In 2021, a protocol for carrying out social and sustainability audits was developed and in 2022 it was launched, specifically, an ESG audit plan for main suppliers.

These ESG audits are intended to verify compliance with the Group's ESG criteria and verify, at the supplier's facilities, the validity of the answers previously registered in the system of supplier classification.

Suppliers from all Iberdrola's main geographical areas were audited. The selection of the suppliers to be audited were carried out jointly with the internal audit area to guarantee a total impartiality and a more efficient selection.

The result of the 2022 ESG audit campaign

it has been very satisfying. The audits have

manifest that the audited suppliers have a

very high degree of implementation of the policies

and good ESG practices. It has been possible to confirm

the evaluation carried out through the platform

supplier classification with evaluation

carried out on site to these same suppliers by the

auditors, obtaining very high overall scores

Similar.

IMPORTANT: all main suppliers, before being awarded, must comply with

with the minimum requirements required to be qualified as a Sustainable supplier. In case of

not reaching this level will have four months after the award: to reach at least 51

global points, as well as 30 partial points in each of the three fundamental axes of the sustainability.

Therefore, not only is the supplier motivated to improve its profile through actions that promote excellence in business management, but rather, through quantifiable objectives, the Purchasing Department is encouraged to choose those companies that throughout the process demonstrate a good performance in responsibility social or acquire a commitment to improvement.

It should be noted that in 2022 the objectives related to the establishment and monitoring of improvement plans for those suppliers that did not meet the minimums established by Iberdrola in the moment that they were awarded between the beginning of 2020 and the end of 2022. That is why during this improvement plans have been sent to 912 group suppliers and the result of this initiative has been that 57% of them have managed to improve their level of sustainability to reach the level of "adequate".

**Comment**

Sustainability in purchasing management and in the relationship with suppliers.

Iberdrola has the responsibility and the ability to motivate its suppliers to improve their performance environmental, ethical and social through actions that promote excellence in its management of the sustainability.

The Purchasing Department actively participates in the Sustainable Development Committee, being a recipient

especially sensitive to the demands and interests of suppliers as an interest group strategic.

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#### Type of engagement

Innovation & collaboration (changing markets)

#### Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

#### % of suppliers by number

10

#### % total procurement spend (direct and indirect)

10

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

10

#### Rationale for the coverage of your engagement

Adhesion to SteelZero.

In April 2022, Iberdrola formalized its adhesion to the SteelZero international initiative, led by Climate Group in collaboration with Responsible Steel.

With the adhesion of the Iberdrola group to this alliance, it maintains its commitment to incorporate sustainable steel in your future projects. The group has set the ambitious goal of using 50% low-grade steel emissions by 2030, with the goal of reaching zero emissions by 2050.

With this project, Iberdrola and SteelZero contribute to sending a strong demand signal to change the global markets and policies towards responsible steel production and sourcing. The companies that have adhered to this alliance we will ensure that the materials used in the production of renewable energy infrastructures are in line with a zero carbon world.

It is possible to decarbonize steel manufacturing and there are already several alternatives very promising through direct electrification or green hydrogen.

In the future, thanks to the expected reduction in costs of renewable energies and green hydrogen promoted by Iberdrola, green steel could be more competitive, redounding to the benefit of all consumers.

That is why, progressively, the Iberdrola group will value very positively that its suppliers principals also acquire commitments in this sense and adhere to alliances of this type.

#### Impact of engagement, including measures of success

The reduction in emissions from the supply chain is expected in order to meet the objective of reducing emissions in all Scopes.

The group has set the ambitious goal of using 50% low-grade steel emissions by 2030, with the goal of reaching zero emissions by 2050.

With this project, Iberdrola and SteelZero contribute to sending a strong demand signal to change the global markets and policies towards responsible steel production and sourcing. The companies that have adhered to this alliance we will ensure that the materials used in the production of renewable energy infrastructures are in line with a zero carbon world.

That is why, progressively, the Iberdrola group will value very positively that its suppliers principals also acquire commitments in this sense and adhere to alliances of this type.

#### Comment

That is why, progressively, the Iberdrola group will value very positively that its suppliers principals also acquire commitments in this sense and adhere to alliances of this type.

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#### Type of engagement

Information collection (understanding supplier behavior)

#### Details of engagement

Collect GHG emissions data at least annually from suppliers

Collect targets information at least annually from suppliers

Collect climate-related risk and opportunity information at least annually from suppliers

Collect climate transition plan information at least annually from suppliers

Collect other climate related 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

ESG audits to suppliers 2022 audit plan.

In 2021, a protocol was designed for carrying out social and sustainability audits and in 2022 it was launched, specifically, an ESG audit plan for main suppliers.

These ESG audits are intended to verify compliance with the Group's ESG criteria and verify, at the supplier's facilities, the validity of the answers previously registered in the system of supplier classification.

Suppliers from all Iberdrola's main geographical areas were audited. The selection of the suppliers to be audited was carried out jointly with the internal audit area to guarantee a total impartiality and a more efficient selection.

The 2022 plan involved carrying out ESG audits

to 42 providers in the top 5 geographies

of the group (Spain, United Kingdom, United States of

America, Mexico and Brazil), as well as in other countries in those that are main suppliers.

**Impact of engagement, including measures of success**

The result of the 2022 ESG audit campaign it has been very satisfying. The audits have manifest that the audited suppliers have a very high degree of implementation of the policies and good ESG practices. It has been possible to confirm the evaluation carried out through the platform supplier classification with evaluation carried out on site to these same suppliers by the auditors, obtaining very high overall score.

To carry out this ESG audit campaign, we have had the excellent collaboration of firms of recognized prestige in the sector such as Applus (Spain), Oca Global (Spain and USA) and Buerau Veritas (UK, Brazil, Mexico, Germany and USA). The close collaboration with each of them has made it possible improve the audit protocol that will be used in 2023.

On the other hand, it is important to highlight the effort made by the different business units of the Group in audits and inspections of suppliers. These constitute a monitoring tool and essential control to ensure that all contractual and legal requirements have been met in order to minimize the risk, as the case may be, in the areas of quality, occupational hazards, human resources, environment, and corporate social responsibility.

In 2022, in addition to ESG audits, at least 384 supplier audits have been carried out, and those that have incurred in non-conformities in the process have had a specific period to correct the deficiencies found. Additionally, more than 46,500 periodic inspections have been carried out in the field where suppliers are evaluated, depending on the case, on environmental, quality and risk prevention aspects occupational hazards.

**Comment**

ESG audit plan 2023

In 2023, ESG audits are planned to more than 50 providers in the main geographies of the group (Spain, United Kingdom, United States of America, Mexico and Brazil), as well as in other countries in those where main suppliers are located:

This new campaign will have an improvement of the process of execution of the same, since it has been implemented a new module in the tool classification of suppliers to digitize the process from start to finish. This tool will allow the assigned auditor plan completion dates of the audit, receive the evidence requested with previous character, and in the own "in situ" audit, it will be able to manage the collection and validation of evidence directly on the platform and in real time.

This digitization of the process makes it more efficient and improves the traceability of the process and the result of the evaluation. The audit module allows you to request and follow improvement or remediation plans for certain aspects evaluated and all in the same environment, which facilitates the monitoring of corrective actions.

C12.1b

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

**Type of engagement & Details of engagement**

|                               |   |
|-------------------------------|---|
| Education/information sharing | 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

**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. Additionally, Iberdrola develops interesting conversations with key industrial customers on enabling conditions and potential collaborations to move forward in the decarbonization process in the context of global business alliances (World Business Council for Sustainable Development, European Roundtable of Industry, World Economic Forum...) and multilateral milestones (COPs...). 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, products 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. The number of electricity supply points has increased by 400,000 units from 2021 to 2022.

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. 265,931,274 GJ have been saved for green products and services in 2022(GRI 302-4). 13,453,164 tCO2 were avoided from commercial initiatives for reducing emissions in 2022 (GRI 305-5): Energy savings and efficiency through green products and services (Spain, United Kingdom, United States and Brazil).

Type of engagement & Details of engagement

|                            |   |
|----------------------------|---|
| Collaboration & innovation | 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

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 customers sustainable mobility solutions and smart charging solutions at a 10th of the cost of traditional combustion engines.

Impact of engagement, including measures of success

We have a sustainable mobility plan, which will intensify the deployment of charging points for electric vehicles in the coming years. The initiative envisages the installation of around 150,000 high-efficiency charging points by 2025, both on urban roads, in cities and on the first motorways, and in homes and businesses. With a global investment of €150 million, Iberdrola's comprehensive sustainable mobility plan has already enabled the installation of 20,000 charging points in Spain.

The commitment to deploying high-efficiency charging points will include the company installing ultra-fast (350 kW) charging points every 200 kilometres, super-fast points (150 kW) every 100 kilometres, and fast (50 kW) points every 50 kilometres.

We already have more than 2,500 public recharging points, of which around 40% are fast or ultra-fast recharging points, and we maintain an expansion rate of more than a hundred new chargers of this type per month. We also have a unique public charging App that allows you to check the public charging infrastructure available in Spain, with more than 5,000 chargers for electric vehicles, both our own and those of third parties.

In addition, our mobility electrification plan has the backing of the European Commission, through a €13 million grant awarded by the Innovation and Networks Executive Agency (INEA) under the CEF Transport Blending Facilities call. This grant will help finance the installation of 2,339 fast, super-fast and ultra-fast recharging points in Spain and Portugal, at points close to the trans-European transport networks (TEN-T), until 2023.

We have also entered into partnerships with various manufacturers. In this regard, in 2022 we inaugurated in the Valencian Community the largest ultrafast charging hub for electric vehicles that currently exists in southern Europe. The infrastructure, carried out in collaboration with Porsche, has a total of four 400 kW chargers and another 12 200 kW chargers, with the possibility of charging up to 16 vehicles simultaneously and with the capacity to recharge the battery of an electric car in less than five minutes.

C12.1d

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

Iberdrola is member of the United Nations Global Compact since 2002 and a founding member of the [Spanish Global Compact](#) since 2004. By joining, the company acquired, among others, the commitment to implement its Ten Principles, and to promote the 2030 Agenda by contributing to the achievement of the [SDGs](#) and their dissemination. Iberdrola has been [identified as a LEAD company](#), due to its high levels of commitment to the principles of the Global Compact, and has led the climate action platform of this organisation since its creation in 2016. Since 2022, Iberdrola is patron of the UN Global Compact Think Lab on Just Transition. The company is recognized with the Global Compact Advanced level in the annual UN Global Compact Communication on Progress report that communicates progress on the Ten Principles.

Iberdrola is a permanent participant in the Marrakesh Partnership for the Global Climate Action, which was created following COP22 in 2016, this global alliance driven by the Climate Champions and the United Nations, supports the implementation of the Paris Agreement by ensuring a reinforced collaboration between governments and key stakeholders (businesses, civil society, investors, cities, regions).

Among the international initiatives in which Iberdrola participates, the [Alliance of CEO Climate Leaders](#) which is part of the World Economic Forum Platform, is a global community of CEOs who support and drive action to achieve the transition to a net-zero emissions economy. The Chairman of Iberdrola, Ignacio Galán, is member of this alliance along with 70 other business leaders from various industrial sectors and regions.

Iberdrola is an extremely active member of the We Mean Business Coalition, a very ambitious global business coalition advocating for halving emissions by 2030, achieving a net zero economy and limiting global heating to 1.5°C.

Iberdrola is part of a large number of other international alliances and initiatives supporting an ambitious climate agenda and works very closely as well with the United Nations ecosystem (UNFCCC, ILO, UNICEF...) on key topics such as green job creation, capacity-building and skills' promotion, creating opportunities for vulnerable youth. UNICEF and Iberdrola have signed a three-year alliance to promote education and green employment for vulnerable young people in different countries (Spain, Brazil and Somalia), as part of the opportunities offered by the energy transition and the fight against climate change... In Spain, Iberdrola supports the implementation of "Generation Unlimited Spain" (Generation Unlimited Global in Spain) by designing training itineraries of a high technical quality adapted to the various areas of the green economy (solar PV panels installation...) and, together with social entities supporting highly vulnerable youth, by developing their abilities to obtain internships and/or employment within the value chain. In Brazil, the alliance is giving resources to the 1 Million Opportunities (1MiO) programme for the inclusion of vulnerable adolescents and young people in the job market and in Somalia, to the UPSHIFT Social Innovation programme that seeks to train children in innovation and entrepreneurship so that they can develop social-impact projects to help their communities.

In addition, as part of Iberdrola's commitment with the deployment of renewable energies better aligned with biodiversity and local communities, we have launched the CONVIVE Program. This program is set up to ensure that renewable energies generate benefits for all. At a global level, contributing to climate action, and locally generating economic activity and

improving biodiversity.

Among the sectoral campaigns, The Climate Group's EV100 plays a very important role, and we were the [first Spanish company to join it](#). This initiative aims to accelerate the transition to electric vehicles, so we committed to electrify our entire fleet of vehicles and to facilitate charging for staff in Spain and the UK by 2030.

We have also established strategic partnerships to accelerate the electrification of energy with companies in different fields and with the public sector. These partnerships enhance climate action efforts by integrating resources, technology, skills, knowledge and determination to create a more sustainable economic model. In this regard, we have submitted more than 170 projects to the [European Union's Next Generation](#) programme, which could mobilise investments of 30 billion euros and involve small and medium-sized enterprises, institutions, technology partners, start-ups and the entire value chain. These actions —related to [green hydrogen](#), innovative renewables, [sustainable mobility](#), [energy storage](#), smart grids, electrification of heat and [recycling of clean technology components](#)— will contribute to economic recovery, with a focus on sustainability, green and affordable energy and jobs.

## C12.2

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**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, climate-related requirements are included in our supplier contracts

## C12.2a

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(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

**Climate-related requirement**

Implementation of emissions reduction initiatives

**Description of this climate related requirement**

Emissions associated with the supply chain.  
In its firm commitment to fight climate change, Iberdrola attempts to extend the effort to comply with emission-reduction objectives to its suppliers. Emissions data from suppliers is obtained via a yearly environmental awareness campaign to encourage the reduction of CO2eq emissions in the supply chain.  
Through this initiative, we want suppliers to demonstrate their effectiveness in managing, controlling and reducing greenhouse gas (GHG) emissions, while understanding the impact of climate change on their businesses and managing the associated risks appropriately.  
Example Improvement plan request:  
The Iberdrola group is firmly committed to ensuring that all of its activities corporate and business, which contribute to the success of your business project, are developed promoting the creation of value in a sustainable way.  
One of the keys to achieve a successful implementation in this task is the close collaboration with the Supply Chain, and in particular with our main suppliers already that, as strategic partners, make the development of the Group's activity possible.  
That is why we request the collaboration of  
to improve its sustainability profile through the definition and implementation of a plan of own improvement, including commitments to measure its carbon footprint and reduce emissions in the short and medium term.

**% suppliers by procurement spend that have to comply with this climate-related requirement**

100

**% suppliers by procurement spend in compliance with this climate-related requirement**

77.6

**Mechanisms for monitoring compliance with this climate-related requirement**

Certification  
Supplier scorecard or rating

**Response to supplier non-compliance with this climate-related requirement**

Other, please specify (Suppliers that don't reach the required levels are sent a personalized improvement plan (attached example) indicating the areas in which they can improve and a deadline is agreed with them to attain results. )

C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

More information in: <https://www.iberdrola.com/about-us/stakeholders/public-affairs>

PUBLIC AFFAIRS.pdf

**Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan**

Participation in the public life of the communities in which Iberdrola has a presence is an essential facet of its activities. Company engagement with the communities and, at the same time, conveying its positions to the various Stakeholders are two of the objectives of Iberdrola's public activities.

Iberdrola is regularly present in public and private associations, participates in public consultation processes, and maintains contacts with public administrations, among other activities. This participation is governed by compliance with the laws of each country, as well as with Iberdrola's internal policies and regulations.

The Iberdrola group participated in 532 organisations in 2022, contributing to their support through the payment of membership fees and other items.

Iberdrola participates, both at the global level and in the countries in which it has a presence, in various entities and associations defending its business interests and those of its main Stakeholders.

As indicated above, the company decides on its participation in these organisations taking into account the consistency with the Corporate Purpose and Values, among which the energy transition and the fight against climate change are of paramount importance.

In this area, the group carries out an annual analysis of the degree of alignment of these organisations with the Paris Agreement and the promotion of the energy transition, as well as with the company's Statements in these areas.

As a result of this assessment, the positioning of the organisations is classified as aligned with, neutral or opposed to the one maintained by the company in the related area, and serves as basis for decision-making regarding Iberdrola's future participation therein.

The result of the analysis conducted in 2022 shows that 67% of the organisations in which Iberdrola participates are aligned with the company's statement regarding the Paris Agreement and the energy transition. The remaining cases (33%) correspond to organisations whose alignment has been classified as neutral.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**C12.3a**

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Carbon reporting should be compulsory for big companies..

**Category of policy, law, or regulation that may impact the climate**

Climate change mitigation

**Focus area of policy, law, or regulation that may impact the climate**

Climate-related reporting

Emissions – CO2

Emissions – methane

Emissions – other GHGs

**Policy, law, or regulation geographic coverage**

Global

**Country/area/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

ISO 14064 external verification since 2010. Participation in European Commission pilot project.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

Mandatory climate-related reporting.

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

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.

**Category of policy, law, or regulation that may impact the climate**

Carbon pricing, taxes, and subsidies

**Focus area of policy, law, or regulation that may impact the climate**

Other, please specify (Regulatory Review)

**Policy, law, or regulation geographic coverage**

Regional

**Country/area/region the policy, law, or regulation applies to**

Europe

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

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.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

Cap and trade.

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**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

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.

**Category of policy, law, or regulation that may impact the climate**

Low-carbon products and services

**Focus area of policy, law, or regulation that may impact the climate**

Energy efficiency requirements

**Policy, law, or regulation geographic coverage**

Global

**Country/area/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

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.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

Energy Efficiency

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**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

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.

**Category of policy, law, or regulation that may impact the climate**

Climate change mitigation

**Focus area of policy, law, or regulation that may impact the climate**

Renewable energy generation

**Policy, law, or regulation geographic coverage**

Global

**Country/area/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Iberdrola was founded at the beginning of the past century based on hydroelectric power and 20 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.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

Clean Energy generation

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Governments should set global strategies to promote adaptation resilience across all economy sectors. Iberdrola is engaging in different policy processes (Spanish National Adaptation Plan, EU adaptation strategy, etc), highlighting the need to address resilience in key infrastructures. As such, Iberdrola 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 prioritization. Additionally, it is necessary to define the enabling frameworks to incentivise resilience investment that recognise their value. 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.

**Category of policy, law, or regulation that may impact the climate**

Climate change adaptation

**Focus area of policy, law, or regulation that may impact the climate**

International agreement related to climate change adaptation

**Policy, law, or regulation geographic coverage**

Global

**Country/area/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Iberdrola plays an 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.

- Iberdrola is member of the private-led Coalition for Climate Resilient Investment (CCRI) since 2021, a coalition launched in 2019 at the UN Climate Action Summit with Convening Partners, the Global Commission on Adaptation, the UK Government, the World Economic Forum and the World Resources Institute that is developing better understanding and management capacities of physical risks. CCRI is member of Race to Resilience campaign.

- Iberdrola is also collaborating since 2021 with the Global Center on Adaptation (GCA), specifically in its Youth Leadership Program to make young people central to driving adaptation agenda and implementation worldwide.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

Adaptation and/or resilience to climate change

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

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 1.5°C 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.

**Category of policy, law, or regulation that may impact the climate**

Low-carbon products and services

**Focus area of policy, law, or regulation that may impact the climate**

Other, please specify (Sustainable finance)

**Policy, law, or regulation geographic coverage**

Global

**Country/area/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Iberdrola plays an active role in the regulatory dialogue at international and national level.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

Climate finance

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## C12.3b

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**(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Eurelectric

**Is your organization's position on climate change policy consistent with theirs?**

Mixed

**Has your organization attempted to influence their position in the reporting year?**

Yes, and they have changed their position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

Eurelectric in Europe, decarbonisation in 2050.

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.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Transparency Register)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

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

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.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (UN Global Compact )

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

The UN Global Compact is one of the largest corporate initiatives aimed at aligning businesses strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; also promoting strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

Within the climate and environment action workstream, The UN Global Compact has convened leaders to move forward in the global climate agenda in the context of several events organized in the margins of the UNGA week or the COP27 (e.g., UN GC leaders' Summit). The organization has developed several publications on just transition and sustainability.

Iberdrola has had an active role through the different thematic areas of the organization, being especially relevant its role as Patron of the Think lab on Just Transition. Iberdrola has joined with experts and speakers both at technical and high-level events.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Race to Zero)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

Iberdrola was one of the first companies to join this international alliance, launched by UN Climate Champions in 2020. One of the key action streams consisted in supporting the spread of robust and science-based net zero commitments across civil society. Iberdrola has been engaged with the organization, supporting key agenda milestones (COP, UNGA events...) and campaigns (e.g., Race to Zero Breakthroughs, sectoral decarbonization roadmaps...)

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)****Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (BTEAM/BSR)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

In 2022, the B TEAM had an active presence at COP27 leading, together with WMBC, a statement urging governments to limit global temperature rise to 1,5oC that was signed by over 200 business leaders and major civil society voices. At COP27 as well, they engaged stakeholders on several just transition events. Also, as co-leaders of the Energy for a Just Transition collaboration with BSR, the B TEAM led the work and meetings that were held in 2022, the first year of the collaboration. Iberdrola is not a member of The B TEAM but collaborates very closely with its team, especially on just transition issues, including through the Energy for a Just Transition collaboration.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)****Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Comunidad por el Clima (AmbiciónCOP))

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

'Comunidad por el Clima' is a mMulti-stakeholder platform acting to achieve the goals of the Paris Agreement by . the Ddevelopment of activities (events, campaigns, high-level meetings...) to boost climate action in all areas of society. Particularly important are the activities of the AmbiciónCOP platform, created to promote the involvement of Ibero-America in the global climate agenda and to raise awareness of climate agreements and their implications. Iberdrola has an active participation in their strategic meetings and major events. The company also supported the platform AmbicionCOP and its main activities developed at COP27.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)****Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

WindEurope

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

WindEurope advocates wind energy policies for Europe on behalf of more than 450 member companies, and organises leading wind industry events.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)****Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

SolarPower Europe

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

Iberdrola Renovables member since 2016. Successfully advocating solar energy solutions to European policymakers and influencing at national level helping deliver the enabling environment to maximise solar power growth in Europe.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Different Initiatives)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

The Climate Group EV100, SteelZero, Corporate Leaders' Group, Alliance of CEO Climate Leaders WEF, The Powering Past Coal Alliance, European Climate Foundation,

Carbon Pricing Leadership Coalition – World Bank, SE4ALL, We Mean Business, Green Growth Platform ,

European Climate Foundation, IRENA Coalition for Action,

World Business Council of Sustainable Development (WBCSD),

UN Global Compact LEAD, European Energy Forum, EDSO for Smart Grids, Aelec, EASE.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Corporate Leaders Group)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

Very intense involvement in all its campaigns and close relationship with its management team:

- net zero emissions by 2050 at the latest (EU and UK).
- Reduction of at least 55% emissions by 2030 (Europe).
- Ambitious targets on the development of renewables, energy efficiency, innovation and low-carbon technologies, adaptation and resilience actions.
- circular economy and just transition that generates growth and competitiveness.

CLG Europe has developed a large set of activities (campaigns, events, Declarations, research pieces, briefings...) to support climate ambition within the negotiations of the "Fit for 55" files and other policy packages connected with climate policy developments (e.g EU taxonomy delegated act). The organization has worked and published academic research pieces on EU industrial strategy and competitive sustainability.

Iberdrola has been intensively engaged with all the activities both at technical and high level: participation in bimonthly working groups, supporting explicitly campaigns, organizing events at key milestones of the climate agenda...

The strategic and structural engagement with the organization was reinforced in 2022, when Iberdrola's Director of Climate Change and Alliance became Vice Chair of CLG.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (Spanish Green Growth Group)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their 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 in charge of Environment.



Iberdrola is present in this Group since its creation in September 2014. It is one of the few utilities present. Iberdrola currently holds the vice-presidency of the Group and coordinates

the climate policy working group.

The Group is an association made up of more than 50 companies of various sizes and profiles in which we share an ambitious approach when it comes to addressing environmental challenges.

Large companies that represent 40% of the IBEX are part of it, as well as SMEs involved in innovation, with a total of 250,000 workers.

The main objectives and working areas include the promotion of public-private collaboration to advance jointly on environmental challenges; the contribution to the generation and dissemination of the knowledge necessary for sustainable development; influencing the creation of favorable conditions for a low carbon economy; collaborating in the protection of biodiversity, air, soil and water quality; influencing the policies that allow the necessary changes to be activated.

In 2022, the GECV organized a business forum on the opportunities of climate ambition for creating value. It has actively maintained contacts with governments, NGOs, academia, and other stakeholders to develop positive narratives surrounding climate action. Furthermore, the organization played a significant role in COP 27 by organizing events and meetings in various formats to showcase climate solutions.

Iberdrola has a very active role from a strategic and operational point of view as it holds the chairmanship of the group and coordinates the climate change area.

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**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (WBCSD - World Business Council for Sustainable Development)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

The WBCSD has worked in 2022 on publications, events and campaigns across different working groups to which Iberdrola has contributed with its expertise and business cases. In the energy side, there have been intense actions in hydrogen, smart grids, renewable energy and heating and cooling.

The WBCSD has also paid special attention to technical collaborations around scope 3 emission reductions, biodiversity action streams in the context of COP 15 and climate advocacy in the climate agenda milestones (COP27, UNGA...) Iberdrola has actively contributed to the conversations.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (WMB - We Mean Business)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

WMBC is the alliance of the most influential international business coalitions in climate action. In 2022, WMB has launched global campaigns to promote climate ambition loops both in global and national climate policy conversations, focusing on the achievement of ambitious decarbonization pathways in line with the 1.5C scenario. Of especial relevance were the Declaration and related policy toolkits launched at COP 27 to keep alive the 1.5C within the outcomes of the climate summit. Iberdrola has supported explicitly all the Declarations launched and has collaborated in the organization of several events. Iberdrola was silver sponsor of the WMB pavilion at COP 27 and supported with different resources the implementation of the SME Climate Hub.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (World Economic Forum)

**Is your organization's position on climate change policy consistent with theirs?**

Consistent

**Has your organization attempted to influence their position in the reporting year?**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**

The World Economic Forum (WEF) is an international non-governmental organization convening global leaders from different backgrounds to tackle global challenges in different fields: economy, environment, social... The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas. From a climate perspective, the key advocacy activities have been conducted under the umbrella of the "Alliance of CEO Climate Leaders" and the preparatory working groups. Connected to the high level and technical conversations developed in the different agenda milestones of the organization (e.g. Davos Summit) there have been prepared several publications, being specially remarkable those connected with the businesses role to meet net zero targets and the scalability of



renewable energy investment.

Iberdrola is actively engaged in different working groups and specific ad-hoc initiatives. Iberdrola's Executive Chairman is member of the "Alliance of CEO Climate Leaders". Iberdrola has joined the First Movers Coalition (a coalition of companies using their buying power to create early markets for innovative clean technologies in eight hard-to-decarbonize sectors), setting purchase targets for green steel. Iberdrola also engages in other working groups lead by WEF, specifically the "Clean Power and Electrification" Program and its working group on "Engaging Local Communities and other Stakeholders in Clean Power"

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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## 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**

SustainabilityReport2022\_Optimized.pdf

**Page/Section reference**

All

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

**Comment**

Sustainability Report

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

IntegratedReport23.pdf

FinancialStatements\_AuditorsReport\_Consolidated2022.pdf

**Page/Section reference**

All

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

**Comment**

Annual Financial Report and Integrated Report

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**Publication**

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

**Status**

Complete

**Attach the document**

SustainabilityReport2022\_Optimized.pdf

FinancialStatements\_AuditorsReport\_Consolidated2022.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**

PUBLIC AFFAIRS.pdf

**Page/Section reference**

All

**Content elements**

Governance

Strategy

**Comment**

PUBLIC AFFAIRS

Stakeholders, public affairs and transparency.

Participation in the public life of the communities in which Iberdrola has a presence is an essential facet of its activities. Company engagement with the communities and, at the same time, conveying its positions to the various Stakeholders are two of the objectives of Iberdrola's public activities.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

| Environmental collaborative framework, initiative and/or commitment | Describe your organization's role within each framework, initiative and/or commitment |
|---|---|
|---|---|

|       | Environmental collaborative framework, initiative and/or commitment  | Describe your organization's role within each framework, initiative and/or commitment   |
|-------|--|---|
| Row 1 | <p>Climate Action 100+</p> <p>Climate Disclosure Standards Board (CDSB)</p> <p>Race to Zero Campaign</p> <p>UN Global Compact</p> <p>We Mean Business</p> <p>World Business Council for Sustainable Development (WBCSD)</p> <p>Other, please specify (Active participation at annual COPs, Bonn Climate Change conferences and other relevant international climate fora.</p> <p>CLEANAction, Alliance of CEO Climate Leaders, Corporate Leaders Group, PPCA, EV100 , Transition Pathway Initiative)</p> | <p>Iberdrola has been a member of the UN Global Compact since 2002, being a constituent member of the UN Global Compact Network Spain since 2004 . Through this membership, Iberdrola has assumed, inter alia, the commitment to implement the Ten Principles and to promote the 2030 Agenda, contributing to the attainment and dissemination of the SDGs. The company has been identified as a LEAD company on numerous occasions, owing to its high levels of commitment to the principles of the Global Compact, and it has been at the forefront of the climate action platform since its inception in 2016. Iberdrola is patron of the just transition thinklab launched in 2022 as a forum for collaboration and to drive climate action from an inclusive point of view and create value for society as a whole.</p> <p>Iberdrola has been one of the companies most intensely involved in the successive Conferences of the Parties (CoPs) on Climate Change, organised by the UNFCCC on an annual basis. At COP27 held in Sharm el-Sheikh in November 2022, Iberdrola was an official partner of the main business alliance on climate, the We Mean Business Coalition, worked with the United Nations on organising a high-level event at its pavilion, and played a leading role, organising more than 10 high-level events with more than 60 impactful presentations at the principal meetings and events.</p> <p>Iberdrola is very actively involved in the We Mean Business initiative through its support for specific campaigns, including the implementation of initiatives in Spain to promote climate action among small- and medium-sized enterprises (SME Climate Hub).</p> <p>As part of the New York Climate Week, We Mean Business mentioned Iberdrola as a leading company in climate action thanks to its contribution to a more sustainable energy model, placing it at the head of the '4A's' (Ambition, Action, Advocacy y Accountability) campaign.</p> <p>As part of the coexistence between renewable energy and the preservation of biodiversity, as well as its contribution to social and economic development, Iberdrola forms part of CLEANAction (Coalition Linking Energy and Nature for Action), founded by BirdLife International, WWF, IRENA and The Nature Conservancy, among others.</p> <p>Iberdrola is also part of Race to Zero, a global alliance promoted by the High Level Climate Champions and the United Nations, bringing together companies, governments and various players in civil society committed to reaching a zero net emissions future no later than by mid-century.</p> <p>One of the most prominent initiatives in which Iberdrola takes part is the Alliance of CEO Climate Leaders, a part of the World Economic Forum platform. This is a global community of CEOs who support and promote action to achieve the transition to a net zero emissions economy. Iberdrola's chairman, Ignacio Galán, joined this alliance along with 70 other business leaders in various industries and regions.</p> <p>Another noteworthy initiative is the Corporate Leaders Group, a business alliance with broad recognition in Europe and internationally for spearheading the most ambitious stances on climate policies, in which Iberdrola actively participates at all levels, currently holding the vice presidency.</p> <p>Iberdrola has also been a member, since its inception, of the Powering Past Coal Alliance (PPCA), a coalition of governments, regions and companies focused on promoting the shutdown of coal within the framework of a fair transition to a clean energy model.</p> <p>The Energy for a Just Transition collaboration, launched by The B TEAM and BSR, has contributed to the creation of a collaborative platform where Iberdrola has shared its experience on just transition.</p> <p>Industry campaigns, which contribute to sending a signal of demand for green products, and which thus have a driving effect on the various players in the supply chain, are the reasons why Iberdrola joined the SteelZero, an initiative of The Climate Group, which brings together organisations committed to speeding up the transition to a net zero steel industry, in 2022.</p> <p>Along these lines, Iberdrola was the first Spanish company to adhere to the EV100 initiative, intended to accelerate the transition to electric vehicles, as Iberdrola has made a commitment to electrify its entire vehicle fleet and to facilitate recharging by its employees in Spain and the United Kingdom by 2030.</p> <p>Iberdrola has an active participation in their strategic meetings and major events and also supports the platform Ambición COP and its main activities developed at COP27. The Ambición COP platform, created to promote the involvement of Ibero-America in the global climate agenda and to raise awareness of climate agreements and their implications.</p> <p>The WBCSD has worked in 2022 on publications, events and campaigns across different working groups to which Iberdrola has contributed with its expertise and business cases. In the energy side, there have been intense actions in hydrogen, smart grids, renewable energy and heating and cooling.</p> |

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

|       | Board-level oversight and/or executive management-level responsibility for biodiversity-related issues | Description of oversight and objectives relating to biodiversity  | Scope of board-level oversight |
|-------|--|---|--------------------------------|
| Row 1 | Yes, both board-level oversight and executive management-level responsibility                          | <p>At Iberdrola, we have made conservation and promoting biodiversity part of the group's strategy to build an energy model in harmony with nature and human beings. Iberdrola has set a target of having a positive net impact on biodiversity by 2030. This biodiversity target is an ESG target for the company and therefore oversight at board-level and executive management level.</p> <p>Since 2007, Iberdrola has had a Biodiversity Policy, approved by its Board of Directors, in which it commits to integrating biodiversity protection and conservation into decisionmaking during the planning, implementation and operation stages of its energy infrastructures. This commitment also encompasses actions that contribute toward biodiversity conservation and awareness-raising on the importance of this matter.</p> <p>Iberdrola integrates biodiversity protection and conservation into its Environmental Management System, which applies across the whole Iberdrola group. This environmental management system is common to all organisations within the Group and integrates the Sustainable Development Goals into its environmental guidelines. The biodiversity and environmental commitments acquired are thus transposed into group organisations' environmental management systems, most of them certified (EMAS or ISO 14001), which come under the group's global management system. In these management systems, group organisations define their continual improvement objectives in relation to biodiversity, which materialise in environmental monitoring and control programmes and concrete actions aligned with Action Plan principles. Iberdrola has biodiversity committees to coordinate actions and programmes for both new and existing facilities, in which the various operational organisations discuss day-to-day management issues and push forward initiatives. Finally, the group's stakeholder relations model helps the organisations integrate stakeholder needs into the decision-making process.</p> | <Not Applicable>               |

**C15.2**

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

|       | Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity | Biodiversity-related public commitments  | Initiatives endorsed  |
|-------|---|--|---|
| Row 1 | Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity                  | <p>Commitment to Net Positive Gain</p> <p>Adoption of the mitigation hierarchy approach</p> <p>Commitment to respect legally designated protected areas</p> <p>Commitment to avoidance of negative impacts on threatened and protected species</p> <p>Other, please specify (No net deforestation by 2025)</p> | <p>CBD – Global Biodiversity Framework</p> <p>SDG</p> <p>Other, please specify (Business for Nature Business and Biodiversity Platform: EU B&amp;B, IEEB -Spain, CEBDS -Brazil)</p> |

**C15.3**

**(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?**

**Impacts on biodiversity**

**Indicate whether your organization undertakes this type of assessment**

Yes

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Portfolio activity**

<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**

Biological Diversity Protocol  
ENCORE tool  
LIFE Key  
Natural Capital Protocol  
ReCiPe  
TNFD – Taskforce on Nature-related Financial Disclosures  
WBCSD Corporate Ecosystem Services Review  
Other, please specify (CICES; Corporate Environmental Footprint Iberdrola)

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**

- o Iberdrola's Biodiversity Accounting Framework, which focus on finding the balance of impacts on species and ecosystems to achieve a net positive impact on biodiversity, follows the principles of the Biological Diversity Protocol. [https://www.iberdrola.com/documents/20125/40552/2030\\_Biodiversity\\_Plan.pdf](https://www.iberdrola.com/documents/20125/40552/2030_Biodiversity_Plan.pdf)
- o Iberdrola use ENCORE tool and CICES and Natural Capital Protocol to identify impacts and dependencies from ecosystem services per technology.
- o LIFE Key, Iberdrola participated on the adaptation of the LIFE Key methodology to Europe applying the methodology to 3 of its assets.
- o ReCiPe is used in the calculation of Iberdrola Corporate Environmental Footprint <https://www.iberdrola.com/sustainability/environment/environmental-management/environmental-footprint/corporate-environmental-footprint-report>.
- o Iberdrola's Biodiversity Plan is aligned with TNFD and SBTN. Also, Iberdrola has piloted the beta 3.0 and 4.0 TNFD – Taskforce on Nature-related Financial Disclosure with all its assets and run a LEAP assessment.
- o Iberdrola used the WBCSD Corporate Ecosystem Services Review as guidance on building its Plan.

**Dependencies on biodiversity**

**Indicate whether your organization undertakes this type of assessment**

Yes

**Value chain stage(s) covered**

Direct operations  
Upstream

**Portfolio activity**

<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**

ENCORE tool  
LIFE Key  
Natural Capital Protocol  
ReCiPe  
TNFD – Taskforce on Nature-related Financial Disclosures  
WBCSD Corporate Ecosystem Services Review  
Other, please specify (CICES, Corporate Environmental Footprint - Iberdrola)

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**

- o Iberdrola use ENCORE tool and CICES and Natural Capital Protocol to identify impacts and dependencies from ecosystem services per technology.
- o LIFE Key, Iberdrola has applied the LIFE Key to several assets in Brasil .This involved the identification of dependencies from ecosystem services of the facilities.
- o ReCiPe is used in the calculation of Iberdrola Corporate Environmental Footprint <https://www.iberdrola.com/sustainability/environment/environmental-management/environmental-footprint/corporate-environmental-footprint-report>.
- o Iberdrola's Biodiversity Plan is aligned with TNFD and SBTN. Also, Iberdrola has piloted the beta 3.0 and 4.0 TNFD – Taskforce on Nature-related Financial Disclosure with all its assets and run a LEAP assessment.
- o Iberdrola used the WBCSD Corporate Ecosystem Services Review as guidance.

**C15.4**

**(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?**

Yes

**C15.4a**

**(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.**

**Classification of biodiversity -sensitive area**

Other biodiversity sensitive area, please specify (World Biosphere Reserve,)

**Country/area**

Brazil

**Name of the biodiversity-sensitive area**

Parque Nacional Do Iguaçu

**Proximity**

Up to 5 km

**Briefly describe your organization's activities in the reporting year located in or near to the selected area**

Baixo Iguaçu Hydroelectric Plant (UHT) in Paraná, Brazil, which supplies a million people with renewable energy due to its total installed capacity of 350 MW. The net production in 2022 was 1.070,01 GWh. The Baixo Iguaçu Hydroelectric Power Plant regulates the flow that feeds the waterfalls, guaranteeing a constant spectacle for all the visitors who come to Iguaçu National Park — a total of 1.8 million in 2018 —. Concern over the flow of water and the need to regulate it resulted in the construction of the Baixo Iguaçu Power Plant. The National Electricity System Operator (ONS) and the Chico Mendes Biodiversity Conservation Institute (ICMBio) acknowledge the hydroelectric power plant's contribution to the stability of the world's most famous waterfalls. Therefore, this facility actively maintains the water balance and guarantees the force of the Iguaçu waterfalls.

In the reporting year, the activities focused on:

- Consolidation of the Conservation units
- Creation of Biodiversity Corridor
- Ictofauna monitoring
- Fauna and semi-aquatic monitoring

**Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity**

Yes, but mitigation measures have been implemented

**Mitigation measures implemented within the selected area**

Project design  
Scheduling  
Physical controls  
Operational controls  
Abatement controls  
Restoration  
Biodiversity offsets

**Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented**

At the planning phase, the Environmental Impact Study and the respective Environmental Impact Report were developed. These are technical and multidisciplinary documents aimed at a broad evaluation of the environmental impacts of the implementation, operation and decommissioning of the project, indicating actions, measures and environmental programmes to compensate and mitigate the negative impacts and enhance any positive impacts that were identified. One of the enhancements measures identified is the creation of a Biodiversity Corridor to link with other forested areas, the project's permanent conservation areas, to the protected areas of the Iguaçu National Park. The actions for the creation of this corridor have already been started ( expropriation of areas for the implementation of the PPA, installation of fences, socio-patrimonial inspection, process of contracting a specialised company to carry out the revegetation activities) when the planting activities are carried out in their entirety, this corridor will allow the displacement of fauna among the forest remnants, allowing genetic exchange between the specimens of the different areas, providing a favourable habitat for the development and conservation of species.

In addition to the ecological corridor, an environmental programme is being carried out for the conservation and regeneration of 3,000 ha of PPA. The PPA consists of forest recovery of a 100m strip using different methodologies such as total planting, enrichment or improvement of the densification of the area. The recovery of areas affected by the execution of the project is being implemented through the restoration of the soil and the recovery of the vegetation.

A flora rescue programme has been carried out, with relocation of species in affected areas. The objective is the conservation of the germplasm and, therefore, of the botanical biodiversity. More information in Iberdrola Biodiversity report <https://www.iberdrola.com/sustainability/environment/iberdrola-biodiversity/biodiversity-report>

**Classification of biodiversity -sensitive area**

Other biodiversity sensitive area, please specify (Marine Protected Area (OSPAR))

**Country/area**

United Kingdom of Great Britain and Northern Ireland

**Name of the biodiversity-sensitive area**

OSPAR: Southern North Sea

**Proximity**

Overlap

**Briefly describe your organization's activities in the reporting year located in or near to the selected area**

East Anglia 1 is Iberdrola's largest wind farm. Located in British waters, this offshore installation covers an area of 300km2. With an installed capacity of 714 megawatts (MW), the 102 turbines that comprise it are operational since 2020, producing clean energy for 630,000 British homes. During the development and installation of the windfarm, the important efforts to protect the environment earned the team a prestigious global award, winning the Energy Institute Awards' Environment category.

East Anglia ONE offshore windfarm lies within Southern North Sea Special Area of Conservation (OSPAR), formally designated in 2019 after the construction of EastAnglia ONE commenced 2018

**Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity**

Yes, but mitigation measures have been implemented

**Mitigation measures implemented within the selected area**

Site selection  
Project design  
Scheduling  
Physical controls  
Operational controls  
Abatement controls  
Restoration

**Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented**

The evaluation of the environmental impacts of the implementation, operation and decommissioning of the project, was the base in which actions, measures and environmental programmes to compensate and mitigate the negative impacts and enhance any positive impacts were identified.

Many studies have been conducted to define a consistent management and conservation plans, regarding for example harbour porpoise population, reefs of the Sabellaria spinulosa worm and possible nesting sites of the marsh harrier (Circus aeruginosus)

Some of the mitigation measures includes:

- Avoidance of effects on red-throated divers through appropriate management of vessel traffic.
- Specific Marine Mammal Mitigation Protocol (MMMP), approved prior to the start of construction, was implemented during offshore construction to avoid or minimise the potential risk for injury or disturbance to marine mammals
- Key precautions were secured throughout the project, including no concurrent piling for jacket foundations installation and spatial/temporal restrictions for offshore construction activities during the winter period
- Translocation of native aquatic plants and associated fauna that arose naturally in a temporary pond in the drainage basin. The species were transferred to a permanent pond built for the operational drainage of the new substation. After this, the temporary pond was filled in, restoring it to its previous ecology. This work allowed more than 300 specimens to be protected for retention within the habitats created by the project.
- To protect the water environment it has been removed the excess build-up of sand from the Fynn River with the aim of improving the watercourse bed and water quality. The environmental team carried out painstaking work to fully understand the local area, creating protection plans for local wildlife. Meticulous assessments were carried out daily, with teams searching locations on hands and knees to check the wellbeing of species and their habitats. Major work was paused to protect nesting Marsh Harriers which were then monitored daily for hours, and innovative methods of rejuvenating areas were used to allow natural land to regenerate. All these efforts are supported by a five-year commitment to monitoring and protecting the area – ensuring it flourishes for years to come

More information in Iberdrola Biodiversity report <https://www.iberdrola.com/sustainability/environment/iberdrola-biodiversity/biodiversity-report>

**Classification of biodiversity -sensitive area**

Key Biodiversity Area (KBAs)

**Country/area**

Spain

**Name of the biodiversity-sensitive area**

Important Bird Area: Bienvenida - Usagre - Ribera del Fresno (ES271)

**Proximity**

Overlap

**Briefly describe your organization’s activities in the reporting year located in or near to the selected area**

Núñez de Balboa photovoltaic plant is located in Badajoz and is one of the largest in Europe. With an installed capacity of 500 MWp, this facility supplies clean energy to 250,000 homes, more than the population of Cáceres and Badajoz put together, avoiding the emission into the atmosphere of 215,000 tonnes of CO2 per year. Núñez de Balboa covers an area of nearly 1,000 hectares (2,470 acres) and produces around 832 GWh per year, thanks to its 1,430,000 photovoltaic panels

**Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity**

Yes, but mitigation measures have been implemented

**Mitigation measures implemented within the selected area**

- Site selection
- Project design
- Scheduling
- Physical controls
- Operational controls
- Abatement controls
- Restoration

**Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented**

Photovoltaic plants, in addition to the surface area that they occupy, involve fences that can lead to fragmentation of the territory, which in this case is an area of importance for the wintering common crane and breeding steppic birds.

For this reason, the location of panels has respected the ecological corridors and the fences allow the passage of small fauna thanks to holes in the lower part of the fence. Likewise, the impacts on the ground have also been minimized by driving the trackers that support the panels into the ground and avoiding earth movements.

During the construction of the plant, the impact on various species of protected flora was avoided by fencing off the area and creating a 7-hectare flora reserve. An ecological restoration has been carried out with plantation of vegetation mosaics that serve as refuge and food for all types of fauna. Bat boxes have been set up and midden has been built

The control of vegetation in areas where it is required is done by sheeps, creating troughs to avoid affecting the existing ponds and streams, which also have a conservation plan. Proper livestock management respects the nesting areas of agricultural birds during the months of April, May and June.

During the operation phase, an exhaustive environmental monitoring is carried out with radiosurveillance.

More information in Iberdrola Biodiversity report <https://www.iberdrola.com/sustainability/environment/iberdrola-biodiversity/biodiversity-report>

C15.5

**(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

|       | Have you taken any actions in the reporting period to progress your biodiversity-related commitments? | Type of action taken to progress biodiversity- related commitments  |
|-------|---|---|
| Row 1 | Yes, we are taking actions to progress our biodiversity-related commitments                           | Land/water protection<br>Land/water management<br>Species management<br>Education & awareness<br>Law & policy<br>Livelihood, economic & other incentives<br>Other, please specify (Implementing corporate metrics to provide a biodiversity accountability framework) |

C15.6

**(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?**

|       | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance                        |
|-------|--|--|
| Row 1 | Yes, we use indicators   | State and benefit indicators<br>Pressure indicators<br>Response indicators |

**C15.7**

**(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

| Report type  | Content elements   | Attach the document and indicate where in the document the relevant biodiversity information is located   |
|--|--|---|
| In voluntary sustainability report or other voluntary communications | Content of biodiversity-related policies or commitments<br>Governance<br>Impacts on biodiversity<br>Details on biodiversity indicators<br>Influence on public policy and lobbying<br>Risks and opportunities<br>Biodiversity strategy  | Sustainability Report 2022: Pages 92 to 104 of <a href="https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf">https://www.iberdrola.com/documents/20125/2931678/gsm23_IA_SustainabilityReport2022.pdf</a><br>SustainabilityReport2022_Optimized.pdf  |
| Other, please specify (Biodiversity Policy)                          | Content of biodiversity-related policies or commitments  | <a href="https://www.iberdrola.com/corporate-governance/governance-sustainability-system/environment-climate-change-policies/biodiversity-policy/biodiversity_policy.pdf">https://www.iberdrola.com/corporate-governance/governance-sustainability-system/environment-climate-change-policies/biodiversity-policy/biodiversity_policy.pdf</a> |
| In voluntary sustainability report or other voluntary communications | Content of biodiversity-related policies or commitments<br>Governance<br>Impacts on biodiversity<br>Details on biodiversity indicators<br>Influence on public policy and lobbying<br>Risks and opportunities<br>Biodiversity strategy<br>Other, please specify (Actions to protect and restore biodiversity) | Biodiversity Report: <a href="https://www.iberdrola.com/documents/20125/41593/IB_Biodiversity_Report_2022.pdf">https://www.iberdrola.com/documents/20125/41593/IB_Biodiversity_Report_2022.pdf</a><br>IB_Biodiversity_Report_2022_Optimized_01.pdf  |
| In voluntary sustainability report or other voluntary communications | Governance<br>Impacts on biodiversity<br>Details on biodiversity indicators<br>Influence on public policy and lobbying<br>Risks and opportunities<br>Biodiversity strategy   | 2030 Biodiversity Plan: <a href="https://www.iberdrola.com/documents/20125/40552/2030_Biodiversity_Plan.pdf">https://www.iberdrola.com/documents/20125/40552/2030_Biodiversity_Plan.pdf</a><br>2030_Biodiversity_Plan.pdf   |

**C16. 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.**

**C16.1**

**(C16.1) 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 fully engaged with the global climate agenda and the main climate policy conversations in different jurisdictions, supporting “ambition loops” to meet the 1.5°C scenario in the journey to a net zero economy. This engagement is backed by its own ambitious climate action plan (net zero emissions for all scopes before 2040) and by a robust investment pathway in renewables and smart climate solutions. 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 more than 40,000 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 1.5°C 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 70% lower than the average of the European electricity sector in 2021; *Source: European carbon factor Benchmarking of CO2 emissions by Europe's largest electricity utilities (October 2022, 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 Group publicly announced its targets for 2030:

- To reach net-zero greenhouse gas emissions across the value chain by 2039 from a 2020 base year.
- To reduce absolute scope 1, 2 and 3 GHG emissions 65 % by 2030 from a 2020 base year, which is in line with a 1.5°C trajectory.
- To reduce scope 1, 2 and 3 emissions 90% by 2039 from a 2020 base year, aligned with the SBTi's 1.5 °C mitigation pathways for reaching net-zero before 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.

In preparing the consolidated Financial Statements for financial year 2022, in its commitment to the Paris Agreement and the energy transition, IBERDROLA's Climate Action Plan sets out an ambitious roadmap with the objective of achieving carbon neutrality for Scope 1 and 2 carbon equivalent emissions by 2030 and aims to achieve zero net CO2 equivalent emissions for all scopes, including Scope 3, before 2040. To achieve this ambitious goal, levers and associated actions are also being defined which, in turn, will contribute to the decarbonisation of the economy as a whole, as well as the values, tools and indicators for the achievement thereof. Beyond its own activities, Iberdrola embraces an ambitious and robust approach to climate advocacy in support of the 1.5°C scenario, actively engaging within a diverse range of organizations across various sectors, including international organizations, industrial associations, alliances, foundations, think tanks, and NGOs.

## SC0.1

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

|       | Annual Revenue |
|-------|----------------|
| Row 1 | 53949000000    |

## 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**

Airbus SE

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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 Airbus

**Verified**

Yes

**Allocation method**

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

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

**Requesting member**

Cellnex Telecom SA

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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)

**Market value or quantity of goods/services supplied to the requesting member****Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

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**Requesting member**

Phoenix Group Holdings

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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 Phoenix Group Holdings

**Verified**

Yes

**Allocation method**

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

**Market value or quantity of goods/services supplied to the requesting member****Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

---

**Requesting member**

Pirelli

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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)

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

---

**Requesting member**

Renault Group

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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 Group

**Verified**

Yes

**Allocation method**

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

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

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**Requesting member**

SABIC

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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 customer)

**Market value or quantity of goods/services supplied to the requesting member****Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

---

**Requesting member**

Telefónica

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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 Telefónica

**Verified**

Yes

**Allocation method**

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

**Market value or quantity of goods/services supplied to the requesting member****Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

---

**Requesting member**

Vodafone Group

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

<Not Applicable>

**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 customer)

**Market value or quantity of goods/services supplied to the requesting member****Unit for market value or quantity of goods/services supplied**

Megawatt hours (MWh)

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

CO2 emissions can be calculated by multiplying electricity consumption by Iberdrola's electricity production emissions factor in 2022: 83 kgCO2/MWh

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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 our Sustainability Scorecard: <https://www.iberdrola.com/sustainability/sustainable-management/sustainability-scorecard>

Historic specific emissions available in: <https://www.iberdrola.com/sustainability/environment/environmental-management/greenhouse-gas-inventory/intensity-emissions>

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 information in CDP could ask for detailed track emissions prior starting the reporting year.<br>- 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

Airbus SE

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.

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**Requesting member**

Phoenix Group Holdings

**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.

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**Requesting member**

Renault 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**

Please select

**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.

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**Requesting member**

SABIC

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**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**

Telefónica

**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.

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## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

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## 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.

20.21

## 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)**

MWh

**Total emissions in kg CO2e per unit**

83

**±% change from previous figure supplied**

-13.54

**Date of previous figure supplied**

December 31 2021

**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 (MWh)

**Please select the scope**

Scope 1

**Please select the lifecycle stage**

Energy/Fuel

**Emissions at the lifecycle stage in kg CO2e per unit**

83

**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 2022

## 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 <70 gCO2/kWh by 2025  | Ongoing              | 13                                      |
| Electricity           | Initiative 2  | Emissions reductions initiatives. Reduce the intensity of CO2 of emissios <10 gCO2/kWh by 2030. | Ongoing              | 73                                      |

## 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 understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|---|---------------------|
| Please select your submission options | Yes   | Public              |

Please confirm below

I have read and accept the applicable Terms