
INFORMATIVE NOTE

The group is continuing to finance renewable energy projects and will invest 13,300 million euros during the 2018-2022 period

Iberdrola receives the biggest ever green loan granted by the ICO, worth €400 million

- **Company Chairman, Ignacio Galán, and the President of the financial institution, José Carlos García de Quevedo, sealed the deal this morning which has a 12-year repayment period**
- **The funds will be allocated to the Tâmega pumped hydro power scheme under construction in Portugal with an investment of over €1.5 billion. The plant will supply renewable energy to 440,000 Portuguese homes**

Madrid. Iberdrola has received the biggest ever green loan granted by Spain's *Instituto de Crédito Oficial* (ICO) amounting to €400 million with 12-year maturity and two-year grace period for principal. The transaction was signed this morning by the company's Chairman, Ignacio Galán, and ICO Chairman, José Carlos García de Quevedo, during a meeting at Iberdrola's corporate headquarters in Madrid.

Classified as a 'green' loan, the funds will be assigned to the [Tâmega pumped hydro power scheme](#) currently being built in northern Portugal. The project comprises three new power plants with a total capacity of 1,158 MW, which will increase Portugal's total installed capacity by 6% and will supply renewable energy to 440,000 Portuguese homes. 880 MW of the project's capacity are pumped storage technology, the most efficient energy storage system today, which will facilitate the integration of renewables in the Iberian electrical system and enhanced sustainability.

The Tâmega project also includes a significant sociocultural and environmental action plan supported with €50 million by Iberdrola which is being implemented in collaboration with the region's municipalities. The purpose of the plan is to develop the area while improving living standards. It is estimated that during the construction of the hydroelectric complex, a



INFORMATIVE NOTE

total of 3,500 direct jobs and 10,000 indirect jobs will be created, and the local environment will be protected.

The programme includes an archaeological project to recover the Roman gold mine of Tresminas. With a €1.84-million investment, the company is collaborating with the Vila Pouca de Aguiar Council and the North Portugal Regional Department of Culture in the restoration of the region's historical, archaeological and heritage sites.

The loan granted today by ICO was certified by independent agency [VigeoEiris](#), which has verified that the project to be financed complies with the *Green Loan Principles*. In its certification, VigeoEiris also assesses Iberdrola's environmental, social and governance performance.

Iberdrola, a leader in sustainable financing

Today's agreement, and the loan signed with the European Investment Bank (EIB) last summer, secure financing for the Tâmega pumped hydro power scheme, whose construction entails total investment of more than €1.5 billion.

Iberdrola is continuing to add to its great portfolio of renewable projects, to which it will allocate €13.3 billion during the 2018-2022 period. In line with its clean energy leadership and commitment to a low carbon energy model, Iberdrola has an increasingly higher percentage of green financing, both at group level and through its affiliates. For example, AVANGRID, which is listed in the New York Stock Exchange and is 81.5% controlled by Iberdrola, has successfully issued two green bonds.

After being the first Spanish company to launch a green bond, in April 2014, the group has become the world's leading corporate issuer with total green bonds now exceeding € 9.5 billion.

The company has also been a pioneer in taking out green loans: in February 2017 it signed the first green loan with BBVA for an energy company and in April 2018, in Mexico, the first operation of this type carried



INFORMATIVE NOTE

out in Latin America, amounting to €500 million and US\$400 million, respectively.

In addition, in early 2018 Iberdrola reconfigured several lines of credit with a banking syndicate, amounting to €5.3 billion, in which the margin was contingent upon the company's progress in several sustainability criteria. In March 2019, the group signed a similar operation for €1.5 billion. Last summer, AVANGRID also signed its first green credit line for US\$2.5 billion.

This financing strategy is also coherent with Iberdrola's commitment to the [Sustainable Development Goals \(SDGs\)](#) of the United Nations 2030 Agenda.

In line with its activities, the group's efforts are largely focused on the provision of affordable and clean energy (Goal 7) and climate action (Goal 13). In addition, the group contributes directly to ensuring clean water and sanitation (Goal 6), it has increased its investment in R&D&I activities (Goal 9), promotes respect for the life of terrestrial ecosystems (Goal 15) and works to establish joint partnerships to deliver the goals (Goal 17). The company also makes an indirect contribution to all of the other Sustainable Development Goals.

The operation signed today strengthens the commitment of the *Instituto de Crédito Oficial* towards meeting the Agenda 2030 SDGs which are particularly relevant for an institution such as ICO, whose main function is to promote economic activities that promote sustainable economic growth and job creation.

As part of its global strategy, the ICO Group has included sustainability criteria in the development of its activity. Noteworthy is the recent launch of ICO's first green bond issue for €500 million, which will be used to finance activities, investments and projects of Spanish companies that contribute to the protection of the environment and the fight against climate change.

In addition to being a leading issuer and catalyst for the financial and venture capital sector's transition towards sustainable economic development, ICO promotes sustainability as its backbone, across all its aspects and as an essential part of Corporate Social Responsibility policies.



INFORMATIVE NOTE

About Iberdrola

[Iberdrola](#) is a global energy leader, the number-one producer of wind power, and one of the world's biggest electricity utilities by market capitalisation. The group has businesses in numerous countries and supplies energy to over 100 million people, mainly in Spain, United Kingdom (Scottish Power), USA (AVANGRID), Brazil (Neoenergia), Mexico, Germany, Portugal, Italy or France. With a workforce of 34,000 and assets in excess of €113bn, it achieved a turnover of €35bn and a net profit of €3bn in 2018.

Iberdrola is leading the transition towards a sustainable energy model through investments in renewable energy, smart grids, large-scale energy storage and digital transformation, offering the most advanced products and services to its customers. Thanks to its commitment to clean energy, Iberdrola is one of the companies with the lowest emissions and an international benchmark for its contribution to the fight against climate change and sustainability.

About the *Instituto de Crédito Oficial* (ICO)

The Official Credit Institute (ICO) is a public business entity attached to the Ministry of Economy and Business of the Spanish Government. The ICO has become a benchmark in the financing of both SMEs and large investment projects. The ICO contributes to business growth and job creation, promoting those economic activities which, due to their social, cultural, innovative or environmental importance, deserve promotion and development.

