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NEWS RELEASE

With over €32 billion in green and sustainable financing the company aims for 63 % of its debt to meet these criteria by 2025.

Iberdrola launches €5 billion sustainable promissory note programme, the largest ever for a Spanish company

- **It has expanded its Euro *Commercial Paper (ECP) programme* by €2 billion and is introducing indicators that cover ESG areas: environmental, social and governance**
- **Setting high standards: if it fails to comply with any of the three ESG areas, Iberdrola will refrain from issuing further sustainability notes**

Iberdrola,through its Iberdrola International B.V. subsidiary,[1]has launched the largest sustainable promissory note programme for a Spanish company, with a maximum balance of €5 billion

The company has expanded its Euro Commercial Paper (ECP), a framework programme for issuing short-term promissory notes in the Euromarket, with a limit previously set at €3 billion. Going forward, commercial paper will also be linked to indicators related to the three ESG areas (environment, social and governance).

Iberdrola's promissory notes are open to investors focused on socially responsible investment, in line with the Sustainable Development Goals (SDGs) of the UN's 2030 Agenda. That is why the company insists on a high level of standards in the programme and, in case of non-compliance with the established ESG indicators, would refrain from issuing sustainability-denominated notes until they are met again, as it would reduce the attractiveness for this type of investor.

The ECP programme is the group's first short-term financing instrument and is linked to ESG indicators, that encompass five SDGs:

- Environment (SDGs 7 and 13): reduce emissions intensity to 100 g/kwh by 2022. Iberdrola has already improved this ratio, with 98 g/kWh in 2020.
- Social (SDG 5): increase the percentage of women in leadership positions to reach 25 % in 2022.
- Governance (SDGs 16 and 17): Apply 11 recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) to create efficient, transparent and responsible institutions, including the commitment to disseminate compliance in the Company's Sustainability Report and audit this externally.

As there is no current standard model for sustainable short-term financing models, Iberdrola has based this new structure on the Sustainability-Linked Loans Principles of the Loan Market Association (LMA) and on the Sustainability-Linked Bond Principles of the International Capital Market Association (ICMA). For certification, the company has used VigeoEiris, which has issued the corresponding Second Party Opinion.

63% of debt will be green and sustainable by 2025

[1] Dutch issuer with the guarantee of Iberdrola S.A.

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Iberdrola has consistently led the way in sustainable financing. The company is the largest private green bond issuer in the world and was the first Spanish company to issue green bonds in 2014.

At present, the group has outstanding green or sustainability-linked financing of more than €32 billion, of which more than €13 billion are green bonds. Also, 90% of its credit lines already incorporate sustainable criteria.

Iberdrola's strategy is for its financing structure to have an increasingly higher percentage of green and sustainable products, reaching 63% of the total by 2025. Specifically, 100% of its credit lines and 70% of its hybrid bonds will meet these characteristics in 2021.

This approach to financing responds to the major €75 billion investment plan launched by Iberdrola between now and 2025, aimed at doubling its renewable capacity to 60,000 MW and increasing 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. With planned investments by 2030 standing at €150 billion, the group will reach an installed capacity of approximately 100,000 MW.

About Iberdrola

Iberdrola is one of the world's biggest energy companies, a leader in renewables, which is spearheading the energy transition to a low carbon economy. The group supplies energy to almost 100 million people in dozens of countries. It carries out renewables, networks and commercial activities in Europe (Spain, the United Kingdom, Portugal, France, Germany, Italy and Greece), the United States, Brazil, Mexico and Australia, and, as growth platforms, it is present in markets such as Japan, Ireland, Sweden and Poland, among others.

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