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ASSESSMENT
19 December 2023

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Iberdrola S.A.

Second Party Opinion – Framework for Green Financing Updated SQS1 Sustainability Quality Score

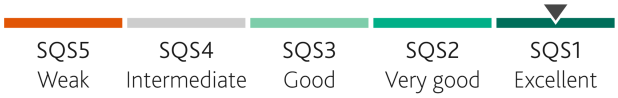
Summary

We have assigned an SQS1 sustainability quality score (excellent) to Iberdrola's framework for green financing dated December 2023. Iberdrola has established its framework for green financing with the aim of capitalizing projects across five eligible green categories: smart grids, renewable energy, sustainable customer solutions, electric mobility and green hydrogen. The framework is aligned with the four core components of the ICMA's GBP 2021 (including the June 2022 Appendix 1) and the LMA/APLMA/LSTA's GLP 2023, and incorporates recommended practices under these principles and all MIS-identified best practices. The framework also demonstrates a high contribution to sustainability.

Limited to our scope, eight out of ten activities across two out of five categories adhere to the EU Taxonomy criteria. The issuer adheres to 69 out of 78 assessed technical screening criteria, as detailed in Appendix 3.

Sustainability quality score

SQS1



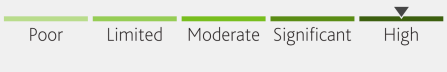
Alignment with principles
USE OF PROCEEDS

Overall alignment

FACTORS	ALIGNMENT
Use of proceeds	
Evaluation and selection	
Management of proceeds	
Reporting	

Contribution to sustainability

Overall contribution



Expected impact
Relevance and magnitude

ADJUSTMENTS	
ESG risk management	No adjustment
Coherence	No adjustment

Scope

We have provided a second party opinion (SPO) on the sustainability credentials of Iberdrola's framework for green financing, including the framework's alignment with the International Capital Market Association's (ICMA)'s Green Bond Principles 2021 (including June 2022 Appendix 1), and the Loan Market Association's, the Asia Pacific Loan Market Association's and the Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Green Loan Principles 2023. Under its framework, the issuer plans to issue green financing instruments, including green bonds, green loans, green project finance and any other financial instruments, to finance projects under five green categories - smart grids, renewable energy, sustainable customer solutions, electric mobility and green hydrogen (as outlined in Appendix 2 of this report).

Our assessment is based on the last updated version of Iberdrola's framework for green financing dated 19 December 2023 and our opinion reflects our point-in-time assessment of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We have also provided a supplementary opinion considering whether the eligible categories adhere to the technical screening criteria ("TSC") set out in Annex I of the Commission Delegated Regulation (EU) 2021/2139 (the "EU Climate Delegated Act") and the Minimum Safeguards ("MS") set out in Regulation (EU) 2020/852 (the "Taxonomy Regulation"), jointly referred to as the EU Taxonomy criteria. Our assessment is based on information provided by the Issuer and performed at the economic activity level for Substantial Contribution and Do no Significant Harm criteria ("DNSH"), and at the entity level for the Minimum Safeguards. Our work does not constitute a verification or audit of taxonomy alignment.

We produced this SPO based on our Framework to Provide Second Party Opinions on Sustainable Debt, published in October 2022.

Issuer profile

Headquartered in Spain, Iberdrola S.A. generates, transmits, distributes, sells and retails electricity. The company generates electricity through several resources, including wind, solar, hydroelectric, nuclear and cogeneration. It also stores, trades in and retails natural gas. The company produces and supplies electricity to around 100 million people in the countries where it operates. Iberdrola is focused on driving the energy transition to a more sustainable world through its investments in renewable energy, smart grids, large-scale and batteries energy storage, digital transformation, new technologies such as green hydrogen and energy services for its customers.

Iberdrola has a neutral risk to carbon transition, due to the group's material exposure to electricity networks and renewable energy.

Strengths

» There are clearly defined and relevant environmental objectives and benefits associated with all eligible categories.

» A comprehensive and transparent project evaluation and selection process, including robust environmental risk mitigation practices, is available.

» The issuer will monitor compliance of the selected projects with eligibility and exclusion criteria, and has provided details on the procedures to be adopted in the event of non-compliance.

» An external auditor will verify the tracking and allocation of funds to the eligible projects until full allocation and in the event of significant changes. An external auditor will also verify the indicators used to report on the environmental benefits of the eligible projects until the green financing instruments' maturity.

Challenges

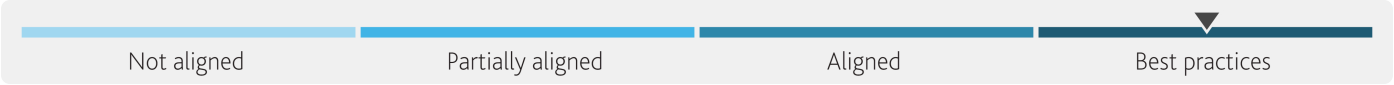
» No information is provided on the look-back period for refinanced eligible categories, although the issuer commits to provide an estimation of such information upon request.

Alignment with principles

Iberdrola's Framework for Green Financing is aligned with the four components of the ICMA's Green Bond Principles 2021 (including June 2022, Appendix 1) and the LMA/APLMA/LSTA's Green Loan Principles 2023, as well as incorporates recommended practices under these principles and identified best practices for all four components:

- ☑ Green Bond Principles (GBP)
- ○ Social Bond Principles (SBP)
- ☑ Green Loan Principles (GLP)
- ○ Social Loan Principles (SLP)
- ○ Sustainability-Linked Bond Principles (SLBP)
- ○ Sustainability Linked Loan Principles (SLLP)

Use of proceeds



Clarity of the eligible categories – BEST PRACTICES

The company has clearly and comprehensively communicated the nature of spending, the eligibility and exclusion criteria for financed or refinanced projects, and that the eligible projects will be deployed worldwide. The company has defined the location of the eligible projects at the regional level, with the issuer clarifying that the projects will be mainly located in (but not limited to)[1] Continental Europe, the UK, the USA, Australia and Asia-Pacific. The company has provided granular descriptions of the eligible projects that could be financed with each issuance. The definition of eligible categories follows the substantial contribution criteria contained in the EU Taxonomy Climate Delegated Act for Climate Change Mitigation, thus constituting a reference to stringent, internationally recognized technical thresholds.

Clarity of the environmental or social objectives – BEST PRACTICES

The company has clearly outlined climate change mitigation as the environmental objective associated with its eligible categories. All eligible categories are relevant to the respective environmental objective to which they are aiming to contribute. The company has referenced the UN Sustainable Development Goals (SDGs) and the EU Taxonomy in articulating the objectives of the eligible categories, and the objectives are coherent with the recognized international standards.

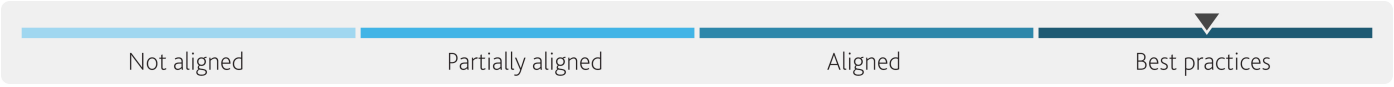
Clarity of expected benefits – BEST PRACTICES

The company has identified clear expected environmental benefits for all five eligible categories and these benefits are relevant based on the projects likely to be financed under each category. Relevant and measurable benefits were identified as avoidance of greenhouse gas (GHG) emissions, development of renewable energy sources, network improvement and the stability of generation systems. The benefits will be assessed by the issuer, and where possible, quantified for all five eligible project categories in the corresponding annual report in tonnes of carbon dioxide equivalent (tCO2e) per year or in megawatt-hour, or both. The issuer has committed to disclose an estimation of the refinancing share and look-back period before each issuance to investors, upon request.

Best practices identified - use of proceeds

- » Eligibility criteria are clearly defined for all project categories
- » Objectives set are defined, relevant and coherent for all project categories
- » Relevant benefits are identified for all project categories
- » Benefits are measurable and quantified for most projects, either ex-ante with clear baselines or with a commitment to do so in future reporting
- » Commitment to transparently disclose the share of proceeds used for refinancing where feasible
- » Commitment to transparently communicate the associated lookback period(s) where feasible

Process for project evaluation and selection



Transparency and quality of process for defining eligible projects – BEST PRACTICES

The company has clearly defined and detailed the eligibility criteria for project selection, including both selection and exclusion criteria. The defined eligibility criteria apply to all project categories and are available in the framework. The company's decision-making process is well structured and detailed on all the selection and evaluation steps, including proposal, selection, validation and monitoring of eligible projects. The roles and responsibilities are clear and rely on internal expertise from different areas within the company, including compliance, sustainability and legal. However, no external stakeholder is involved in the process of determining the eligibility of assets and projects. The process for the evaluation and selection of eligible projects is performed and coordinated by Iberdrola's finance and treasury department, and traceability of decisions is ensured throughout the process. The decision-making criteria are formalized in its public framework. The company will monitor continued compliance of the selected projects with the eligibility criteria at least twice a year for the plants included in any green instrument. If a project no longer complies with the eligibility criteria, the company commits to reallocate the funds to an alternative eligible project.

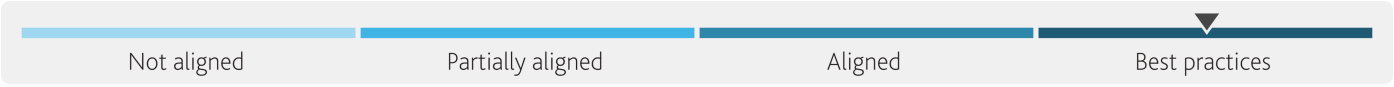
Environmental and social risk mitigation process – BEST PRACTICES

The company has established a comprehensive environmental and social risk mitigation process, including the monitoring of controversies and a process to identify and manage potential significant environmental and social risks. The company commits to apply measures related to the management of significant ESG risks by combining monitoring, identification and corrective measures for all projects. Preventive measures are not applied to all eligible categories, although the coverage of the significant ESG risks identified and managed applies to all the project categories. The summary of the evaluation criteria to identify and manage potential significant environmental and social risks is described in Annex 2 of the company's framework.

Best practices identified - process for project evaluation and selection

- The roles and responsibilities for project evaluation and selection are clearly defined and include relevant expertise
- There is evidence of continuity in the selection and evaluation process through the life of the financial instrument(s), including compliance verification and procedures to undertake mitigating actions when needed
- The process for project evaluation and selection is traceable
- Material environmental and social risks for most project categories are identified
- Presence of corrective measures to address environmental and social risks across projects
- ESG controversies are monitored

Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

The company has defined a clear and detailed process for the management and allocation of bond proceeds in its publicly available framework. The process aims to avoid double counting and allow traceability. Net proceeds from the green financing instruments will be placed in the company's general treasury account and tracked by the issuer to ensure those are used only for eligible projects, in line with a formalized internal process. As long as the green financing instruments are outstanding, the balance of the tracked net proceeds will be periodically adjusted to match the allocations to eligible projects made during that period. The allocation period will be shorter than or equal to 24 months.

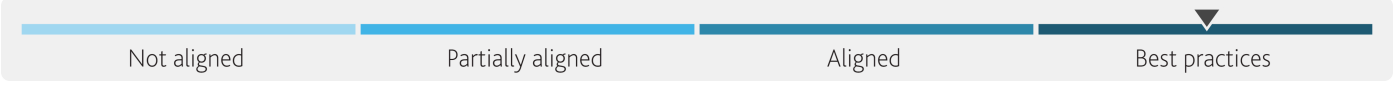
Management of unallocated proceeds – BEST PRACTICES

The issuer has committed to use temporary placement for the balance of unallocated proceeds in activities that are not GHG intensive or controversial. Information on the intended types of temporary placement of such proceeds is publicly disclosed in the framework. In case of project divestment or postponement, the issuer has provided information on the procedure that will be applied and it has committed to reallocate the divested proceeds to projects that comply with the green financing framework within 24 months.

Best practices identified - management of proceeds

- Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders; bondholders or lenders at a minimum
- Short allocation period, for example typically less than 24 months
- Disclosure on temporary placement and presence of exclusion criteria toward environmentally or socially harmful activities
- Commitment to reallocate proceeds to projects that are compliant with the framework

Reporting



Transparency of reporting – BEST PRACTICES

The company will report annually on the use of proceeds until the green financing instruments' maturity, and the issuer report will be publicly available on Iberdrola's website.

The reporting will cover relevant information about the allocation of proceeds and the expected sustainable benefits of the projects. The issuer has also committed to report on significant developments, issues and controversies related to the projects. The company has stated that reporting will include a list of projects financed and a breakdown of the allocated amounts to eligible categories (in total amount and percentage). The reporting will also include the allocation of proceeds between financing and refinancing.

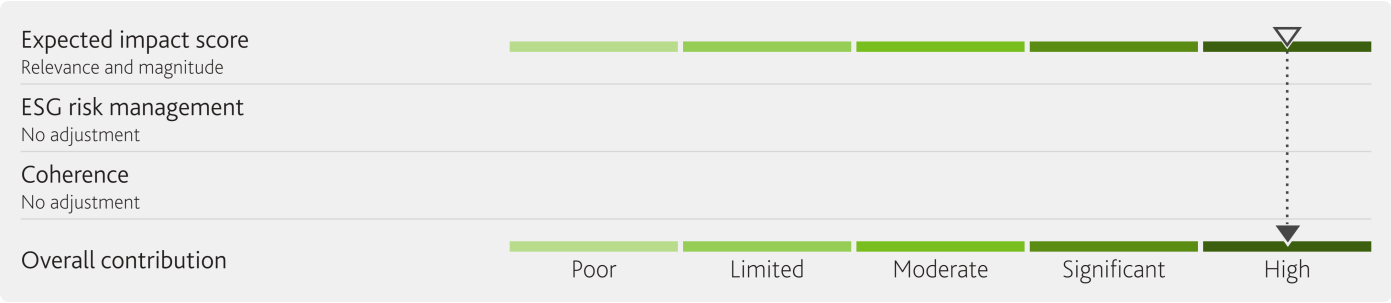
The company has identified relevant environmental reporting indicators for each eligible category and has clearly disclosed these indicators in its framework. The issuer has committed to report on the environmental benefits on a pro rata basis, as a percentage of the issuer's share of total financing, of the green financing instrument proceeds contribution to the total cost of the project. The methodologies and assumptions used to report on the environmental impact of the eligible projects will be publicly disclosed. The company will employ an independent external auditor to verify the tracking and allocation of funds to eligible projects until the full allocation of proceeds and in case of significant changes. An independent external auditor will verify the indicators used to report on the environmental benefits of the eligible projects until the green financing instruments' maturity.

Best practices identified - reporting

- Reporting until full bond maturity or loan payback
- Reporting covers material developments and issues related to the projects or assets
- Reporting on allocation of proceeds and benefits done at least at eligible category level
- Exhaustive allocation reporting – balance or % of unallocated funds, types of temporary investments (e.g. cash or cash equivalent) and share of financing vs re-financing
- Clear and relevant indicators to report on the expected environmental/social impact of all the projects, where feasible, or eligible categories
- Disclosure of reporting methodology and calculation assumptions to bondholders or lenders at a minimum
- Independent audit of the tracking and allocation of funds at least until full allocation and in case of material changes
- Independent impact assessment on environmental benefits by a qualified third-party reviewer at least until full allocation and in case of material changes and/or case studies to report on the social impact/benefits

Contribution to sustainability

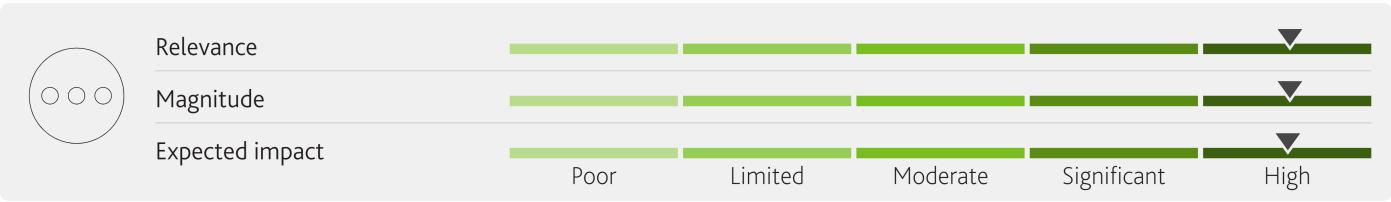
The framework demonstrates a high expected contribution to sustainability.



Expected impact

The framework demonstrates a high overall contribution to sustainability. Based on information provided by the company, a majority of the proceeds from forthcoming issuances are expected to be allocated to renewable energy projects. We, therefore, assign a higher weight to that category when we assess the overall structure's contribution to sustainability. A detailed assessment by eligible category is provided below.

Smart grids

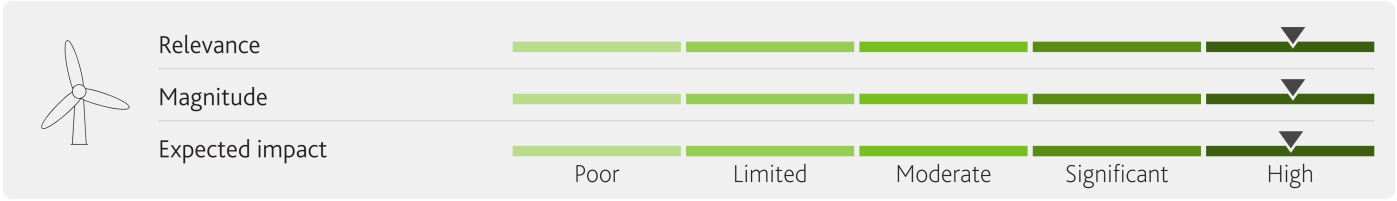


Measures related to electricity networks, demand-side measures, end-use electrification, and energy efficiency play a highly relevant role achieving energy security and climate change mitigation goals.[2] According to the International Energy Agendy (IEA), there is a growing focus on the development of transmission and distribution assets, along with monitoring tools, to facilitate the secure, technical implementation of intermittent, grid-following renewable energy within a meshed power system.[3] These investments and

financing efforts aim to expedite the progress on power system modernization and promote grid interconnection. The goal is to ensure a secure, high-quality electricity supply, alleviate local congestion, enhance the interconnection between bidding zones, and encourage the penetration of additional intermittent renewable energy capacity. It's noteworthy that transmission, distribution grid, and transformer losses typically account for 4%-15% of total energy generation.[4]

The eligible projects under this category are likely to generate a highly positive long-term impact and avoid locked-in effects. The issuer commits to invest in transmission and distribution infrastructure systems, which are on a trajectory to full decarbonization. By following the substantial contribution criteria in the EU Taxonomy Climate Delegated Act for Climate Change Mitigation, the category follows one of the most stringent available standards to contribute to the claimed objective in the context of the projects.

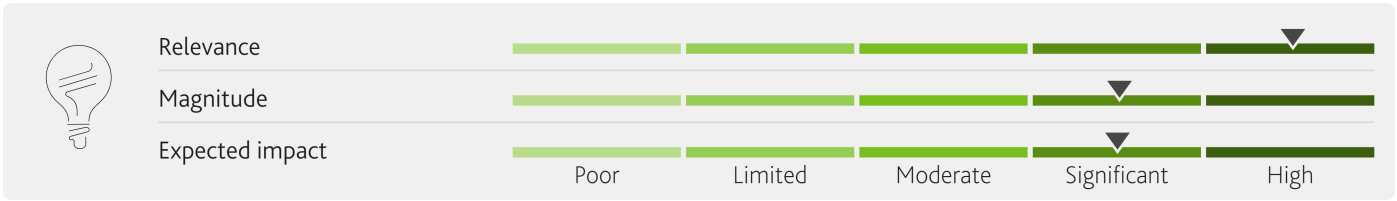
Renewable energy



Increasing renewable energy capacities is highly relevant energy providers looking to contribute to a less carbon-intensive and more sustainable energy system. According to the IEA, demand for renewable energy continues to grow.[5] Given the primary importance of decarbonization to the utility industry, these projects are highly relevant to the company's sector and operations. Currently, there is no saturation of renewable energy projects in the potential markets where these projects could be located, based on the company's planned and historical investments.

Altogether, the eligible projects under this category are likely to generate a highly positive long-term impact, minimizing any risk of locked-in effects and inherent environmental negative externalities. The issuer's criteria for solar, wind, and battery energy storage align with the latest technology and strictest clean energy standards, namely the substantial contribution criteria contained in the EU Taxonomy Climate Delegated Act for Climate Change Mitigation. However, for hydropower facilities commissioned in 2020 or later, the Climate Bond Initiative (CBI) sets more stringent standards with a power density above 10W/m2 or a greenhouse gas (GHG) emissions intensity of less than 50g.

Sustainable customer solutions

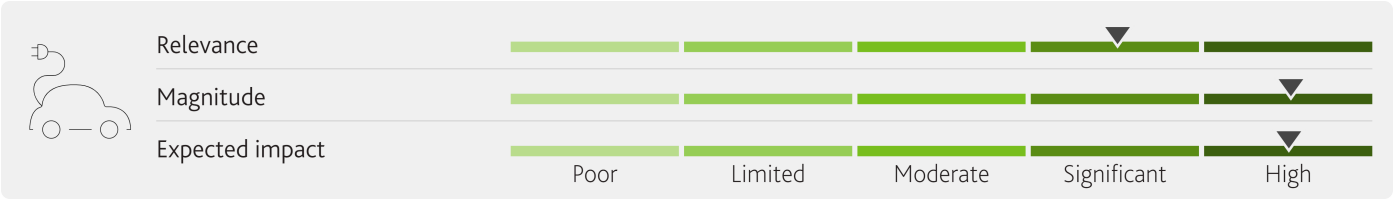


Activities related to the innovation for efficiency gains in buildings, the electrification of heating, the replacement of outdated technologies and infrastructures with high global warming potential play a highly important role in improving energy performance. The projects hold significant importance to the company's product and service offerings, and they provide a robust response to sustainability challenges pertinent to the issuer's sector. By focusing on these areas, the company has the potential to increase energy savings, reduce GHG emissions, and support its global decarbonization objectives.

Eligible projects under this category are expected to generate a significant long-term positive impact and minimizing lock-in effects. However, some uncertainties remain regarding reaching the highest possible energy efficiency standards. Investments related to the energy efficiency in buildings include the setting of minimum thresholds of 30% for non-renewable primary energy consumption, as required by recognized international standards. However, according to the International Energy Agency Building sectoral review, energy consumed per square meter in 2030 must be at least 35% less than in 2021 to be on track with the Net Zero Scenario. The issuer has not set criteria on minimum performance for the building after renovations. This category also covers energy demand management with smart metering for renewable energies, which allows the customer to monitor the general consumption, thermostat, air conditioning, lights and plugs, among others, in order to increase efficiency in the energy consumption. The installation of heat pumps

and air conditioning, along with aerothermal systems, is likely to positively impact energy efficiency. Nonetheless, the extent of energy efficiency achievable varies across different product offerings, introducing a degree of uncertainty. In this context, certifications and energy diagnostics can serve as crucial factors in realizing higher energy efficiency benefits.

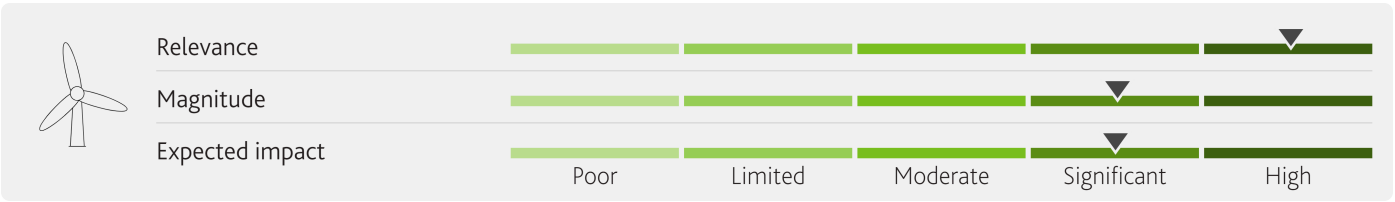
Electric mobility



The activities related to decarbonizing the vehicle fleet by incentivizing the uptake of zero-emission vehicles play an important role in ensuring a sustainable low-carbon transition. However, this is not considered the most important sustainability challenge for the utilities sector. According to global data from the IEA, transport emissions have risen faster than any other end-use sector over the last 30 years. To get on track with the Net Zero Emissions by 2050 Scenario, carbon dioxide (CO2) emissions from the sector must fall by about 3% per year to 2030.[6] Although projects related to promoting electric mobility are important to reduce the level of GHG emissions of companies, decarbonizing transport is not the main source of GHG emission for the utilities sector.

The eligible projects under this category are likely to generate a highly positive long-term impact and avoid locked-in effects. These projects adhere to the most stringent market standards, specifically the substantial contribution criteria outlined in the EU Taxonomy Climate Delegated Act for Climate Change Mitigation. While the present energy mix of the regions under consideration complicates the complete reduction of lifecycle emissions, the availability of an electric vehicle charging infrastructure will likely spur the uptake of electric vehicles. As the grid progresses towards decarbonization, EV charging stations and their associated infrastructure could have a considerable long-term positive environmental impact.

Green hydrogen



Energy utility providers play a highly important role in the development of green hydrogen infrastructure and market creation through the support and promotion of its use in various sectors. They have the potential to promote new technological and industrial developments on a global scale.[7] Projects related to green hydrogen production are very relevant for utility companies in order to harmonize the intermittency of renewables while promoting the decarbonisation of other sectors and the overall economy. [8] Considering the intermittent availability of renewable energy and the lack of large-scale stationary battery storage systems, hydrogen, serving as a renewable energy carrier, has the capacity to capture, store, and subsequently reintroduce renewable energy back into the power system.

Eligible green hydrogen projects are likely to generate a highly positive long-term impact, minimizing lock-in effect. However, projects do not follow the most stringent thresholds for green hydrogen production and may be located in water-stressed areas, which could lead to inherent negative environmental externalities. The production of green hydrogen will be done via electrolysis, powered using 100% renewable energy. This approach aligns well with robust market standards, namely the substantial contribution criteria outlined in the EU Taxonomy Climate Delegated Act for Climate Change Mitigation. However, more stringent standards exist, such as those set by CBI, which requires green hydrogen projects to achieve a carbon intensity of 1.5 $kgCO_2/kgH_2$.

ESG risk management

We have not applied a negative adjustment to the expected impact score for ESG risk management. Although some challenges with respect to biodiversity exist, the company conducts ecological monitoring at the project level and quantitative indicators are documented. Projects could be located in water-stressed areas and this would be a challenge for the projects related to hydrogen

production, which have high water demand, especially when produced with PV-powered electrolysis.[9] However, Iberdrola has committed to comply with the relevant country-specific water-related guidelines and regulations, and the Equator Principles.[10] The nature of the projects to be financed under Iberdrola's framework suggests there will be limited environmental externalities as a result of the construction and operation of the projects. Environmental impact assessments are performed at Iberdrola's locations of operation before the construction of the facilities and dedicated procedures are in place for pollution prevention and control. Other company policies that aim to ensure proper management of ESG externalities of projects include regular onsite audits of suppliers.

Coherence

We have not applied a negative adjustment to the expected impact score for coherence. Projects to be financed under Iberdrola's framework align with its broader sustainability priorities, including a plan to achieve carbon neutrality in scopes 1 and 2 by 2030 and net-zero emissions before 2040 for all scopes, including scope 3,[11] having set a target for absolute GHG emission reduction (Scopes 1, 2 and 3) that has been approved by the Science Based Target Initiative and is consistent with the Paris Agreement.

Iberdrola acknowledges the importance of ESG factors for its medium- and long-term targets linked to the fight against climate change.[12] As part of its strategic plan 2023-2025, Iberdrola aims to propel the energy transition through several actions directed to promote the energy transition and accelerate the electrification of territories and sectors.[13] By creating a framework to finance and refinance green projects, the issuer coherently aligns with its sustainability strategy and commitments, and addresses important sustainability issues of the sector.

Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The five eligible categories included in Iberdrola's framework are likely to contribute to three of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 7: Affordable and Clean Energy	Smart Grids, Renewable Energy, Sustainable Customer Solutions, Electric Mobility	7.1: Ensure universal access to affordable, reliable and modern energy services
		7.2: Increase substantially the share of renewable energy in the global energy mix
		7.3: Double the global rate of improvement in energy efficiency
GOAL 9: Industry, Innovation and Infrastructure	Sustainable Customer Solutions, Electric Mobility, Green Hydrogen	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
		9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
GOAL 13: Climate Action	Smart Grids, Renewable Energy, Sustainable Customer Solutions, Electric Mobility, Green Hydrogen	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories (or key performance indicators) and associated sustainability objectives/benefits documented in the issuer/borrow/lender's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 2 - Summary of eligible categories in Iberdrola's framework

Eligible Category	Description	Sustainability Objectives	Impact Reporting Metrics
Smart Grids	a.1 General networks investment. Networks projects that facilitate the full decarbonization of the system as defined by the EU Taxonomy are also eligible, as they are absolutely necessary to foster a widespread renewable generation, providing reliability to the system and connecting renewable facilities with the customers a.2 IT systems supporting network control, demand side response and distributed generation dispatching a.3 Projects intended to support access to energy, especially in areas of lower penetration or isolated and distributed generation.	Climate Change Mitigation Energy Efficiency	Annual energy savings (in MWh) Annual attributable GHG emissions avoided (in tCO2e per year)
Renewable Energy	b.1 Wind onshore b.2 Wind offshore b.3 Solar (photovoltaic) b.4 Hydroelectric facilities (including hydro-pumping stations) b.5 Battery Energy Storage Systems (BESS)	Climate Change Mitigation	Annual attributable GHG emissions avoided (in tCO2e per year)
Sustainable Customer Solutions	c.1 Heating electrification as heat pumps c.2 Efficiency projects in buildings (reaching the 30% target) c.3 Distributed generation as Iberdrola's "Smart Solar" c4. Smart meters	Climate Change Mitigation Energy Efficiency	Annual energy savings (in MWh)
Electric Mobility	d.1 Charging stations d.2 Associated infrastructure	Climate Change Mitigation	Annual energy savings (in MWh) Annual attributable GHG emissions avoided (in tCO2e per year)
Green Hydrogen	e.1 Green Hydrogen production	Climate Change Mitigation	Annual attributable GHG emissions avoided (in tCO2e per year)

Appendix 3 - Adherence to the EU Taxonomy

We have provided a supplementary opinion on the framework's adherence to the EU Taxonomy criteria, as defined in the Scope section of this report. As detailed in the tables below, we consider eight out of ten economic activities in two out of fiveeligible categories to adhere to the EU Taxonomy criteria. Our assessment is based solely on information provided by the issuer.

For the economic activity 3.10. Manufacture of hydrogen included in the Green Hydrogen category, all criteria adhere to the EU Taxonomy except the Substantial Contribution criterion related to the methodology used to calculate life-cycle GHG emissions savings. For the economic activity 4.9. Transmission and distribution of electricity included in the Smart Grids and Electric Mobility categories, all criteria adhere to the EU Taxonomy except the DNSH criteria for Pollution prevention and control related to the alignment of construction site activities following the IFC's General Environmental, Health, and Safety Guidelines as well as the use of polyclorinated biphenyls. All non-adhering activities are detailed in the tables below.

Limited to the eligible projects that adhere to the EU taxonomy, the issuer has implemented processes to ensure that all selected projects adhere to TSC and MS as applicable under the EU Taxonomy regulation. The issuer has concluded a detailed screening of the EU Taxonomy criteria for each of the economic activities and identified where existing national law is likely to cover the requirements and where it needs to be complemented by additional measures. This process is described in the "Project evaluation and selection" section, under Alignment with Principles.

Exhibit 1

Substantial contribution criteria - Climate change mitigation (CCM)

Adherence assessment for EU Taxonomy activities 3.10, 4.1, 4.3, 4.5, 4.9, 4.10, 7.3, 7.4, 7.5, 7.6.

Eligible Category	Eligible Sub-category	Economic Activity	Adherence to Substantial Contribution criteria	Related issuer information
Smart grids	IT systems supporting network control, demand side response and distributed generation dispatching	4.9. Transmission and distribution of electricity	Adhere	**Criterion CCM 1:** Iberdrola's activities relate to the installation of IT systems for supporting network control, demand side response and distributed generation dispatching. The system is the interconnected European system, and the average emissions factor of the system network (5-year moving average) is below the threshold value of 100 g CO_2e/kWh, measured on a life cycle basis.
	Projects intended to support access to energy, especially in areas of lower penetration or isolated		Adhere	**Criteria CCM 2d and 2e**: The main objective of this sub-category is pursuing an increase of the generation or use of renewable electricity generation, to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources. This has been confirmed to include sensors and measurement tools (including meteorological sensors for forecasting renewable production), as well as communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).
	General networks investment. Networks projects that facilitate the full decarbonization of the system as defined by the EU Taxonomy are also eligible, as they are absolutely necessary to foster a widespread renewable generation, providing reliability to the system and connecting renewable facilities with the customers		Adhere	**Criterion CCM 1:** Iberdrola's activities include networks projects that facilitate the full decarbonization of the system they support. The issuer confirms that the system is the interconnected European system, and the average emissions factor of the system network (5-year moving average) is below the threshold value of 100 g CO_2e/kWh, measured on a life cycle basis.
Renewable Energy	Wind onshore	4.3. Electricity generation from wind power	Adhere	Iberdrola's activities include the construction and operation of electricity generation facilities that produce electricity from wind power (onshore and offshore).
	Wind offshore		Adhere	
	Solar (photovoltaic)	4.1 Electricity generation using solar photovoltaic technology.	Adhere	Iberdrola's activities include the construction and operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.
	Hydroelectric facilities (including hydro-pumping stations)	4.5. Electricity generation from hydropower	Adhere	**Criteria CCM 1a and 1b:** Iberdrola's activities include hydroelectric facilities that are either a run-of-river plant and does not have an artificial reservoir, or the power density of the electricity generation facility is above 5 W/m^2.
	Battery Energy Storage Systems (BESS)	4.10. Storage of electricity	Adhere	Iberdrola's activities include the construction and operation of facilities that store electricity and return it at a later time in the form of electricity.

Eligible Category	Eligible Sub-category	Economic Activity	Adherence to Substantial Contribution criteria	Related issuer information
Sustainable customer solutions	Heating electrification as heat pumps	7.3 Installation, maintenance and repair of energy efficiency equipment	Adhere	**Criterion 2e**: Iberdrola's activities cover the installation, replacement, maintenance and repair of heating, ventilation and airconditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies.
	Efficiency projects in buildings (reaching the 30% target)		Adhere	**Criteria 2a and 2e**: Iberdrola's activities include projects that improve the energy efficiency in buildings. The issuer confirms the projects will align with the addition of insulation to existing envelope components, the installation and replacement of energy efficient light sources, installation, replacement, maintenance and repair of heating, ventilation and airconditioning (HVAC) and water heating systems with highly efficient technologies.
	Distributed generation as Iberdrola's "Smart Solar"	7.6. Installation, maintenance and repair of renewable energy technologies	Adhere	**Criteria 1a and 1b**: Iberdrola's activities include the installation, maintenance and repair of solar photovoltaic systems as well as solar hotwater panel, and the ancillary technical equipment for both technologies.
	Smart meters	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Adhere	**Criterion 1c**: Iberdrola's activities include the installation, maintenance and repair of smart meters for gas, heat, cool and electricity.
Electric Mobility	Charging stations	7.4. Installation, maintenance and repair of charging stations for electric vehicles in	Adhere	Iberdrola's activities include the construction and operation of charging stations and the associated infrastructure for electric vehicles. In addition, there are further supporting electric mobility solutions like customised contracts for the supply of clean energy. **Criterion 2b:** Iberdrola's activities include the construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport.
	Associated infrastructure	4.9. Transmission and distribution of electricity	Adhere	
Green Hydrogen	Green Hydrogen production	3.10. Manufacture of hydrogen	Do not adhere	Life-cycle GHG emissions savings are known, and therefore, only projects that meet the GHG emissions savings criterion will be selected. Life-cycle GHG emissions savings are calculated using ISO 14040:2006 and ISO 14044:2006, which is not in line with the requirements of the EU taxonomy suggesting to apply ISO 14067:2018 or ISO 14064-1:2018. For the quantified GHG emission savings in the life cycle, data is obtained from the public life cycle assessment (LCA). There is a certification in place in accordance with Real Decree 376/2022 for "renewable sources" and a corresponding external verification. As for the capture and underground storage process, future projects will emit zero CO_2 emissions during the manufacturing process.

Source: Moody's Investors Service and Iberdrola

Exhibit 2

Do No Significant Harm - Climate change adaptation (CCA)

Adherence assessment for EU Taxonomy activities 3.10, 4.1, 4.3, 4.5, 4.9, 4.10, 7.3, 7.4, 7.5, 7.6.

Eligible Category	Economic Activity	Adherence to DNSH criteria	Related issuer information
Smart Grids	4.9. Transmission and distribution of electricity	Adhere	Across CCM activities 3.10., 4.1., 4.3., 4.5., 4.9., 4.10., 7.3., 7.4., 7.5. and 7.6., all eligible projects adhere to Appendix A. Iberdrola carries out a risk analysis which allows to identify the sensitivity of each technology to the different physical threats and the degree of exposure of a specific region to each of them. The steps to conduct a climate risk and vulnerability assessment (part of the Environmental Impact Assessments (EIA)) include: (a) Screening of the activity to identify the relevant physical risks. Risks with the highest exposure to the issuer's assets include extreme temperature, wind, precipitation, cyclones, etc. (b) Assessing the materiality of the physical climate risks on the economic activity. (c) Assessing of adaptation solutions aimed at reducing the identified physical climate risk. The application of such solutions is activity-dependent. Illustratively, an example of self-protection plan against extreme events as well as instructions for emergencies are presented for hydraulic plants, which ensure a quick and coordinated response to extreme weather events such as floods or heavy rain. The CCA analysis considers the proportionality of the assessment to the scale and the expected lifespan of projects, differentiating between projects with an expected life of less than and more than 10 years as defined by the DNSH to CCA criteria. Location-related characteristics of different countries are included in the analysis in order to account for the specific climate risk characteristics. The CCA analysis makes reference to best practices for climate projections, assessment impacts and consideration of state-of-the-art sciences. References to best practices and available guidance depend on the scenario type: (a) Baseline: Sustainable Development Scenario and the Announced Pledges Scenario published by the International Energy Agency in the Word Energy Outlook (WEO '21 and '22) and the Consumer Transformation Scenario published by the National Grid in the Future Energy Scenarios set (FES '22). (b) Slowdown in transition: forecast published by the WEO '22 for the Stated Policies Scenario (STEPS) and further regional scenarios published by the National Grid. (c) Acceleration in transition: estimates in the Net Zero Scenario (WEO '22) and further regional scenarios published by the National Grid. In addition, based on sensitivity and on the expected evolution of climate threats at the regional level, references are done to the RCP 8.5 climate change scenarios of the Intergovernmental Panel on Climate Change (IPCC). Adaptation solutions (physical and non-physical) with corresponding implementation measures, intended at reducing the most important physical risks, are applied for both existing and newly built assets in a period of less than five years or while the design and construction phases, respectively. Before applying adaptation measures, the risk level is estimated based on the extent of an asset´s exposure to climate variables. Only those variables/regions for which the estimated risk level is medium or high are in scope. Iberdrola ensures that the adaptation solutions do not adversely affect other adaptation efforts, and are consistent with local, sectoral, regional, and national adaptation strategies. The solutions are nature-based and include, among other things, the preservation and improvement of ecosystems as presented in the publicly available 2030 Biodiversity plan.
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	Adhere	
	4.3 Electricity generation from wind power	Adhere	
	4.5. Electricity generation from hydropower	Adhere	
	4.10. Storage of electricity	Adhere	
Sustainable Customer Solutions	7.3 Installation, maintenance and repair of energy efficiency equipment	Adhere	
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Adhere	
	7.6. Installation, maintenance and repair of renewable energy technologies	Adhere	
Electric Mobility	4.9. Transmission and distribution of electricity	Adhere	
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Adhere	
Green Hydrogen	3.10. Manufacture of hydrogen	Adhere	

Sources: Moody's Investors Service and Iberdrola

Exhibit 3

Do No Significant Harm – Sustainable use and protection of water and marine resources (WMR)

Adherence assessment for EU Taxonomy activities 3.10, 4.3, 4.5, 4.10.

Eligible Category	Economic Activity	Adherence to DNSH criteria	Related issuer information
Smart Grids	4.9. Transmission and distribution of electricity	*Not applicable*	N/A
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	*Not applicable*	N/A
	4.3 Electricity generation from wind power	Adhere	In case of construction of offshore wind, the eligible projects will be subject to Environmental Impact Assessments (EIA) ensuring that the appropriate measures are taken to ensure the achievement of good environmental status as defined by the Marine Strategy Framework Directive of the European Parliament and of the Council. The Vineyard Wind 1 offshore wind farm promoted by Iberdrola is cited as an example. Possible measures include: limiting turbine construction in winter and spring to protect North Atlantic right whales, dampening construction noise and limiting speed for ships.
	4.5. Electricity generation from hydropower	Adhere	Pumped storage power plants connected to a river comply with all relevant water regulations, depending on the geographical location of the hydropower projects. The activity complies with the criteria for DNSH to WMR specified in Section 4.5. Hydrological plans cover ecological and passage flows for all the bassins involved. For existing hydropower plants, relevant technical and ecological mitigation measures have been implemented, e.g., construction of perimeter firewalls, installation of oxygen meters dissolved in water and of watertight tank for sewage, etc. The main goal of these measures is to compensate for the loss of ecosystems during construction by restoring them in the project environment. The measures are associated with fish migration, ecological flows and protection of habitats. The application of measures depends on the characteristics of the geographical area, ecosystems, etc. At the time of construction of the facilities, an environmental impact study was performed, which certified the viability of the undertakings, and that they carry out mitigating and compensatory programs to ensure that the projects do not increase the fragmentation of the water masses in the hydrographic basin. All facilities in operation received a permit issued by the relevant environmental regulator and they do not entail any deterioration nor compromises the achievement of good status or potential of the specific water body it relates to. There are currently no new pumped storage power plants in operation or under construction. When planning new hydroelectric power plants, an Environmental Impact Assessment is carried out to ensure that any negative impacts on the status of the body of water are mitigated. Compensatory measures will be carried out when necessary and applied before the implementation of a project.
	4.10. Storage of electricity	Adhere	In case of pumped hydropower storage connected to a river body, all the relevant water policies are respected. Pumped hydropower storages that are not connected to a river body are not within the scope of the envisioned investments, which means that the relevant DNSH criteria for these activities are not applicable for the economic activity 4.10.

Eligible Category	Economic Activity	Adherence to DNSH criteria	Related issuer information
Sustainable Customer Solutions	7.3 Installation, maintenance and repair of energy efficiency equipment	*Not applicable*	N/A
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy	*Not applicable*	N/A
	7.6. Installation, maintenance and repair of renewable energy technologies	*Not applicable*	N/A
Electric Mobility	4.9. Transmission and distribution of electricity	*Not applicable*	N/A
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to	*Not applicable*	N/A
Green Hydrogen	3.10. Manufacture of hydrogen	Adhere	Preservation of water quality and avoidance of water stress are considered during manufacturing processes. The main uses of water in a green hydropower plant occur during production process, washing supply water purification filters, cleaning equipment and other possible uses, like services, etc. A closed circuit of air coolers in the cooling system avoids additional water consumption.The wastewater generated corresponds to the established limit values for the discharging flows of industrial and sanitary water. This means it can be discharged into the public sanitation network. In addition, limit values for industrial water are also respected in terms of reverse osmosis rejection, filtration waste and plant cleaning. Importantly, for all in-scope facilities, electrolyzers use the required ASTM Type II deionized water during the green hydrogen production process. Environmental Impact Assessments will be carried out if necessary, however, they are not applicable to all the eligible projects under the framework. For instance, for the project in Puertollano, a Non-Substantial Modification of the Integrated Environmental Authorization was sufficient for the authorities, as the hydrogen plant is located within the existing ammonia production facilities.

Sources: Moody's Investors Service and Iberdrola

Exhibit 4

Do No Significant Harm – Transition to a circular economy (TCE)

Adherence assessment for EU Taxonomy activities 4.1, 4.3, 4.9, 4.10.

Eligible Category	Economic Activity	Adherence to DNSH criteria	Related issuer information
Smart Grids	4.9. Transmission and distribution of electricity	Adhere	Iberdrola has a waste management plan in place as well as a reporting process following the Green Taxonomy criteria. The waste management plan requires each contractor/project to have a waste management plan covering, among others, waste categories, waste prevention measures including waste hierarchy management approach for each waste type, etc. The issuer's Environmental Management System (EMS) includes the ISO 14001/2015 standard, supporting Iberdrola's committments to the circular economy and life-cycle management. The issuer will be carring out an external audit report of the EMS and the organization manuals for the management of material and hazardous waste.
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	Adhere	Iberdrola uses various strategies to ensure waste limitation and the recyclability of materials. Against this background, a PV panel management system is used. On the other hand, suppliers' awareness of best practices in waste management is raised through environmental sections in the so-called maintenance and waste treatment contracts, in which, for example, topics such as the recycling of components are covered.
	4.3 Electricity generation from wind power	Adhere	Iberdrola will conduct an Environmental Impact Assessment (EIA) of the offshore wind farms of different locations. In addition, the issuer has in place an Environmental Management System (EMS) Waste Management Procedure. Iberdrola's procedure is in line with the practice of using equipment and components of high durability and recyclability that are easy to dismantle and refurbish. Iberdrola Group will report according to the Green Taxonomy reporting process, which includes the methodology developed by European legislation on Taxonomy (Regulation (EU) 2020/852 of the European Parliament and the Climate Delegated Act 2139-2021).
	4.5. Electricity generation from hydropower	*Not applicable*	N/A
	4.10. Storage of electricity	Adhere	The evidencing for the DNSH to TCE criteria of the economic activity 4.10. is the same as for the economic activity 4.9. presented above. To summarize, this means that all projects under the perimeter of activity have waste tratement contracts in phases where this is applicable.
Sustainable Customer Solutions	7.3 Installation, maintenance and repair of energy efficiency equipment	*Not applicable*	N/A
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	*Not applicable*	N/A
	7.6. Installation, maintenance and repair of renewable energy technologies	*Not applicable*	N/A
Electric Mobility	4.9. Transmission and distribution of electricity	Adhere	The evidencing for the DNSH to TCE criteria is the same as already presented above for the economic activity 4.9. To summarize, this means that all projects under the perimeter of activity have a waste management plan in place.
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	*Not applicable*	N/A
Green Hydrogen	3.10. Manufacture of hydrogen	*Not applicable*	N/A

Source: Moody's Investors Service and Iberdrola

Exhibit 5

Do No Significant Harm – Pollution prevention and control (PPC)

Adherence assessment for EU Taxonomy activities 3.10, 4.9, 7.3.

Eligible Category	Economic Activity	Adherence to DNSH criteria	Related issuer information
Smart Grids	4.9. Transmission and distribution of electricity	Do not adhere	The issuer could not demonstrate that all elements covered under the principles of the IFC General Environmental, Health, and Safety Guidelines are being followed. Nevertheless, the issuer follows the 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 countries where the activity applies. The issuer was unable to demonstrate that the envisaged activities do not currently use polyclorinated biphenyls (PCBs), since PCBs are contained in the oil of transformers that were put in operation before 2000. However, following the Stockholm Convention on the eliminiation of equipment containing PCB, a plan has been set for its complete elimination in December 2025. PCB elimination in relevant processes is being monitored.
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	*Not applicable*	N/A
	4.3 Electricity generation from wind power	*Not applicable*	N/A
	4.5. Electricity generation from hydropower	*Not applicable*	N/A
	4.10. Storage of electricity	*Not applicable*	N/A
Sustainable Customer Solutions	7.3 Installation, maintenance and repair of energy efficiency equipment	Adhere	**Criteria a, d, e:** The activities associated with (i) the heating electrification as heat pumps and (ii) efficiency projects in buildings do not result in the production, placing on the market or use of the harmful substances listed in Appendix C. In case of additional thermal insulation to an existing building envelope, trained personnel would collect information linked to asbestos containing materials.
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	*Not applicable*	N/A
	7.6. Installation, maintenance and repair of renewable energy technologies	*Not applicable*	N/A
Electric Mobility	4.9. Transmission and distribution of electricity	Do not adhere	The evidencing for the DNSH to PPC criteria is the same as already presented above for the economic activity 4.9. pertaining to the eligible category smart grids. To summarize, In summary, this means that there is a lack of evidence of compliance with the IFC General Environmental, Health, and Safety Guidelines.
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	*Not applicable*	N/A
Green Hydrogen	3.10. Manufacture of hydrogen	Adhere	During the hydrogen production process, only proton exchange membrane electrolysers (PEM) with renewable energy from solar photovoltaics are used, which do not lead to the production of any of the harmful substances listed in the Appendix C. In most cases, no emissions are created during processing. Should emissions occur, measures will be applied to mitigate them and keep them within or below the emission levels associated with best available techniques for hydrogen plants. Water electrolysis eliminates cross-contamination. In the event of cross-contamination of the purity of the hydrogen, plants have a purification system in place that guarantees the quality of the green hydrogen produced.

Sources: Moody's Investors Service and Iberdrola

Exhibit 6

Protection and restoration of biodiversity and ecosystems (PBE)

Adherence assessment for EU Taxonomy activities 3.10, 4.1, 4.3, 4.5, 4.9, 4.10.

Eligible Category	Economic Activity	Adherence to DNSH criteria	Related issuer information
Smart Grids	4.9. Transmission and distribution of electricity	Adhere	Across CCM activities 3.10., 4.1., 4.3., 4.5., 4.9. and 4.10. all eligible projects, for which this DNSH criteria applies, adhere to Appendix D. The PBE requirements are linked to the assessment of impacts on the environment. Iberdrola's assessment is based on the principles of respect for the environment, dialogue with stakeholders and transparency, using an Environmental Management System that acts as common framework in the coordination of different plans and measures. The evaluation of impacts on biodiversity is carried out in environmental impact studies and/or in the ISO 14001 certified process for identification and evaluation of environmental aspects associated with biodiversity, which is applied in all facilities. The Environmental Monitoring Plan forms the basis for a Mitigation and Compensation Plan. In cases where a substantial environmental aspect is identified, potential measures are evaluated and either objectives are set, or other corrective actions are determined, based on their technical and economic viability. For sites/operations located in or near biodiversity-sensitive areas, risks and opportunities are identified and analyzed through the Environmental Monitoring Plan, and options for taking measures are anlysed and objectives or corrective measures are defined.
Renewable Energy	4.1 Electricity generation using solar photovoltaic technology	Adhere	The evidencing for the DNSH to PBE criteria of the economic activities 4.1., 4.3., 4.5., 4.10 is the same as for the economic activity 4.9. presented above. In addition, in case of offshore wind, the activity does not hamper the achievement of good environmental status, for example through turbine oil temperature control, specific design conditions and periodic monitoring, among other measures.
	4.3 Electricity generation from wind power	Adhere	
	4.5. Electricity generation from hydropower	Adhere	
	4.10. Storage of electricity	Adhere	
Sustainable Customer Solutions	7.3 Installation, maintenance and repair of energy efficiency equipment	*Not applicable*	N/A
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	*Not applicable*	N/A
	7.6. Installation, maintenance and repair of renewable energy technologies	*Not applicable*	N/A
Electric Mobility	4.9. Transmission and distribution of electricity	Adhere	The evidencing for the DNSH to PBE criteria is the same as already presented above for the economic activity 4.9. pertaining to the eligible category smart grids. In summary, this means that all requirements of Appendix D are fulfilled.
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	*Not applicable*	N/A
Green Hydrogen	3.10. Manufacture of hydrogen	Adhere	The evidencing for the DNSH to PBE criteria of the economic activity 3.10. is the same as for the economic activity 4.9. presented above. In summary, this means that all requirements of Appendix D are fulfilled.

Source: Moody's Investors Service and Iberdrola

Exhibit 7

Minimum Safeguards (MS)

Assessment at the issuer level

Minimum Safeguards	Adherence to Minimum Safeguards	Related issuer information
Human Rights	Adhere	Iberdrola has established a human rights due diligence process in accordance with the steps and procedures outlined in the the OECD Guidelines for Multinational Enterprises (MNEs), the United Nations Guiding Principles (UNGPs) on Business and Human Rights, including the principles and rights established by the eight fundamental conventions identified in the International Labour Organisation's (ILO's) Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights. The adherence to the process in enshrined in all businesses, countries of operation and supply chains. According to an analysis of various Global Reporting Initiative (GRI) indicators, including compliance with laws and regulations (GRI 2-27), there was no case in which the Minimum Safeguards associated with human rights have been neglected in the past. The results are publicly available in the Sustainability Report 2022. Additionally, there are currently no labor or human rights convictions pending, nor are there any allegations made against Iberdrola by the Business and Human Rights Resource Center (BHRRC).
Corruption	Adhere	Iberdrola has anti-corruption processes in place, which consider various anti-bribery laws and regulations from numerous relevant jurisdictions. The main procedures and measures adopted are presented in the publicly available Compliance System Transparency Report 2022. An analysis of various Global Reporting Initiative (GRI) indicators, including incidents of corruption and actions taken (GRI 205-3), indicated that there was no case in which the Minimum Safeguards associated with corruption have been neglected in the past. The results are publicly available in the Sustainability Report 2022. Furthermore, there are currently no court convictions for corruption pending.
Taxation	Adhere	Iberdrola strives to ensure compliance with applicable tax laws and regulations and to ensure appropriate coordination of tax practices. The issuer is committed to complying with tax rules in the various countries and territories in which it operates. The details on the application of good tax practices are publicly available in the Corporate Tax Policy 2022. In addition, there are currently no court convictions pending for violations of tax laws.
Fair Competition	Adhere	Iberdrola is committed to a fair competition on markets in accordance with current legal regulations. The principles of conduct are presented in the publicly available Competition Law Compliance Policy 2023. Iberdrola has measures in place to promote employee awareness of the importance of compliance with all applicable competition laws and regulations. The company is committed to implementing appropriate competition law training programmes and communication plans for the professionals of the company. In addition, there are currently no court convictions pending for violations of competition laws.

Sources: Moody's Investors Service and Iberdrola

Endnotes

1 Projects will be eligible only of they are financed by Iberdrola itself and not by Iberdrola's subsidiaries for which Iberdrola does not provide guarantees. The subsidiaries based in the US and Brazil are subject to their own green financing frameworks while they continue issuing their own thematic debt transactions

2 World Energy Outlook 2023, International Energy Agency

3 Electricity grids and secure energy transitions, International Energy Agency, October 2023

4 Power transmission and distribution losses – A model based on available empirical data and future trends for all countries globally, May 2019

5 Renewables, International Energy Agency, retrieved October 2023

6 Transport, International Energy Agency, retrieved October 2023

7 The future of hydrogen, IEA, accessed November 2023

8 4 technologies that are accelerating the green hydrogen revolution, World Economic Forum, June 2021

9 Green hydrogen cost reduction, International renewable energy agency, 2020

10 The Equator Principles are a financial industry benchmark for determining, assessing and managing environmental and social risk in projects

11 Climate action, Iberdrola's website, retrieved October 2023

12 Sustainability report 2022, Iberdrola's website, retrieved October 2023

13 Strategic plan 2023-2025, Iberdrola's website, retrieved October 2023

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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