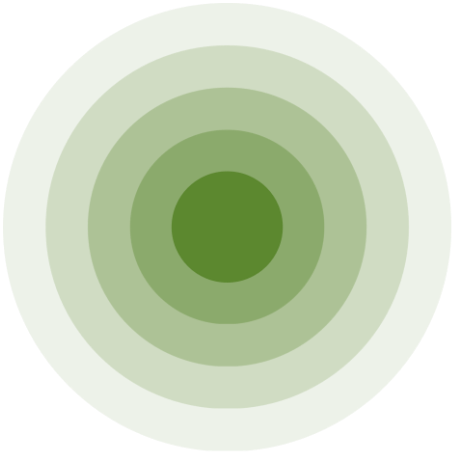

Green financing returns report 2020

IBERDROLA

Green finance

Iberdrola is once again the leading company worldwide in green finance, standing out for the number and amount of green finance transactions carried out by various companies of the group. This is all intended to align its financial strategy with its purpose and values, optimise the cost of its debt and diversify its funding sources.

The differentiating feature of this financing is the commitment to use the funds to invest in environmentally sustainable and socially responsible projects like renewable energy, expansion and digitalisation of electricity transmission and distribution grids, researching new, more efficient technologies, and intelligent mobility projects. The company also commits to regularly report the environmental return that its investments in these projects have yielded during the respective period.

The Group has signed new green transactions in the total amount of 4,543[1] million euros (including 2,000 million euros from the hybrid bond issued in February 2021). This brings the total of green financing to 15,689[2] million euros.

The Group has also arranged sustainable credit lines with the Corporation and Avangrid in the amount of 8,840 million euros, bringing the total amount of green and sustainable financing to 24,529 million euros.

In the capital markets, Iberdrola is the world's leading corporate 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 focused on Socially Responsible Investing (SRI) investors, 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 its subsidiaries (Avangrid green bonds and Neoenergia green debentures).

Iberdrola has issued a total of 13 green bonds from the Corporation[3] at year-end 2020. The issue dates, as well as the principal characteristics thereof, are as follows:

[1] Including 100% of the financing in which Iberdrola participates with partners
[2] Including 100% of the financing in which Iberdrola participates with partners, and Avangrid's green TEI structures
[3] Does not include the green bonds issued by Avangrid or the green infrastructure debentures issued by Neoenergia, which are subject to specific Frameworks and which will be reported in the respective Sustainability Reports of these companies

Green bonds

ISIN	Issue date	Issuer	Public / Private	Senior / Subordinate	Face value (€ millions)	Maturity	Coupon
XS1057055060	24-Apr-14	Iberdrola International	Public	Senior	750	Oct-22	2.50%
XS1398476793	21 Apr-16	Iberdrola International	Public	Senior	1,000	Apr-26	1.13%
XS1490726590	15-Sep-16	Iberdrola International	Public	Senior	700	Sep-25	0.38%
XS1527758145	07-Dec-16	Iberdrola Finanzas	Public	Senior	750	Mar-24	1%
XS1564443759	20-Feb-2017 (expanded on 22-Jun-2017)	Iberdrola Finanzas	Private	Senior	250	Feb-24	Euribor 3 M + 0.67%
XS1575444622	07-Mar-17	Iberdrola Finanzas	Public	Senior	1,000	Mar-25	1%
XS1682538183	06-Sep-17	Iberdrola Finanzas	Public	Senior	750	Sep-27	1.25%
XS1721244371	22-Nov-17	Iberdrola International	Public	Subordinate	1,000	Perpetual	1.875%
XS1797138960	26-Mar-18	Iberdrola International	Public	Subordinate	700	Perpetual	2.625%
XS1847692636	28-Jun-18	Iberdrola Finanzas	Public	Senior	750	Oct-26	1.25%
XS1924319301	21-Dec-18	Iberdrola Finanzas	Private	Senior	44[4]	Oct-25	3.724%
XS1890845875	05-Feb-19	Iberdrola International	Public	Subordinate	800	Perpetual	3.25%
XS2153405118	14-Apr-20	Iberdrola Finanzas	Public	Senior	750	Jun-25	0.875%

At the date of publication of this report, Iberdrola has issued the largest green hybrid bond in history, in the amount of 2,000 million euros (9 February 2021). The transaction was structured in 2 tranches, both perpetual, in the amount of 1,000 million euros, with coupons of 1.45% and 1.825%. The funds will be used to finance the St. Brieuc (France) and Baltic Eagle (Germany) offshore wind farms.

In November 2017, May 2019 and April 2020 Iberdrola also issued *green* bonds in the U.S. market through its subsidiary Avangrid in the amounts of 600, 750 and 750 million U.S. dollars, respectively, to finance renewable energy and transmission projects in the United States. Information on these transactions is described in the Avangrid 2020 Sustainability Report.

In June 2019 and February 2020 Neoenergia also issued *green* infrastructure debentures in the amount of 1,296 and 300 million Brazilian reais, respectively, to finance renewable energy and transmission projects in Brazil. Information on these transactions is described in the Neoenergia 2020 Sustainability Report .

[4] USD 50 million nominal value.

In the banking market, Iberdrola received the first *green* loan obtained by an energy company in 2017, which was followed by other *green* transactions. In 2018 Iberdrola México, a wholly-owned subsidiary of Iberdrola, executed the first *green* corporate loan in Latin America for 400 million US dollars, which was used to refinance the company's renewables assets in Mexico. In 2020 Iberdrola signed its first *green* Project Financing through its 63.5%-owned subsidiary Iberdrola Renovables de la Rioja, S.A., provided by BBVA in the amount of 23.3 million euros, to refinance 12 wind farms in La Rioja.

Green Bank Loans

Date	Borrower	Type	Amount (€M)
20-Apr18	Iberdrola México	Syndicated	325[5]
3-Dec-20	Iberdrola Renovables de la Rioja	Project Finance	15[6]

In May 2019 Iberdrola obtained its first *green* loan from a development institution and since then it has continued to execute a series of green corporate loans with development banks for assets under construction in 2020, specifically: i) with the multilateral European Investment Bank (EIB), and ii) *with Instituto de Crédito Oficial* (ICO), a Spanish state-owned bank. These public institutions have their own standards for evaluating projects and for allocating green instruments. All of the assets financed by these institutions are included as projects capable of green financing within the framework of Iberdrola's *green* financing.

Green loans with Development Institutions

Lender	Project	Date	Borrower	Type	Amount (€M)
ICO	Tamega	30-may-19	Iberdrola Financiación	Corporate	400
ICO	Núñez de Balboa	11-Jul-19	Iberdrola Financiación	Corporate	140
EIB	Núñez de Balboa	11-Jul-19	Iberdrola Financiación	Corporate	145
EIB	Cavar	4-Nov-19	Renovables de la Ribera[7]	Corporate	25
EIB	Portfolio of Renewables Projects	6-Jul-20	Iberdrola Financiación	Corporate	600
ICO	Portfolio of Renewables Projects	7-Jul-20	Iberdrola Financiación	Corporate	200
ICO[8]	Public network of fast-charging and ultra-fast-charging stations for electric vehicles (Smart Mobility)	22-Jul-20	Iberdrola Financiación	Corporate	59

[5] USD 400 million nominal value.
[6] The Iberioja loan had a Second Party Opinion from G-Advisory. Iberdrola Renovables de la Rioja is a company that is 63.55%-owned by Iberdrola.
[7] Renovables de la Ribera is a company that is 50% owned by Iberdrola. The financing obtained is guaranteed by Iberdrola in the amount of its percentage ownership interest
[8] ICO Loan for Electric Mobility had a Second Party Opinion from G-Advisory

In July 2020 Neoenergia received green loan classification from the EIB for a financing signed in December 2019 in the amount of 250 million euros to finance wind projects in Brazil. Information on this transaction is described in the Neoenergia 2020 Sustainability Report.

The funds obtained through all these transactions have been used to finance or refinance investments in projects meeting certain environmental and sustainable development criteria, described in the Iberdrola Framework for Green Financing (the "Framework"), which is aligned with the *Green Bond Principles* established by the International Capital Markets Association (ICMA) and the Loan Market Association's *Green Loan Principles.* These projects are mainly within the area of renewable energy. PricewaterhouseCoopers Auditors also verifies the *Green* Finance Returns Report, for which it has previously analysed the *Framework*.

In accordance with the *Framework*, most of the transactions are also certified by an independent expert with regard to the eligibility of the (re)financed assets and their conformance to the *Framework* and the *Green Bond / Loan Principle*s.[9]

For public bond issues, Iberdrola has used VigeoEiris to validate the "green" nature of its finance instruments. VigeoEiris issues its rating of the issuer not only with respect to the management of the selected projects, but also regarding its general environmental and sustainable development commitments that it implements in the ordinary course of its business.

Certification regarding the eligibility of the (re)financed projects in each public transaction can be found in the corresponding *Second Party Opinion* prepared by VigeoEiris and available on the corporate website. It is important to note that obtaining this type of certification requires not only compliance with the *Green Bond Principles* and alignment of each transaction with the *Framework*, but also the existence of a strong sustainability profile of the borrower.

On all occasions, VigeoEiris has performed an analysis classifying Iberdrola's sustainability policies and practices, finding that the required standards were met with a level of security that was more than satisfactory.

The conclusions of VigeoEiris, including the controversies identified in the green issues, together with the eligibility standards, are described in the *Second Party Opinion* corresponding to each *green* transaction. In the case of the bonds[10], this information is available in the Information related to green finance section of the corporate website.

The table below summarises the environmental benefits in 2020 related to investments financed or refinanced with outstanding *green* financings signed at year end by Iberdrola[11].

[9] As described in the Framework, this certification or "*Second Party Opinion*" is required in the case of a public transaction, understood as those bonds issued through a public underwriting process. This is not restrictive, however, and a *Second Party Opinion* can also be issued in private transactions.
[10] Excludes the loans, as they are private contracts between a small number of parties.
[11] Does not include the *green* bonds issued by Avangrid or the *green* infrastructure debentures issued by Neoenergia, which are subject to specific Frameworks, and the returns on which will be reported in the respective *Sustainability Reports* of these companies.

Related environmental benefits

Financing (ISIN code for bonds)	Area of investment	Installed capacity attributable to the financing (MW)	2020 output attributable to the financing (GWh)	CO_2 avoided in 2020 due to the financing (Tm)
XS1057055060	Renewables[12]	480	944	137,631
XS1398476793	Renewables	736	1,284	222,415
XS1490726590	Renewables	403	776	180,833
XS1527758145	Renewables	540	1,079	155,419
XS1564443759	Renewables	164	396	129,296
XS1575444622	Renewables	338	990	327,869
XS1682538183	Renewables	278	661	219,595
XS1721244371	Renewables	650	1,244	289,845
XS1797138960	Renewables	519	801	140,863
XS1847692636	Renewables	228	727	169,385
XS1924319301	Renewables	23	64	32,223
XS1890845875	Renewables	231	761	209,234
XS2153405118	Renewables	655	730	368,441
IBE México loan	Renewables	188	425	214,592
Támega ICO loan	Renewables	310	N/A[13]	N/A
Núñez de Balboa ICO loan	Renewables	241	238	34,210
Núñez de Balboa EIB loan	Renewables	250	246	35,431
Renovables de la Ribera EIB loan	Renewables	27	9	1,296
EIB Renewables Portfolio Loan	Renewables	881	41	5,898
ICO Renewables Portfolio Loan	Renewables	300	12	1,732
ICO Chargers Loan	Electromobility	5	0.07[14]	76
Iberioja Project Finance	Renewables	15	21	3,009

[12] Among others
[13] Projects in construction phase
[14] Energy supplied by operative chargers

Report on *Green* Finance Returns

April 2014 Bond (ISIN code XS1057055060)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW) [15]
Distribution	Networks	Renewable generation connection in Scotland	United Kingdom	2011-2016	N/A
Distribution	Networks	Strengthen international connection in Scotland	United Kingdom	2011-2016	N/A
Distribution	Networks	Castile-La Mancha photovoltaic connection plan	Spain	2011-2014	N/A
Distribution/ Smart grids	Networks	STAR project	Spain	2011-2018	N/A
Renewables	Onshore wind	Pico Collalbas	Spain	2006	30
Renewables	Onshore wind	Carrascosa	Spain	2006	37
Renewables	Onshore wind	Sierra Menera	Spain	2006	40
Renewables	Onshore wind	Clares	Spain	2006	32
Renewables	Onshore wind	Escalón	Spain	2006	30
Renewables	Onshore wind	Tarayuela	Spain	2006	28
Renewables	Onshore wind	Morón de Almazán	Spain	2006	48
Renewables	Onshore wind	Los Campillos	Spain	2006	34
Renewables	Onshore wind	Dólar I	Spain	2006	50
Renewables	Onshore wind	Dólar III	Spain	2006	6
Renewables	Onshore wind	Cerro Blanco	Spain	2009	3
Renewables	Onshore wind	Grijota	Spain	2006	4
Renewables	Onshore wind	Mark Hill	United Kingdom	2011	12
Renewables	Onshore wind	Collados	Spain	2011	10
Renewables	Onshore wind	Fuentesalada	Spain	2011	44
Renewables	Onshore wind	Cabras	Spain	2012	22
Renewables	Onshore wind	Layna	Spain	2012	50

[15] Installed capacities attributable to each green financing transaction take into account the proportion represented by the allocated amount of the total investment in each of them.

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Distribution	94
Distribution/Smart grids	80
Renewables	576
TOTAL	**750**

Sustainability indicators in the area of distribution

Name of project	Increase in capacity within the horizon of the investment plan (MW)
Renewable generation connection in Scotland	2,167
Strengthen international connection in Scotland	6,640
Castile-La Mancha photovoltaic connection plan	604

Sustainability indicators in the area of smart grids

STAR Project	Status as of 2011[16]	Status as of 2012
Smart meters (no.)	154,428	449,441
Smart meters installed (%)	1.44	4.16
Transformer centres adapted for remote management (no.)	583	2,692
Transformer centres adapted for remote management (%)	0.88	4.01

Sustainability indicators in the area of renewable energy[17]

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond Tm)[18]
480	944	137,631

[16] Takes data from 2011 and 2012 in order to allow for identification of profits from investments made.

[17] Emissions avoided take into account the percentage of production of each facility that corresponds to the percentage of the amount invested and installed capacity allocated to each *green* bond issue.

[18] Emissions avoided, reported throughout this Report on Green Financing Returns, have been calculated as a product of 2020 production attributable to the bond and the emission factor for the country in which the assets are geographically located. Sources: REE, DEFRA, European Environment Energy, CRE.

April 2016 Bond (ISIN code XS1398476793)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Alvao	Portugal	2009	42
Renewables	Onshore wind	Puerto de Malaga	Spain	2008	12
Renewables	Onshore wind	Cortijo Linera	Spain	2008	28
Renewables	Onshore wind	Cabezas	Spain	2009	17
Renewables	Onshore wind	Centenar	Spain	2009	40
Renewables	Onshore wind	Majal Alto	Spain	2009	50
Renewables	Onshore wind	Retuerta	Spain	2009	38
Renewables	Onshore wind	Saucito	Spain	2009	30
Renewables	Onshore wind	Tallisca	Spain	2009	40
Renewables	Onshore wind	Valdefuentes	Spain	2009	28
Renewables	Onshore wind	Torrecilla	Spain	2009	16
Renewables	Onshore wind	Coterejon II	Spain	2009	6
Renewables	Onshore wind	Altamira	Spain	2009	49
Renewables	Onshore wind	Lirios	Spain	2010	48
Renewables	Onshore wind	Nogueira	Spain	2010	3
Renewables	Onshore wind	Alto de la Degollada	Spain	2010	50
Renewables	Onshore wind	Gomera	Spain	2010	12
Renewables	Onshore wind	Savalla	Spain	2010	18
Renewables	Onshore wind	Conesa II	Spain	2011	32
Renewables	Onshore wind	Espartal	Spain	2012	6
Renewables	Onshore wind	Torrecilla II	Spain	2012	22
Renewables	Onshore wind	Gomera II	Spain	2012	6
Renewables	Onshore wind	Las Cabras	Spain	2012	22
Renewables	Onshore wind	Carrascosa	Spain	2006	1
Renewables	Onshore wind	Arecleoch	United Kingdom	2011	120

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	1,000

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
736	1,284	222,415

September 2016 Bond (ISIN code XS1490726590)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Whitelee Ext	United Kingdom	2012	139
Renewables	Onshore wind	Middleton	United Kingdom	2013	12
Renewables	Onshore wind	Lynemouth	United Kingdom	2012	26
Renewables	Onshore wind	Beinn An Tuirc 2	United Kingdom	2013	44
Renewables	Onshore wind	Carland Cross Ext	United Kingdom	2013	20
Renewables	Onshore wind	Coal Clough Repowering	United Kingdom	2014	16
Renewables	Onshore wind	Blacklaw Ext	United Kingdom	2016	38
Renewables	Onshore wind	Blacklaw Ext Ph2	United Kingdom	2016	25
Renewables	Onshore wind	Dersalloch	United Kingdom	2016	69
Renewables	Onshore wind	Ewe Hill	United Kingdom	2016	14

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	700

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
403	776	180,833

December 2016 Bond (ISIN code XS1527758145)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Doña Benita	Spain	2008	32
Renewables	Onshore wind	Sabina	Spain	2008	48
Renewables	Onshore wind	Vieiro	Spain	2008	20
Renewables	Onshore wind	Argañoso	Spain	2009	21
Renewables	Onshore wind	Bullana	Spain	2009	36
Renewables	Onshore wind	Carril	Spain	2008	27
Renewables	Onshore wind	Cerro Blanco	Spain	2009	37
Renewables	Onshore wind	Cotera	Spain	2009	17
Renewables	Onshore wind	Paramo Vega	Spain	2009	17
Renewables	Onshore wind	Radona I	Spain	2009	23
Renewables	Onshore wind	Radona II	Spain	2009	30
Renewables	Onshore wind	Sombrio	Spain	2008	27
Renewables	Onshore wind	Valdecarrion	Spain	2010	32
Renewables	Onshore wind	Valdeperondo	Spain	2010	44
Renewables	Onshore wind	Viñas	Spain	2010	35
Renewables	Onshore wind	Bolaños	Spain	2008	24
Renewables	Onshore wind	Dos Pueblos	Spain	2008	20
Renewables	Onshore wind	Nacimiento	Spain	2008	24
Renewables	Onshore wind	Tacica de Plata	Spain	2008	26

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	750

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
540	1,079	155,419

February 2017 Bond (ISIN code XS1564443759)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Bureba	Spain	2010	11
Renewables	Onshore wind	Cueza	Spain	2010	8
Renewables	Onshore wind	Candal	Spain	2012	30
Renewables	Onshore wind	Cerro Higuera	Spain	2009	24
Renewables	Onshore wind	Dólar III	Spain	2006	8
Renewables	Onshore wind	Venta III	Mexico	2012	44
Renewables	Onshore wind	Dos Arbolitos	Mexico	2015	39

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	250

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
164	396	129,296

March 2017 Bond (ISIN code XS1575444622)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Valdelanave	Spain	2012	5
Renewables	Onshore wind	Ventosa del Ducado	Spain	2012	42
Renewables	Onshore wind	Peñaflor III	Spain	2012	49
Renewables	Onshore wind	Peñaflor IV	Spain	2012	49
Renewables	Offshore wind	Wikinger	Germany	2017	193

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	1,000

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
338	990	327,869

September 2017 Bond (ISIN code XS1682538183)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Whitelee Ext	United Kingdom	2012	78
Renewables	Onshore wind	Clachan Flats	United Kingdom	2009	15
Renewables	Onshore wind	Mark Hill	United Kingdom	2011	45
Renewables	Onshore wind	Ewe Hill 16	United Kingdom	2017	7
Renewables	Onshore wind	Hare Hill Ext	United Kingdom	2017	30
Renewables	Offshore wind	Wikinger	Germany	2017	103

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	750

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
278	661	219,595

November 2017 Bond (ISIN code XS1721244371) (hybrid)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Whitelee	United Kingdom	2008	253
Renewables	Onshore wind	Harestanes	United Kingdom	2014	136
Renewables	Onshore wind	Kilgallioch	United Kingdom	2017	239
Renewables	Onshore wind	Glen App	United Kingdom	2017	22

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	1,000

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
650	1,244	289,845

March 2018 Bond (ISIN code XS1797138960) (hybrid)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Offshore wind	East Anglia	United Kingdom	2019	21
Renewables	Offshore wind	Wikinger	Germany	2017	3
Renewables	Onshore wind	Whitelee	United Kingdom	2008	28
Renewables	Onshore wind	Ewe Hill 16	United Kingdom	2017	15
Renewables	Onshore wind	Hare Hill Extension	United Kingdom	2017	3
Renewables	Onshore wind	Dos Arbolitos	Mexico	2015	7
Renewables	Hydroelectric	Támega	Portugal	2023	107
Renewables	Onshore wind	Dólar III	Spain	2006	36
Renewables	Onshore wind	Cabezuelo	Spain	2006	30
Renewables	Onshore wind	Cruz de Carrutero	Spain	2011	30
Renewables	Onshore wind	Viñas	Spain	2010	1
Renewables	Onshore wind	Ferreira II	Spain	2006	49
Renewables	Onshore wind	Hueneja	Spain	2006	49
Renewables	Onshore wind	Sil Ampliación	Spain	2006	40
Renewables	Onshore wind	Vieiro	Spain	2006	20
Renewables	Onshore wind	Luzón-Norte	Spain	2006	38
Renewables	Onshore wind	Bordecorex Norte	Spain	2006	42

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	700

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
519	801	140,863

April 2018 loan (Iberdrola Mexico)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Onshore wind	VENTOSA	Mexico	2009	102
Renewables	Onshore wind	BII NEE STIPA	Mexico	2010	27
Renewables	Onshore wind	VENTA III	Mexico	2012	59

Total amount invested by area

Area	Investment allocated to the bond (€M)
Renewables	325[19]

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the loan (GWh)	CO2 avoided due to the bond (Tm)
188	425	214,592

[19] Exchange rate used €1 = $1.23 (April 2018).

June 2018 Bond (ISIN code XS1847692636)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Offshore wind	EAST ANGLIA	United Kingdom	2019	228

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	750

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
228	727	169,385

December 2018 Bond (ISIN code XS1924319301)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Dos Arbolitos	Mexico	2015	23

Total amount invested by area

Area	Investment allocated to the bond (€M)
Renewables	44

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
23	64	32,223

February 2019 Bond (ISIN code XS1890845875) (hybrid)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Offshore wind	EAST ANGLIA	United Kingdom	2019	180
Renewables	Offshore wind	WIKINGER	Germany	2017	51

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	800

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh	CO_2 avoided due to the bond (Tm)
231	761	209,234

Támega ICO loan (30/05/2019)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Hydroelectric	Támega	Portugal	2023	310

Amount of planned investment: €1,495 million

Area	Investment allocated to the loan (€ millions)
Renewables	400

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO_2 avoided due to the bond (Tm)
310	N/A	N/A

Núñez Balboa ICO Loan (11/07/2019)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Photovoltaic solar	Nuñez de Balboa	Spain	2020	241

Amount of planned investment: €290 million

Area	Investment allocated to the loan (€ millions)
Renewables	140

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO_2 avoided due to the loan (Tm)
241	238	34,210

Nuñez de Balboa EIB Loan (11/07/2019)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Photovoltaic solar	Nuñez de Balboa	Spain	2020	250

Amount of planned investment: €290 million

Area	Investment allocated to the loan (€ millions)
Renewables	145

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO2 avoided due to the bond (Tm)
250	246	35,431

Renovables de la Ribera EIB Loan (04/11/2019)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables[20]	Onshore wind	Cavar	Spain	2020	27

Amount of planned investment[20]: €52.25 million

Area	Investment allocated to the loan (€ millions)
Renewables	25[20]

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO_2 avoided due to the loan (Tm)
27	9	1,296

[20] Only takes into account 50%, the value of Iberdrola's interest.

April 2020 Bond (ISIN code XS2153405118)

Assets allocated

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the bond (MW)
Renewables	Onshore wind	Santiago EO	Mexico	2019	105
Renewables	Photovoltaic solar	Santiago FV	Mexico	2018	170
Renewables	Onshore wind	Hermosillo	Mexico	2018	100
Renewables	Photovoltaic solar	Cuyoaco	Mexico	2020	200
Renewables	Onshore wind	Halsary	United Kingdom	2020	30
Renewables	Onshore wind	Beinn an Tuirc3	United Kingdom	2020	50

Total amount invested by area

Area	Investment allocated to the bond (€ millions)
Renewables	750

Sustainability indicators

Installed capacity attributable to the bond (MW)	2020 production attributable to the bond (GWh)	CO_2 avoided due to the bond (Tm)
655	730	368,441

EIB Renewables Portfolio Loan (06/07/2020)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Onshore wind	El Pradillo	Spain	2020	11
Renewables	Onshore wind	Encinillas	Spain	2020	12
Renewables	Onshore wind	Capiechamartin	Spain	2021	17
Renewables	Onshore wind	Cordel Vidural	Spain	2021	18
Renewables	Onshore wind	Panondres	Spain	2021	10
Renewables	Onshore wind	PuyLobo	Spain	2020	25
Renewables	Onshore wind	Verdigueiro	Spain	2021	19
Renewables	Photovoltaic solar	Teruel	Spain	2021	25
Renewables	Onshore wind	Fuenteblanca	Spain	2021	5
Renewables	Photovoltaic solar	Andévalo	Spain	2020	25
Renewables	Photovoltaic solar	Barcience	Spain	2021	25
Renewables	Photovoltaic solar	Olmedilla	Spain	2021	25
Renewables	Photovoltaic solar	Peñarrubia	Spain	2021	25
Renewables	Photovoltaic solar	Romeral	Spain	2021	25
Renewables	Photovoltaic solar	Campo Arañuelo 1	Spain	2021	25
Renewables	Photovoltaic solar	Campo Arañuelo 2	Spain	2021	25
Renewables	Photovoltaic solar	Campo Arañuelo 3	Spain	2021	20
Renewables	Onshore wind	Herrera 2	Spain	2021	32
Renewables	Photovoltaic solar	Ceclavin	Spain	2021	163
Renewables	Photovoltaic solar	Cedillo (Majada Alta y S Antonio)	Spain	2021	50
Renewables	Photovoltaic solar	Puertollano	Spain	2021	50
Renewables	Photovoltaic solar	Arenales	Spain	2021	75
Renewables	Onshore wind	Martin de la Jara	Spain	2021	18
Renewables	Photovoltaic solar	Francisco Pizarro	Spain	2021	156

Amount of planned investment: €1,363 million

Area	Investment allocated to the loan (€ millions)
Renewables	600

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO_2 avoided due to the loan (Tm)
881	41	5,898

ICO Renewables Portfolio Loan (07/07/2020)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Onshore wind	El Pradillo	Spain	2020	3
Renewables	Onshore wind	Encinillas	Spain	2020	4
Renewables	Onshore wind	Capiechamartin	Spain	2021	5
Renewables	Onshore wind	Cordel Vidural	Spain	2021	6
Renewables	Onshore wind	Panondres	Spain	2021	3
Renewables	Onshore wind	PuyLobo	Spain	2020	7
Renewables	Onshore wind	Verdigueiro	Spain	2021	6
Renewables	Photovoltaic solar	Teruel	Spain	2021	7
Renewables	Onshore wind	Fuenteblanca	Spain	2021	2
Renewables	Photovoltaic solar	Andévalo	Spain	2020	7
Renewables	Photovoltaic solar	Barcience	Spain	2021	7
Renewables	Photovoltaic solar	Olmedilla	Spain	2021	7
Renewables	Photovoltaic solar	Peñarrubia	Spain	2021	7
Renewables	Photovoltaic solar	Romeral	Spain	2021	7
Renewables	Photovoltaic solar	Campo Arañuelo 1	Spain	2021	7
Renewables	Photovoltaic solar	Campo Arañuelo 2	Spain	2021	7
Renewables	Photovoltaic solar	Campo Arañuelo 3	Spain	2021	6
Renewables	Onshore wind	Herrera 2	Spain	2021	9
Renewables	Photovoltaic solar	Ceclavin	Spain	2021	48
Renewables	Photovoltaic solar	Cedillo (Majada Alta y S Antonio)	Spain	2021	15
Renewables	Photovoltaic solar	Puertollano	Spain	2021	15
Renewables	Photovoltaic solar	Arenales	Spain	2021	22
Renewables	Onshore wind	Martin de la Jara	Spain	2021	6
Renewables	Photovoltaic solar	Francisco Pizarro	Spain	2021	87

Amount of planned investment: €1,363 million

Area	Investment allocated to the loan (€ millions)
Renewables	200

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO_2 avoided due to the loan (Tm)
300	12	1,732

ICO Smart Mobility Loan (22/07/2019)

Area	Technology	Name of project	Location	Start-up year	Number of rechargin g points	Installed capacity attributable to the loan (MW)
Electric mobility projects	Chargers	Smart Mobility	Spain	2020	242	5

Amount of planned investment: €89 million

Area	Investment allocated to the loan (€ millions)
Smart Mobility	59

Sustainability indicators

Installed capacity attributable to the loan (MW)	% investment allocated	2020 energy supplied attributable to the loan (GWh)	CO_2 evitado gracias al préstamo (Tm)
5	5%	0.07	76

Iberioja Green Loan (03/12/2020)

Area	Technology	Name of project	Location	Start-up year	Installed capacity attributable to the loan (MW)
Renewables	Onshore wind	Igea	Spain	2006	1
Renewables	Onshore wind	Larriba	Spain	2005	1
Renewables	Onshore wind	Munilla	Spain	2004	2
Renewables	Onshore wind	Préjano	Spain	2005	1
Renewables	Onshore wind	Alcarama I	Spain	2003	0
Renewables	Onshore wind	Alcarama II	Spain	2003	1
Renewables	Onshore wind	Cabimonteros	Spain	2001	2
Renewables	Onshore wind	Escurrillo	Spain	2003	2
Renewables	Onshore wind	Gatún I	Spain	2002	2
Renewables	Onshore wind	Gatún II	Spain	2003	1
Renewables	Onshore wind	Yerga I	Spain	2000	1
Renewables	Onshore wind	Yerga II	Spain	2002	1

Total amount invested by area[21]:

Area	Investment allocated to the loan (€ millions)
Renewables	15[21]

Sustainability indicators

Installed capacity attributable to the loan (MW)	2020 production attributable to the loan (GWh)	CO2 avoided due to the bond (Tm)
15	21	3,009

[21] Only takes into account 63.55%, the value of Iberdrola's interest.

External Independent Assurance Report on Green Financing

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Verification Report

To the Management of Iberdrola S.A.:

We have carried out our work to provide a limited assurance on the information related to (re)financed project of the Green Bonds in 2020, 2019, 2018, 2017, 2016 and 2014 (ISIN XS2153405118, ISIN XS1890845875, ISIN XS1924319301, ISIN XS1847692636, ISIN XS1797138960, ISIN XS1721244371, ISIN XS1682538183, ISIN XS1575444622, ISIN XS1564443759, ISIN XS1527758145, ISIN XS1490726590, ISIN XS1398476793 and ISIN XS1057055060) issued by Iberdrola International B.V. and Iberdrola Finanzas, S.A.U. (guaranteed by Iberdrola S.A.), the subscription of a green bank loan by Iberdrola Mexico, S.A. of C.V., the subscription of four green loan between Iberdrola Financiación, S.A.U. (guaranteed by Iberdrola, S.A.) and Instituto de Crédito Oficial, Corporate State-owned Entity, the subscription of two green loan between Iberdrola Financiación, S.A.U.(guaranteed by Iberdrola, S.A.) and European Investment Bank, the subscription of a green loan between Renovables de la Ribera, S.L. (guaranteed by Iberdrola, S.A.) and European Investment Bank, as well as the subscription of a sindicated green loan between Iberdrola Renovables La Rioja, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, "Financial Instruments") contained in the "Report on Green Finance Returns" 2020 of Iberdrola, S.A. and its subsidiaries (hereinafter, "Iberdrola") for the year ended 31 December 2020, and prepared in accordance with the "Iberdrola Framework for Green Financing" document (hereinafter, "the Framework"), available in the web page https://www.iberdrola.com/shareholders-investors/investors/fixed-income/information-related-to-green-finance.

The aspects of the information subject of our review are the following:

- The application of the eligibility criteria in the projects financed by the Financial Instruments described in the Framework, and the final list of assets or projects re(financed).
- The allocation of the funds obtained through the Financial Instruments to the assets or projects financed by them and that the capital invested in the refinanced assets or projects is attributable to the Financial Instruments.
- The verification that the sustainability indicators are prepared in accordance with their calculation methodology, defined in the mentioned "Report on Green Finance Returns", including the description of material exceptions.
- Verification that the information related to the "controversies" referred to in "Report on Green Finance Returns", is included in the "Second Party Opinion" of those public bond issued, as indicated in "the Framework", at the time of the issuance of the Bonds published on the website https://www.iberdrola.com/shareholders-investors/investors/fixed-income/information-related-to-green-finance.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Responsibility of Parent company's management

Management of Iberdrola is responsible for the preparation, content and presentation of the "Report on Green Finance Returns", in accordance with the requirements included in the Framework in which the eligibility criteria of the projects, the allocation of funds, the sustainability indicators and the information related to the "controversies" are described.

Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the information included in the "Report on Green Finance Returns" is free from any material misstatement due to fraud or error.

Management of Iberdrola is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the mentioned "Report on Green Finance Returns", is obtained.

Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Reviewed) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and random sampling test. The general procedures employed are described below:

- Meetings with Iberdrola S.A. personnel from various departments who have been involved in the preparation of the "Report on Green Finance Returns" 2020 in order to know the characteristics of the projects (re)financed by the Financial Instruments, the internal management procedures and systems in place, the data collection process and the environment control.

- Verification of the application of the eligibility criteria, described in the Framework, for the selection of projects (re)financed by the Financial Instruments.

- Analysis of the procedures used for gathering and validating the information and data presented in the sustainability indicators included in the "Report on Green Finance Returns" 2020.

- Verification of the traceability of the funds obtained through the Financial Instruments to finance projects and verification that the investments undertaken by Iberdrola in the projects refinanced have been made in accordance with the Framework criteria.

- Verification that the information related to the "controversies" referred to in "Report on Green Finance Returns" is included in the "Second Party Opinion" for the public Green Bonds issued.

- Verification through random sampling tests revisions and substantive tests of the information related to sustainability indicators. We have also verified whether they have been appropriately compiled from the data provided by Iberdrola´s sources of information.

- Obtainment of a management representation letter from the Parent company's management.

Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standard Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, no matters have come to our attention which may lead us to believe that:

- The list of assets or projects financed by the Financial Instruments included in “Report on Green Finance Returns” does not comply, in all its significant aspects, with the eligibility criteria described in the Framework.

- The funds obtained through the Financial Instruments have not been assigned to the assets or projects financed by them and that the capital invested in the refinanced assets or projects is not attributable to the Financial Instruments.

- The sustainability indicators contain significant errors or have not been prepared, in all their significant aspects, in accordance with what is indicated in the Framework and as indicated in “Report on Green Finance Returns” in relation to its calculation.

- The “controversies” referred to in the “Report on Green Finance Returns”, have not been included in the "Second Party Opinion" at the time of issuance of public Financial Instruments.

Use and distribution

Our report is only issued to the Management of Iberdrola, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Iberdrola’s Management.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Pablo Bascones

25 February 2021