

INFORMATIVE NOTE

Five-year circular loan agreement with Intesa Sanpaolo for €250 million

Iberdrola signs the first energy sector loan in Europe linked to water consumption

- **It offers an incentive linked to the circular economy: Iberdrola has committed to gradually reducing its water consumption, keeping this below 420 m³/GWh until 2025 - If it fulfils this condition, Intesa Sanpaolo will discount the interest payable on the loan**
- **The operation with Iberdrola is the largest carried out in Spain under the €6 billion Circular Economy programme launched by Intesa Sanpaolo in its 2018-2021 Business Plan**

Iberdrola has taken out the first energy sector loan in Europe linked to water consumption. The five-year loan has been granted by Intesa Sanpaolo in the sum of 250 million euros.

The operation includes an incentive linked to achieving circular economy objectives: Iberdrola has undertaken to gradually reduce its water consumption, which must remain below a threshold of 420 m³/GWh by 2025. If it does this, Intesa Sanpaolo will apply a discount to the loan. If not, the cost of the loan will increase.

The circular loan granted to Iberdrola is the largest operation carried out in Spain in the framework of the Circular Economy programme, which is worth €6 billion, launched by Intesa Sanpaolo in its Business Plan 2018-2021.

Iberdrola reaffirms its global leadership in green finance

Iberdrola is an established global leader in sustainable financing, it was the first Spanish company in the world to issue green bonds and is the leading company in the world in this area.

The group currently has green or sustainability-linked financing for an amount in excess of €32.4 billion, of which more than €15.6 billion correspond to green bonds. It is still the world's number one issuer of green bonds.

The projects to which the resources obtained from these placements are allocated are aligned with the United Nations Sustainable Development Goals (SDGs), towards which Iberdrola is working: Number 7, affordable, clean energy, and number 13, climate action.

Iberdrola's strategy is to increase the percentage of green and sustainable products in its financing structure, to reach 63 % of the total by 2025. In 2021, 100 % of its credit lines and 70 % of its hybrid bonds will comply with these criteria.

This approach to financing is in line with Iberdrola's growth plan, which envisages investments of €75 billion by 2025, aimed at doubling its renewable capacity to 60,000 MW and raising the value of its network assets to €47 billion. A plan that aims to promote the decarbonisation of the economy and, with it, economic recovery and employment, and which foresees investments of €150 billion by 2030, with which the group will reach an installed capacity of close to 100,000 MW.

Intesa Sanpaolo is one of the world's most sustainable banks and is included in the main sustainability indexes. Intesa Sanpaolo's strategic support of the circular economy is consistent with its objective of promoting sustainable economic development in the long run. Intesa Sanpaolo is a



INFORMATIVE NOTE

strategic partner of the Ellen MacArthur Foundation, the main organisation in the world that promotes the circular economy, with which it has been collaborating since 2016.

About Iberdrola

[Iberdrola](#) is a leading global energy supplier –the third-largest by market capitalisation in the world and the leader in renewables– championing the energy transition towards a low-emissions economy. The group supplies energy to around 100 million people in dozens of countries and has renewable, grid and commercial activities in Europe (Spain, the UK, Portugal, France, Germany, Italy and Greece), the US, Brazil, Mexico and Australia, while counting markets including Japan, Ireland, Sweden and Poland among its growth platforms.

With a workforce of more than 37,000 and assets of over €122.5 billion, it recorded turnover in excess of €33 billion and net profit slightly exceeding €3.6 billion in 2020. The company contributes to the maintenance of 400,000 jobs in its supply chain, with an annual procurement budget of €14 billion. A leader in the fight against climate change, Iberdrola has committed more than €120bn over the last two decades to building a sustainable energy model based on sound environmental, social and governance (ESG) principles.

Intesa Sanpaolo

Intesa Sanpaolo is Italy's leading bank and one of the most solid and profitable in Europe. It provides retail banking, corporate investment, asset management and insurance services. The Intesa Sanpaolo group has approximately 13.5 million customers in Europe that it services through digital and traditional channels and 7.1 million customers abroad with retail bank subsidiaries in twelve Central and Eastern Europe, the Middle East and North Africa, and an international network of specialists to support corporate customers in 25 countries.

Intesa Sanpaolo is recognised as one of the world's most sustainable banks. For the group, creating value means being a motor for growth, to benefit both society and the economy. In relation to the environment, the Group has set up a €6 billion fund for the circular economy. Intesa Sanpaolo supports important economic inclusion projects to reduce poverty, including an impact fund of €1.5 billion to make loans available to sectors of society which find it difficult to secure credit. Intesa Sanpaolo plays an active role in cultural initiatives organised by the bank itself or in collaboration with other organisations in Italy and other countries. These include permanent and temporary exhibitions that give access to the Bank's impressive artistic heritage in the Gallerie d'Italia, the Group's museums in Milan, Naples, Vicenza and soon, in Turin.

